

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

BETWEEN:

TREZ CAPITAL LIMITED PARTNERSHIP and TCC MORTGAGE HOLDINGS INC.

Applicants

- and -

**ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC., ELDERWOOD
TOWNHOMES II INC. and 2633501 ONTARIO INC.**

Respondents

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

APPLICATION RECORD

January 27, 2025

BENNETT JONES LLP
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P.O. Box 130
Toronto, ON M5X 1A4

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Lawyers for the Applicants

TO: THE ATTACHED SERVICE LIST

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

**SERVICE LIST
(as at January 27, 2025)**

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GOVERNMENT AUTHORITIES	
<p>ATTORNEY GENERAL OF CANADA DEPARTMENT OF JUSTICE – INSOLVENCY UNIT Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1</p> <p>Edward Park Email: edward.park@justice.gc.ca</p> <p>Fozia Chaudary Email: fozia.chaudary@justice.gc.ca</p>	<p>CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6</p> <p>Pat Confalone Tel: 1.866.668.8297 Email: pat.confalone@cra-arc.gc.ca</p> <p>Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca</p>
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Court File No.: _____

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

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing:

- In person
- By telephone conference
- By video conference

At a hearing to be scheduled by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) before a judge presiding over the Commercial List at a Zoom link to be provided by the Court on a date and time to be scheduled.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, serve it on the Applicants’ lawyer or, where the Applicants do not have a lawyer, serve it on the Applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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

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

Date: January 13, 2025

Issued by:

Local Registrar

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

TO: THE ATTACHED SERVICE LIST

APPLICATION

1. THE APPLICANTS MAKE THIS APPLICATION FOR:

- (a) an order (the “**Receivership Order**”), substantially in the form attached at Tab “3” of the Application Record, *inter alia*:
 - (i) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of the real property legally described in Schedule “A” to the proposed Receivership Order (the “**Real Property**”) and the Personal Property (as defined below and, collectively with the Real Property, the “**Property**”);
 - (ii) granting a first-ranking super-priority charge over the Property in favour of the Receiver and the Receiver’s counsel to secure their fees and disbursements in respect of these proceedings (these “**Receivership Proceedings**”);
 - (iii) granting a second-ranking super-priority charge over the Property for the purpose of funding these Receivership Proceedings; and
 - (iv) sealing the Appraisal Report (as defined below) until the earlier of: (i) the closing of one or more transactions for all of the Real Property in these Receivership Proceedings; and (ii) further order of the Court;
- (b) such further and other relief as this Honourable Court may deem just.

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

The Parties

- (a) Trez Capital Limited Partnership (the “**Lender**”) is a diversified real estate investment firm and preeminent provider of private commercial real estate debt and equity financing, headquartered in Vancouver, British Columbia and extra-provincially registered in Ontario;
- (b) TCC Mortgage Holdings Inc. (“**TCC**”, and together with the Lender, the “**Applicants**”) acts as an agent, nominee and/or bare trustee for the Lender (the entity acting in such capacity, the “**Nominee**”) and has, as is discussed in further detail below, recently been assigned various general and continuing security for the payment and performance of the Debtors’ (as defined below) indebtedness to the Lender. TCC is related to the Lender through common control;
- (c) Elderwood Holdings Inc. (“**EHI**”), Elderwood Townhomes Inc. (“**ETI**”), Elderwood Townhomes II Inc. (“**ET2I**”) and 2633501 Ontario Inc. (“**2633 Ontario**”) and together with EHI, ETI and ET2I, the “**Debtors**” and each a “**Debtor**”) are privately held real estate companies incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, with registered head offices located in Toronto, Ontario. EHI holds the Real Property and all income derived from the Real Property in trust for ETI, ET2I and 2633 Ontario (collectively, the “**Beneficial Owners**”);

The Property, Project and Business Plan

- (d) EHI is the registered owner of the Real Property located at 1677-1679 Bathurst St. and 73-75 Elderwood Dr., Toronto, Ontario (the “**Lands**”);
- (e) the Debtors’ original business plan was to rezone the Lands to construct a 57,136 square foot building, containing 28 strata residential units and 6 rental apartment units. Once approvals were in place and units pre-sold, the Debtors were to obtain vertical construction financing to repay the Applicants. During the term (including the Renewal (as defined below)) of the Loan, the Debtors’ plan changed to pursue more density by constructing a six-story residential building with 62 strata residential units and 13 rental apartments (the “**Project**”);
- (f) the Applicants understand that certain rezoning approvals required for the Project to achieve the desired density of six-storeys remain outstanding. Accordingly, the Applicants are concerned that without the approvals, the Debtors arguably cannot proceed to pre-sell the units and therefore, likely cannot satisfy certain conditions precedent to procure sufficient refinancing to repay the Indebtedness in full;

The Loan Facilities and Security

- (g) in connection with the development of the Real Property, the Lender and ETI, ET2I and Elderwood Townhomes LP (collectively, the “**Original Borrowers**”) entered into a Commitment Letter dated August 9, 2021 (the “**Original Commitment Letter**”, as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to Commitment Letter dated October 19,

2021 (the “**Amendment**”) and the Renewal Letter dated April 26, 2023 (the “**Renewal**” and together with the Original Commitment Letter and the Amendment, the “**Commitment Letter**”). Under the Amendment, EHI replaced the Original Borrowers as the sole borrower;

- (h) pursuant to the Commitment Letter, the Lender agreed to extend a loan of \$9,300,000 to EHI (the “**Loan**”);
- (i) interest on the Loan accrued for the initial 12 months of the renewal term (effective as of May 1, 2023) at the greater of: (i) 10.60% per annum, and (ii) RBC’s (formerly HSBC) Prime Rate plus 3.90%, compounded and payable monthly, with the rate increasing to 15.0% per annum thereafter, compounded and payable monthly;
- (j) pursuant to the terms of the Renewal, the maturity date under the Loan was extended to June 1, 2024;
- (k) as of January 7, 2025, there was in aggregate \$10,313,562.90 outstanding under the Loan (the “**Indebtedness**”), with interest, fees and costs continuing to accrue;
- (l) the payment and performance of all obligations under the Loan are guaranteed by 2633 Ontario, Allen Toma and Emil Toma (collectively, the “**Guarantors**”) pursuant to a Guarantee Agreement dated November 4, 2021 (the “**Guarantee**”);
- (m) as general and continuing security for the Loan, Computershare Trust Company of Canada, as the original Nominee, was granted various security by the Debtors and Guarantors (the “**Security Documents**” and together with the Commitment Letter

and Guarantee, the “**Loan and Security Documents**”). The Loan and Security Documents include, *inter alia*:

- (i) a first ranking mortgage/charge over the Real Property registered in the amount of \$9,300,000 on November 4, 2021 (as amended from time to time, the “**Mortgage**”);
- (ii) a General Security Agreement dated November 4, 2021, granted by EHI (the “**GSA**”);
- (iii) a General Assignment of Rents granted by EHI on November 4, 2021 (the “**GAR**”);
- (iv) an Assignment of Contracts dated November 4, 2021, granted by EHI;
- (v) an Assignment of Insurance Proceeds dated November 4, 2021, granted by the Debtors;
- (vi) an Assignment and Pledge of Interest Reserve Account dated November 4, 2021, granted by EHI;
- (vii) the Beneficial Owners’ Agreement dated November 4, 2021, in favour of the Nominee, whereby the Beneficial Owners, among other things:
 - (A) granted, mortgaged, charged and assigned unto the Nominee and granted a security interest in favour of the Nominee over their entire right, title and interest, including their beneficial right, title and interest, in and to the Property (including, without limitation, any

proceeds realized from the sale or other disposition of the Property or any part thereof); and

(B) agreed to postpone and subordinate all of their right, title and interest in and to the Property in favour of the Nominee's security, and to all the indebtedness of EHI and the Beneficial Owners owing to the Nominee; and

(viii) an Environmental Representation, Warranty and Indemnity dated November 4, 2021, granted by EHI and the Guarantors;

(n) in December 2024, Computershare assigned all of its rights and interests as Nominee under the Security Documents to TCC;

(o) TCC's security interest in and to all of EHI's present and after acquired personal property located on, related to, arising from or used or acquired in connection with the Lands and all proceeds and renewals thereof, accretions thereto and substitutions thereof, granted pursuant to the GSA (the "**Personal Property**"), was registered in favour of the Nominee, under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the "**PPSA**");

(p) notices of the Mortgage and the GAR were registered with the Land Registry Office for the Land Titles Division of Toronto (No. 66) in favour of the Nominee;

The Debtors Other Creditors

- (q) the Nominee, which for greater certainty is now TCC, is each of the Debtors' sole registered secured creditor under the PPSA, and is the only creditor with a charge against the Lands;
- (r) the Applicants are unaware of any additional parties holding secured claims against the Debtors;

The Debtors' Defaults

- (s) on September 4, 2024, the Lender issued demand letters (together, the "**Demand Letters**") along with notices of intention to enforce security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") to the Debtors and the Guarantors for the repayment of the Indebtedness;
- (t) the defaults enumerated within the Demand Letters include, among others: (i) the non-payment of the scheduled interest payments due on July 1, 2024, August 1, 2024 and September 1, 2024, (ii) the failure to pay certain property taxes and utilities as required under paragraph 24 of the Commitment Letter and Article 10.1 of the Mortgage, and (iii) the failure to repay the Loan by the maturity date of June 1, 2024 (collectively, along with any other events of default having occurred and continuing under the Loan and the Security Documents, the "**Listed Events of Default**");
- (u) the prescribed ten-day period under the BIA afforded to the Debtors to repay the Indebtedness elapsed on September 16, 2024;

Sealing the Appraisal Report

- (v) on December 3, 2024, Bennett Jones LLP, on behalf of the Lender, engaged Colliers International Realty Advisors Inc. to commission an appraisal of the Real Property (the “**Appraisal Report**”);
- (w) the Applicants are seeking to seal the Appraisal Report. Due to the confidential and commercially sensitive information included in the Appraisal Report, the salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances;

Appointment of the Receiver

- (x) the Debtors are in default of their obligations under the Loan and Security Documents, and are unable to repay the Indebtedness;
- (y) the Debtors have failed to enter into a forbearance agreement with the Lender, which, if executed, would have provided the Debtors with additional time to find a new lender and refinance the Loan;
- (z) pursuant to the terms of the Security Documents, TCC, as Nominee, has a contractual right to appoint a receiver upon the occurrence of a default or event of default;
- (aa) the Receiver’s appointment is sought on an urgent basis in light of, among other things, the Listed Events of Default, the Debtors’ inability to commercially cooperate with the Lender (notwithstanding the various concessions, allowances

and extensions that have been provided to the Debtors by the Applicants), and the ongoing financial drain the Lender is experiencing as a result of the Loan;

- (bb) the Receivership Proceedings will provide for an orderly, efficient and transparent marketing and sale of the Property, with a view to maximizing recoveries for, and distributing funds to, the Debtors' economic stakeholders;
- (cc) KSV is a "licensed trustee" as such term is defined under the BIA, is qualified to act as the Receiver and has consented to act as the Receiver if so appointed;

Other Grounds

- (dd) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43;
- (ee) sections 243 and 244 of the BIA;
- (ff) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05, 16, 17.02, 38, and 39 of the *Rules for Civil Procedure*, R.R.O. 1990, Reg. 194; and
- (gg) such further and other grounds as counsel may advise and this Honourable Court may permit.

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

- (a) the Affidavit of Aaron Previte, to be sworn, and the exhibits attached thereto;
- (b) the Factum of the Applicants, to be filed;
- (c) the consent of KSV to act as Receiver; and

- (d) such further and other evidence as counsel may advise and this Honourable Court may permit.

January 13, 2025

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Lawyers for the Applicants

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Applicants

Respondents

Court File No.: _____

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)
Proceedings commenced in Toronto
NOTICE OF APPLICATION
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Lawyers for the Applicants

TAB 2

**ONTARIO
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**AFFIDAVIT OF AARON PREVITE
(Sworn January 27, 2025)**

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**AFFIDAVIT OF AARON PREVITE
(Sworn January 27, 2025)**

1. I, Aaron Previte, of the City of Vancouver, in the Province of British Columbia, MAKE OATH AND SAY:

2. I am the Managing Director, Special Loans of Trez Capital Limited Partnership (the “**Lender**”). I have responsibility for matters pertaining to the borrowings of Elderwood Holdings Inc. (“**EHI**”), Elderwood Townhomes Inc. (“**ETI**”), Elderwood Townhomes II Inc. (“**ET2I**”) and 2633501 Ontario Inc. (“**2633 Ontario**” and together with EHI, ETI and ET2I, the “**Debtors**” and each a “**Debtor**”) from the Lender. As such, I have personal knowledge of the matters to which I depose in this affidavit, unless otherwise indicated. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

3. I swear this affidavit in support of an application by the Lender and TCC Mortgage Holdings Inc. (“**TCC**”, and together with the Lender, the “**Applicants**”) for an order (the

“**Receivership Order**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended, among other things:

- (a) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of the real property legally described in Schedule “A” to the proposed Receivership Order (the “**Real Property**”) and the Personal Property (as defined below and, collectively with the Real Property, the “**Property**”);
- (b) granting a first-ranking super-priority charge over the Property in favour of the Receiver and the Receiver’s counsel to secure their fees and disbursements in respect of these proceedings (these “**Receivership Proceedings**”);
- (c) granting a second-ranking super-priority charge over the Property for the purpose of funding these Receivership Proceedings; and
- (d) sealing the Appraisal Report (as defined below) appended to this affidavit as Confidential Exhibit “1” until the earlier of: (i) the closing of one or more transactions for all of the Real Property in these Receivership Proceedings; and (ii) further order of the Court.

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

I. OVERVIEW

5. EHI is a privately held real estate development company and the registered owner of the Real Property. EHI holds, among other things, all income derived from the Real Property for the benefit of the Beneficial Owners (as defined below). The Real Property, located at 1677-1679 Bathurst St. and 73-75 Elderwood Dr., Toronto, Ontario (the “**Lands**”), is a multi-family residential development site situated on approximately 22,992 square feet of developable land. There are currently three (3) residential apartment buildings located on the Lands, containing a total of 13 rental apartments (the “**Rental Apartments**”). The Applicants are not aware of the current tenancy status of the Rental Apartments.

6. The Debtors’ original business plan was to rezone the Lands to construct a 57,136 square foot building, containing 28 strata residential units and six (6) rental apartment units. Once approvals were in place and the units pre-sold, the Debtors were expected to obtain vertical construction financing to repay the Lender. During the Term (including the Renewal Term) of the Loan (each as defined below), the Debtors changed their plan to pursue additional density by proposing to construct a six-storey residential building with 62 strata residential units and 13 rental apartments (the “**Project**”).

7. The Lender understands that as of the date of this affidavit, certain rezoning approvals required for the Project to achieve the desired density of six-storeys remain outstanding (the “**Rezoning Approvals**”).¹ Without the Rezoning Approvals, the Applicants are concerned that the

¹ The Lands are presently zoned to allow a maximum of four-stories.

Debtors cannot proceed with pre-selling the units and will not satisfy certain conditions precedent required to procure sufficient refinancing to repay the Indebtedness (as defined below) in full.

8. As of January 7, 2025, there was in aggregate \$10,313,562.90 outstanding (the “**Indebtedness**”) under the Loan with interest, fees and costs continuing to accrue. Together, the Applicants are the Debtors’ senior and only secured lender.

9. Certain Listed Events of Default have occurred and continue to occur under the Loan and Security Documents (each as defined and discussed below). The Listed Events of Default under the Loan and Security Documents prompted the Lender to issue demand letters (together, the “**Demand Letters**”) to the Debtors and Guarantors (as defined below) on September 4, 2024 for the repayment of all the Indebtedness. Enclosed with the Demand Letters were notices of intention to enforce security (together, the “**NITES**”) delivered in accordance with section 244 of the BIA.

10. The prescribed ten-day period under the BIA (the “**Prescribed Period**”) afforded to the Debtors to repay the Indebtedness prior to the commencement of any enforcement action elapsed on September 16, 2024. Notwithstanding the expiration of such notice period, the entirety of the Indebtedness demanded under the Demand Letters remains outstanding with interest, fees and costs continuing to accrue.

11. As is discussed in greater detail below, the Applicants have made several concessions and indulgences with respect to the terms of the Loan and Security Documents in an effort to reach a consensual path forward and to support the Debtors with their business plan. Among other things, the Debtors failed to constructively respond to a proposed forbearance agreement which would have provided the Debtors additional time to repay the principal owing under the Loan. The

Debtors have also neglected to stay current with their monthly interest and real property tax payments.

12. Several of the Security Documents, including, without limitation, the GSA and the Mortgage (each as defined below) confer upon TCC, as Nominee (as defined below), an explicit contractual right to: (a) appoint a receiver or receiver manager over the Property; and/or (b) provide an acknowledgment to observe and be bound by all remedies conferred to TCC under other Security Documents, including, for greater certainty, the contractual right to appoint a receiver or receiver manager over the Property.

13. In furtherance of their contractual rights, the Applicants have initiated these Receivership Proceedings with a view to preserving and maximizing the value of the Property. Since there has been limited progress made with respect to the Project, the Applicants' current intention is to appoint a receiver to commence a Court-approved sale process for the Real Property.

14. Given, among other things, the events of default under the Loan and Security Documents, TCC's contractual rights to appoint a receiver, the Debtors' failure to advance the rezoning of the Project notwithstanding the multiple extensions granted by the Applicants, and the Debtors' inability to repay the Indebtedness, the Applicants believe that these Receivership Proceedings and an eventual sale of the Real Property are in the best interests of the Debtors' stakeholders in the circumstances.

II. BACKGROUND

A. The Parties

1. The Lender

15. The Lender is a limited partnership headquartered in Vancouver, British Columbia and extra-provincially registered in Ontario with its principal place of business in Ontario being 181 Bay Street, Suite 3840, Toronto, Ontario. The Lender, along with its affiliates, is a diversified real estate investment firm and preeminent provider of private commercial real estate debt and equity financing solutions across North America.

2. TCC

16. TCC, a related party to the Lender, was assigned various general and continuing security for the payment and performance of the Indebtedness, as an agent, nominee and/or bare trustee for the Lender (the entity acting in such capacity, the “**Nominee**”).

17. In December 2024, Computershare Trust Company of Canada (“**Computershare**”), in its capacity as the initial Nominee, and TCC entered into an Assignment and Assumption Agreement wherein, among other things, Computershare agreed to assign, and TCC agreed to assume, all of Computershare’s rights and interests as Nominee under the Security Documents to TCC. TCC, as Nominee, has since executed and filed the necessary documents to reflect the assignment with, among other things, the Ontario personal property registry system and the Land Registry Office (as defined below).

3. The Debtors

(i) EHI

18. EHI is the legal and registered owner of the Real Property, which, for greater certainty, includes any improvements or other rights related thereto. As previously noted, EHI holds the Real Property and all income derived from the Real Property in trust for the benefit of ETI, ET2I and 2633 Ontario (collectively, the “**Beneficial Owners**”).

19. EHI is a privately held company incorporated under the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the “**OBCA**”). The registered head office of EHI is located at 1-90 Wingold Avenue, Toronto, Ontario.

20. According to EHI’s Ontario corporate profile report obtained from the Ministry of Public and Business Service Delivery (the “**Ministry**”) dated January 9, 2025 (the “**EHI Corporate Profile Report**”), EHI has three directors: (i) Raffi Tokmakjian, (ii) Allen Toma, and (iii) Emil Toma. A copy of the EHI Corporate Profile Report is attached hereto as **Exhibit “A”**.

(ii) ETI & ET2I

21. ETI and ET2I are privately held companies incorporated under the OBCA. Their registered head offices are located at 79 Truman Road, Toronto, Ontario.

22. According to ETI’s and ET2I’s corporate profile reports obtained from the Ministry dated January 9, 2025 (the “**ETI Corporate Profile Reports**”), their sole director is Raffi Tokmakjian. Copies of the ETI Corporate Profile Reports are attached hereto as **Exhibits “B”** and “**C**”, respectively.

(iii) 2633 Ontario

23. 2633 Ontario is a privately held company incorporated under the OBCA. Its registered head office is located at 1-90 Wingold Avenue, Toronto, Ontario.

24. According to its corporate profile report obtained from the Ministry dated January 9, 2025 (the “**2633 Ontario Corporate Profile Report**”), 2633 Ontario has two directors: (i) Allen Toma, and (ii) Emil Toma. A copy of the 2633 Ontario Corporate Profile Report is attached hereto as **Exhibit “D”**.

B. Indebtedness Owing to the Lender and Related Security

25. The Lender and ETI, ET2I and Elderwood Townhomes LP, as borrowers (the “**Original Borrowers**”), entered into a Commitment Letter dated August 9, 2021 (the “**Original Commitment Letter**”), as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to Commitment Letter dated October 19, 2021 (the “**Amendment**”) and the Renewal Letter dated April 26, 2023 (the “**Renewal**” and together with the Original Commitment Letter and the Amendment, the “**Commitment Letter**”). Pursuant to the terms of the Amendment, EHI replaced the Original Borrowers as the sole borrower under the Commitment Letter.

26. Copies of the Original Commitment Letter, the Amendment and the Renewal are attached hereto as **Exhibits “E” - “G”**, respectively.

27. In accordance with the terms of the Original Commitment Letter and the Amendment, the Lender agreed to extend a loan of \$9,300,000 to EHI (the “**Loan**”), which was set to mature 19-months from the Interest Adjustment Date (as defined in the Commitment Letter) (the “**Term**”).

The Term was subsequently extended an additional 13-months to June 1, 2024 under the Renewal (the “**Renewal Term**”).

28. Pursuant to the terms of the Loan, for the initial 12 months of the Renewal Term, interest accrued at the greater of:

- (a) 10.60% per annum; and
- (b) RBC’s (formerly HSBC) prime lender rate for Canadian Dollar loans plus 3.90%, compounded and payable monthly.

29. Also pursuant to the terms of the Loan, for the final month of the Renewal Term, interest was charged at 15.0% per annum, compounded and payable monthly. Overdue interest bears interest at the same rate as the principal (i.e., 15% per annum).

30. The payment and performance of all the obligations under the Loan have been guaranteed by 2633 Ontario, Allen Toma and Emil Toma (collectively, the “**Guarantors**”) pursuant to a Guarantee Agreement dated November 4, 2021 (the “**Guarantee**”). A copy of the Guarantee is attached hereto as **Exhibit “H”**.

31. As general and continuing security for the payment and performance of the Indebtedness, the Nominee was granted various security, as an agent, nominee and/or bare trustee for the Lender, by the Debtors and Guarantors, including, among other things:

- (a) a first ranking mortgage/charge over the Real Property registered on November 4, 2021 in the amount of \$9,300,000 (as amended from time to time, the “**Mortgage**”);

- (b) a General Security Agreement dated November 4, 2021, granted by EHI (the “GSA”);
- (c) a General Assignment of Rents granted by EHI on November 4, 2021 (the “GAR”);
- (d) an Assignment of Contracts dated November 4, 2021, granted by EHI;
- (e) an Assignment of Insurance Proceeds dated November 4, 2021, granted by the Debtors;
- (f) an Assignment and Pledge of Interest Reserve Account dated November 4, 2021, granted by EHI;
- (g) the Beneficial Owners’ Agreement dated November 4, 2021, in favour of the Nominee, whereby the Beneficial Owners, among other things:
 - (i) granted, mortgaged, charged and assigned unto the Nominee and granted a security interest in favour of the Nominee over their entire right, title and interest, including their beneficial right, title and interest, in and to the Property (including, without limitation, any proceeds realized from the sale or other disposition of the Property or any part thereof); and
 - (ii) agreed to postpone and subordinate all of their right, title and interest in and to the Property in favour of the Nominee’s security, and to all the indebtedness of EHI and the Beneficial Owners owing to the Nominee; and

(h) an Environmental Representation, Warranty and Indemnity dated November 4, 2021, granted by EHI and the Guarantors (collectively, the “**Security Documents**”).

32. Copies of the Security Documents are attached hereto in the order set out above as **Exhibits “I”- “P”**. The Commitment Letter, Guarantees and Security Documents are referred to collectively herein as the “**Loan and Security Documents**”.

33. Notices of the Mortgage and the GAR were registered with the Land Registry Office for the Land Titles Division of Toronto (No. 66) (the “**Land Registry Office**”). Copies of the searches of title conducted on January 9, 2025 (collectively, the “**Parcel Register**”) are attached hereto as **Exhibit “Q”**.

34. TCC’s security interest in and to all of EHI’s present and after acquired personal property located on, related to, arising from or used or acquired in connection with the Lands and all proceeds and renewals thereof, accretions thereto and substitutions thereof, granted pursuant to the GSA (the “**Personal Property**”), was registered in favor of the Nominee under the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended (the “**PPSA**”). TCC’s registration in this regard is reflected in the search results (the “**PPSA Search Results**”) conducted against the Debtors under the PPSA attached hereto as **Exhibits “R” – “U”**.

35. On December 3, 2024, Bennett Jones LLP, on behalf of the Lender, engaged Colliers International Realty Advisors Inc. to commission an appraisal of the Real Property (the “**Appraisal Report**”). A copy of the Appraisal Report is attached hereto as **Confidential Exhibit “1”**.

36. Pursuant to the proposed Receivership Order, the Applicants are seeking to seal the Appraisal Report given that it contains commercially sensitive information that, if disclosed, could affect the integrity of a future sales process in these Receivership Proceedings. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances.

C. No Other Secured Creditors

37. The Nominee, which for greater certainty is now TCC, is the sole registered secured creditor as evidenced by the Parcel Register and the PPSA Search Results. The Applicants are unaware of any additional parties holding secured claims against the Debtors.

IV. THE EVENTS OF DEFAULT

38. On September 4, 2024, the Lender issued the Demand Letters contemporaneously with the NITES in accordance with section 244 of the BIA. Copies of the Demand Letters and NITES are attached hereto as **Exhibits “V”** and **“W”**, respectively.

39. The defaults enumerated within the Demand Letters include, among others: (i) the non-payment of the scheduled interest payments due on July 1, 2024, August 1, 2024 and September 1, 2024, (ii) the failure to pay certain property taxes and utilities as required under paragraph 24 of the Commitment Letter and Article 10.1 of the Mortgage, and (iii) the failure to repay the Mortgage by the maturity date of June 1, 2024 (collectively, along with any other events of default having occurred and continuing under the Loan and the Security Documents, the **“Listed Events of Default”**).

40. Interest has also not been paid on October 1, 2024, November 1, 2024, December 1, 2024, and January 1, 2025.

41. The Lender has made extensive efforts to accommodate and support the Debtors while they pursued their business plan, including by, among other things, executing the Amendment and the Renewal. More recently, the Lender, in the interest of avoiding enforcement proceedings, worked with its counsel to prepare a draft forbearance agreement (the “**Draft Forbearance Agreement**”). Pursuant to the terms of the Draft Forbearance Agreement, the Lender offered to, among other things: (i) further extend the Renewal Term, while also providing two additional extension opportunities that were conditional on certain refinancing milestones; and (ii) retroactively reduce previously accrued interest to a former contractual rate.

42. The primary purpose of the Draft Forbearance Agreement was to provide the Debtors with the necessary time to find a new lender and refinance the Loan. The Lender is of the view that the Draft Forbearance Agreement was reasonable in the circumstances, and further demonstrates that the Lender has been acting in good faith. A copy of the Draft Forbearance Agreement is attached hereto as **Exhibit “X”**.

43. On November 15, 2024 – approximately a month after the expiration of the Prescribed Period – the Lender’s counsel circulated the Draft Forbearance Agreement to the Debtors’ counsel. The Debtors have not engaged with the Lender or its counsel in a constructive manner with respect to the Draft Forbearance Agreement or otherwise.

V. OTHER ENFORCEMENT EFFORTS

44. In addition to initiating the within Receivership Proceedings, the Applicants have undertaken other efforts to enforce on their security, in accordance with the Loan and the Security

Documents, by commencing proceedings against EHI and the Guarantors (collectively, the “**Ancillary Respondents**”) pursuant to an application under Rules 14.05(3)(d) and (h) of the *Rules of Civil Procedure of Ontario*, R.R.O. 1990, Reg. 194 (the “**Ancillary Proceedings**”). The Ancillary Proceedings were commenced at the Ontario Superior Court of Justice in Toronto on December 16, 2024 and bear Court File No. CV-24-00733296-000.

45. As of the date of this affidavit, the Ancillary Respondents’ counsel has been served with a Notice of Application in respect of the Ancillary Proceedings and a scheduling attendance before the Court has been scheduled for January 28, 2025. Pursuant to the Receivership Order, the Ancillary Proceedings are not proposed to be subject to paragraphs 10 and 11, such that they may continue in the ordinary course notwithstanding these Receivership Proceedings. A copy of the Notice of Application from the Ancillary Proceedings is attached hereto as **Exhibit “Y”**.

VI. THE PROPOSED RECEIVERSHIP

46. The Debtors are in default of their obligations under the Loan and Security Documents and are unable to repay the Indebtedness.

47. The Debtors are currently unable to satisfy their significant obligations. Notwithstanding the various concessions, allowances and extensions which have been provided to the Debtors, including opportunities to renew, forebear and amend the current terms of the Loan, all attempts of recovery made by the Lender have been unsuccessful. Pursuant to the Loan and Security Documents, TCC, as Nominee, has a contractual right to appoint a receiver upon the occurrence of a default or event of default, as applicable. In furtherance of their contractual rights, the Applicants have commenced these Receivership Proceedings to protect the Lender’s investment and preserve the value of the Property.

48. The Receiver's proposed appointment is sought on an urgent basis in light of, among other things, the Debtors' financial inability to cooperate with the Lender, and the ongoing financial drain the Lender is experiencing as a result of the Loan. The Loan is passed maturity and the Debtors have not paid their monthly interest payments under the Loan since July 1, 2024, or paid their property taxes since 2023. They have also made no commitment or reliable indication to the Applicants that they intend to cure these defaults in the near future. Further, given the current state of the Project, it is not expected that the Debtors will have sufficient liquidity to repay even a meaningful portion of the Indebtedness in the short term. As such, in order to recoup the Lender's investment, preserve the value of the Real Property and avoid the incurrence of further losses, the Applicants believe it is in their best interest and the interests of any other economic stakeholders to appoint a receiver to, among other things, market and sell the Real Property.

49. The Applicants believe that if the Receiver is appointed on the terms of the proposed Receivership Order, these Receivership Proceedings will provide the stability, structure and supervision required to preserve the value of the Property. Moreover, the Applicants believe that these Court-supervised Receivership Proceedings and the appointment of the proposed Receiver are reasonable in the circumstances and will, among other things, provide for an orderly, efficient and transparent sale of the Property, with a view to maximizing recoveries for, and distributing funds to, the Debtors' stakeholders.

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

51. KSV is prepared to act as the Receiver if so appointed. I am advised by Noah Goldstein of KSV, and believe that, KSV is a "licensed trustee" as such term is defined in the BIA and has

extensive experience in Canadian insolvency proceedings, including with respect to real estate developments. A copy of KSV's consent to act as the Receiver is attached hereto as **Exhibit "Z"**.

52. I swear this affidavit in support of the Receivership Order and for no other or improper purpose.

SWORN REMOTELY by Aaron Previte stated as being located in the City of Vancouver, in the Province of British Columbia, before me at the City of Toronto, in the Province of Ontario, on January 27, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

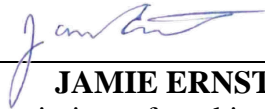


JAMIE ERNST
Commissioner for Taking Affidavits
(or as may be)

Signed by:
Aaron Previte
638E315604F54FC...

AARON PREVITE

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)



Profile Report

ELDERWOOD HOLDINGS INC. as of January 09, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ELDERWOOD HOLDINGS INC.
Ontario Corporation Number (OCN)	2633505
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 02, 2018
Registered or Head Office Address	1-90 Wingold Avenue, Toronto, Ontario, M6B 1P5, Canada

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

V. Quintanilla W.

Director/Registrar

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

Active Director(s)

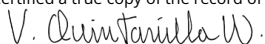
Minimum Number of Directors 1
Maximum Number of Directors 10

Name RAFFI TOKMAKJIAN
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Resident Canadian Yes
Date Began May 02, 2018

Name ALLEN TOMA
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Resident Canadian Yes
Date Began May 02, 2018

Name EMIL TOMA
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Resident Canadian Yes
Date Began May 02, 2018

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



Director/Registrar

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Active Officer(s)

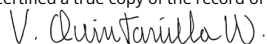
Name RAFFI TOKMAKJIAN
Position President
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

Name RAFFI TOKMAKJIAN
Position Treasurer
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

Name ALLEN TOMA
Position Vice-President
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

Name EMIL TOMA
Position Secretary
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

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



Director/Registrar

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Corporate Name History

Name

ELDERWOOD HOLDINGS INC.

Effective Date

May 02, 2018

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: EMIL TOMA - DIRECTOR	May 23, 2021
Annual Return - 2019 PAF: EMIL TOMA - DIRECTOR	September 20, 2020
Annual Return - 2018 PAF: EMIL TOMA - DIRECTOR	September 29, 2019
CIA - Initial Return PAF: EMIL TOMA - DIRECTOR	May 25, 2018
BCA - Articles of Incorporation	May 02, 2018

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

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

V. Quintanilla W.

Director/Registrar

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THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)



Profile Report

ELDERWOOD TOWNHOMES INC. as of January 09, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ELDERWOOD TOWNHOMES INC.
Ontario Corporation Number (OCN)	2492342
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 20, 2015
Registered or Head Office Address	79 Truman Road, Toronto, Ontario, M2L 2L7, Canada

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

V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors	1
Maximum Number of Directors	10

Name	RAFFI TOKMAKJIAN
Address for Service	79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Resident Canadian	Yes
Date Began	November 20, 2015

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name RAFFI TOKMAKJIAN
Position President
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Date Began November 20, 2015

Name RAFFI TOKMAKJIAN
Position Secretary
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Date Began November 20, 2015

Name RAFFI TOKMAKJIAN
Position Treasurer
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Date Began November 20, 2015

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

ELDERWOOD TOWNHOMES INC.

Effective Date

November 20, 2015

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

V. Quintanilla W.

Director/Registrar

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

Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2021 PAF: Raffi TOKMAKJIAN	November 10, 2022
Annual Return - 2020 PAF: Raffi TOKMAKJIAN	November 10, 2022
Annual Return - 2019 PAF: RAFFI TOKMAKJIAN - DIRECTOR	July 26, 2020
Annual Return - 2018 PAF: RAFFI TOKMAKJIAN - DIRECTOR	May 03, 2020
Annual Return - 2017 PAF: RAFFI TOKMAKJIAN - DIRECTOR	July 08, 2018
Annual Return - 2016 PAF: RAFFI TOKMAKJIAN - DIRECTOR	November 12, 2017
Annual Return - 2015 PAF: RAFFI TOKMAKJIAN - DIRECTOR	November 12, 2017
CIA - Initial Return PAF: ZENA LANGENDOEN - OTHER	December 16, 2015
BCA - Articles of Incorporation	November 20, 2015

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

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V. Quintanilla W.

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THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)



Profile Report

ELDERWOOD TOWNHOMES II INC. as of January 09, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	ELDERWOOD TOWNHOMES II INC.
Ontario Corporation Number (OCN)	2499305
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	January 08, 2016
Registered or Head Office Address	79 Truman Road, Toronto, Ontario, M2L 2L7, Canada

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V. Quintanilla W.

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name RAFFI TOKMAKJIAN
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Resident Canadian Yes
Date Began January 08, 2016

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

V. Quintanilla W.

Director/Registrar

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Active Officer(s)

Name RAFFI TOKMAKJIAN
Position President
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Date Began January 08, 2016

Name RAFFI TOKMAKJIAN
Position Secretary
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Date Began January 08, 2016

Name RAFFI TOKMAKJIAN
Position Treasurer
Address for Service 79 Truman Road, Toronto, Ontario, M2L 2L7, Canada
Date Began January 08, 2016

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V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

ELDERWOOD TOWNHOMES II INC.

Effective Date

January 08, 2016

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Annual Return - 2021 PAF: Raffi TOKMAKJIAN	November 10, 2022
Annual Return - 2020 PAF: Raffi TOKMAKJIAN	November 10, 2022
Annual Return - 2019 PAF: RAFFI TOKMAKJIAN - DIRECTOR	July 26, 2020
Annual Return - 2018 PAF: RAFFI TOKMAKJIAN - DIRECTOR	May 03, 2020
Annual Return - 2017 PAF: RAFFI TOKMAKJIAN - DIRECTOR	July 08, 2018
Annual Return - 2016 PAF: RAFFI TOKMAKJIAN - DIRECTOR	November 12, 2017
CIA - Initial Return PAF: ZENA LANGENDOEN - OTHER	January 11, 2016
BCA - Articles of Incorporation	January 08, 2016

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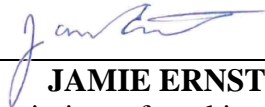
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)



Profile Report

2633501 ONTARIO INC. as of January 09, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2633501 ONTARIO INC.
Ontario Corporation Number (OCN)	2633501
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	May 02, 2018
Registered or Head Office Address	1-90 Wingold Avenue, Toronto, Ontario, M6B 1P5, Canada

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

V. Quintanilla W.

Director/Registrar

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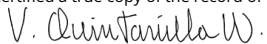
Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name ALLEN TOMA
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Resident Canadian Yes
Date Began May 02, 2018

Name EMIL TOMA
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Resident Canadian Yes
Date Began May 02, 2018

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



Director/Registrar

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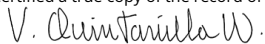
Active Officer(s)

Name ALLEN TOMA
Position Secretary
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

Name ALLEN TOMA
Position Treasurer
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

Name EMIL TOMA
Position President
Address for Service 365-3219 Yonge St., Toronto, Ontario, M4N 3S1, Canada
Date Began May 02, 2018

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Director/Registrar

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Corporate Name History

Name

2633501 ONTARIO INC.

Effective Date

May 02, 2018

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V. Quintanilla W.

Director/Registrar

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Active Business Names

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Director/Registrar

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Expired or Cancelled Business Names

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Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: EMIL TOMA - DIRECTOR	May 23, 2021
Annual Return - 2019 PAF: EMIL TOMA - DIRECTOR	September 20, 2020
Annual Return - 2018 PAF: EMIL TOMA - DIRECTOR	September 29, 2019
CIA - Initial Return PAF: EMIL TOMA - DIRECTOR	May 25, 2018
BCA - Articles of Incorporation	May 02, 2018

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THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)



August 9, 2021

Distrikt Developments
1 - 90 Wingold Avenue
Toronto ON
M6B 1P5

Attention: Mr. Cory Capland

Dear Sir:

RE: Financing in the amount of \$9,300,000 to be secured by a 1st priority mortgage on a 22,992 sf multi-family development site located at 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario (the "Subject Property"). [Trez Loan Name; Distrikt Capital - Elderwood Condos, Trez Loan #: 2264/21]

We are pleased to advise that we have approved a \$9,300,000 mortgage loan (the "Loan") to Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and Elderwood Townhomes LP (collectively the "Borrower(s)"), which shall be secured by a \$9,300,000 first mortgage charge on the Subject Property (the "Mortgage") on the terms described in this commitment letter (the "Commitment Letter"), which upon execution by the Borrower(s), Guarantor(s) and Lender shall constitute an agreement which shall bind the Borrower(s) and Guarantor(s) with respect to the Loan. The Loan has been approved subject to the following terms and conditions.

LOAN TERMS

- 1. **Lender** Trez Capital Limited Partnership or its nominee (the "Lender").
- 2. **Borrower(s)** Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and Elderwood Townhomes LP (collectively the "Borrower(s)").
- 3. **Guarantor(s)** The joint and several unlimited guarantee(s) of Allen Toma and Emil Toma shall be provided for the full Loan Amount (as hereinafter defined) outstanding from time to time including interest arising therefrom and any other monies which may now or hereafter become due and owing (collectively, the "Guarantor(s)").
- 4. **Subject Property** Civic Address: 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

Site & Property Description: a 22,992 sf multi-family development site currently improved with 3 residential apartment buildings containing 13 rental apartment units. Rezoning approval is in place to construct a 57,136 sf residential building containing 28 strata residential units and 6 rental apartment units.

("Subject Property")

- 5. **Purpose & Use** The Loan funds shall be used to assist the Borrower(s) with refinancing the Subject Property and shall at all times be used for this said purpose and for no other purpose, without the prior written consent of the Lender.
- 6. **Expiry of Loan Offer** It is a condition of this Commitment Letter that if the Security (as hereinafter defined) is not registered and in place, and the Initial Advance (as hereinafter defined) has not occurred on or before ~~September 30, 2021~~, the Lender shall no longer have any obligation to advance any funds to the Borrower pursuant to the

Suite 1404 - 401 Bay Street, Toronto, ON Canada M5H 2Y4 Tel: 416.350.1224 Fax: 416.350.1288
info@trezcapital.com www.trezcapital.com License #: 12222; 12223

NOVEMBER 1ST

terms of this Commitment Letter. All other terms and conditions of this Commitment Letter shall remain in full force and effect.

- 7. **Loan Amount** \$9,300,000
- 8. **Term** 19 months commencing from the Interest Adjustment Date (as hereinafter defined).
- 9. **Renewal Option** The Borrower may apply to renew the loan for two (2) additional 6-month terms. The renewals would include the same terms and conditions as contained herein, or such other terms and conditions as the Lender may agree to or require. Any renewal will be subject to the loan being in good standing and never in default, no material negative change in the income or value of the Subject Property, Borrower or Guarantor or market conditions, all in the sole discretion of the Lender. The Borrower must notify the Lender in writing of its intention to make an application to renew the Loan at least 90 days prior to the maturity date of the mortgage.
- 10. **Interest Adjustment Date** Shall be the 1st day of the month immediately following the Initial Advance of funds, or such other date as shall be determined by the Lender.
- 11. **Interest Rate** Interest shall be charged at the greater of:
 - (a) 5.95% per annum (the "Minimum Rate"); and
 - (b) a variable rate per annum (in either case, both before and after maturity, default and judgment) equal to the rate established by the HSBC from time to time as HSBC's prime lending rate for Canadian Dollar Loans ("Prime Rate") plus 3.50%

plus any additional loan extensions approved by the Lender



on the outstanding balance of the principal sum owing from time to time for the first 18 months of the Term and 15.0% per annum thereafter. Interest shall be calculated daily and compounded and payable monthly. Overdue interest shall bear interest at the same rate as principal.

Such interest rate shall be set with respect to amounts advanced on the day of each advance and thereafter monthly on the first day of each month. Interest shall be calculated daily on the daily balance outstanding from time to time, before as well as after maturity, default or judgment, from the date of each advance. Such Interest Rate shall be determined upon the basis of a three hundred and sixty-five (365) day year for common years and a three hundred and sixty-six (366) day year for leap years. Interest shall be calculated in accordance with the Lender's usual practice (as to times and methods of calculation) and shall be adjusted automatically without notice to the Borrower(s).

All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. All interest payable hereunder bears interest from the date of advance of any portion of the Loan to the Lender's Solicitor (as hereinafter defined), whether or not such advance of the Loan is released to the Borrower(s) or the Borrower(s)'s Solicitor (as hereinafter defined).

- 12. **Amortization** Interest only.
- 13. **Interest Reserve Account** Upon funding of the Loan, an amount of \$830,025 shall be retained from the Initial Advance and deposited into an interest reserve account (the "Interest Reserve Account"). \$46,112.50 in Monthly Payments shall be withdrawn from this account until such time as the funds in this account are depleted. Upon depletion of said funds, the Borrower(s) shall be required to make the Monthly Payments from its own resources. Any unused amounts in the Interest Reserve Account will be returned to

the Borrower(s) upon discharge of the mortgage.

14. Monthly Payments

Monthly mortgage payments (the "Monthly Payments") shall be computed in accordance with the Interest Rate and Amortization sections above and will be due and payable on the 1st day of each and every month following the Interest Adjustment Date.

Monthly Payments shall be deducted from the Interest Reserve Account. Interest from the date of first Advance (as hereinafter defined) until the Interest Adjustment Date shall be deducted from the first Advance (as hereinafter defined). Each month, during the term hereof, the Lender shall deduct the Monthly Payments due until the Interest Reserve Account is exhausted and thereafter the Borrower(s) shall be required to make the entire Monthly Payments from its own resources.

15. Commitment Fee

\$106,950. The Commitment Fee shall be deemed to be fully earned upon acceptance of this Commitment Letter, and payable on the earlier of the date of Initial Advance (as hereinafter defined) and the date of expiry of this Commitment Letter.

16. Broker's Fee

The Borrower(s) shall 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 this transaction and shall indemnify and hold the Lender and all related entities harmless in respect of same.

17. Deposit

A non-refundable deposit in the amount of \$46,500 is due and payable to the Lender (the "Deposit"). A cheque for the Deposit to "Trez Capital Limited Partnership Mortgage Brokers Act Trust" must be delivered to the Lender along with a signed/accepted copy of this Commitment Letter.

The Deposit is non-refundable upon the acceptance of this Commitment Letter by the Borrower(s) and receipt of the Deposit by the Lender. The Deposit, less any expenses incurred by the Lender during the due diligence process, shall be applied towards the Commitment Fee. In the event that the Borrower(s) and the Guarantors satisfy all conditions precedent for the disbursement of the Initial Advance to the satisfaction of the Lender and its solicitor and the Lender fails to make the Initial Advance in accordance with the terms of this Commitment Letter, the Lender shall refund the Deposit to the Borrower(s), less any expenses of the Lender incurred during the due diligence process. The Lender shall not pay any interest to the Borrower(s) on Deposit monies held.

~~★ ★~~

up to a maximum of \$5,000

THE LENDER SHALL OBTAIN REPAIR SUBSIDY

18. Prepayment

The Borrower(s), not being in default of the Loan, may at any time after a minimum of \$276,675 interest has been earned by the Lender and paid to the Lender and after the provision of no less than 30 days written notice, which notice must contain evidence, satisfactory to the Lender, of the source of funds to be used for repayment and must contain a date certain for the repayment ("Date Certain"), repay the whole of the obligations hereby secured hereunder to the Date Certain. Should the repayment be delayed past the Date Certain, a new minimum 30 day written notice must be provided as set out herein. If prepayment occurs prior to the Date Certain, interest must be paid to Date Certain. The Date Certain must be a business day that banks in the Province of British Columbia are open for business.

APPROVAL FOR ANY EXPENSES IN AGGREGATE EXCEEDING \$5,000

TRP ★ CT

19. Partial Discharges

There shall be no partial discharges permitted.

20. Additional Fee(s)

Administration Fee: There shall be an administration fee (the "Administration Fee") of \$400 for each land title document, certificate, confirmation, returned cheque, settlement (other than a payout statement or balance confirmation issued to the Borrower(s)), or similar document required to be issued or executed by the

Lender at the Borrower(s) request.

Inspection Fee: After the initial site visit, there shall be an inspection fee (the "Inspection Fee") of \$2,000 for each inspection of the Subject Property done by the Lender. The Inspection Fee shall be in addition to any out of pocket expenses associated with the inspection. The Lender may inspect the Subject Property from time to time and prior to any disbursement of funds.

21. Sources & Uses

Project Balance Sheet		Assets	
Equity & Liabilities		Purchase Price (2016)	
Pay Out Meridian 1st	\$ 6,250,000		\$ 5,200,000
Finance Equity Repatriation	2,100,000	PTT & Closing	100,625
Finance Costs	950,000	Land Lift	8,759,375
Trez 1st	9,300,000	Land Value or Purchase Price	14,160,000
Equity - Existing Cash	1,079,194	Interest Reserve	630,025
Equity - Land Lift	8,759,375	Trez Commitment Fee	106,950
Equity Repatriation	(4,037,569)	Legal, Closing, etc.	13,025
Total Equity	5,800,000		
Total	15,100,000	Total	16,100,000

Note: the equity repatriation will be adjusted based on the legal & closing costs.

22. Security

The Loan shall be secured by the following security (collectively, the "Security"), all of which must be in form and content satisfactory to the Lender and its Solicitor (as hereinafter defined):

- a) A \$9,300,000 real property mortgage creating a charge in 1st priority over the Subject Property, which shall be cross-defaulted with all other loans, present and future, between the Lender and the Borrower(s) or Guarantor(s), either individually or collectively, and with all other loans, present and future, between the Lender and entities owned or controlled by the principals of the Borrower(s) or Guarantor(s).
- b) A guarantee and postponement of claims from the Guarantor(s).
- c) An assignment of rents, leases, contracts, licenses and offers to purchase on the Subject Property, in 1st priority.
- d) An assignment of the Interest Reserve Account, and interest earned thereon, in 1st priority.
- e) A general security agreement over all the site-specific present and after-acquired personal property of the Borrower(s) related to the Subject Property in 1st priority.
- f) A full Lender's policy of title insurance underwritten by a company satisfactory to the Lender in its sole, unfettered and absolute discretion.
- g) A hazardous substance indemnity from the Borrower(s) and Guarantor(s) on the Subject Property.
- h) A specific assignment of all the Borrower(s) right, title and interest in, to and under, all material contracts affecting, or with respect to, the Subject Property and as required by the Lender, including without limitation all building and construction contracts, plans, permits, and insurance policies with respect to the Subject Property, with all necessary consents of the other parties thereto.
- i) Acknowledgement of the status and terms of any contracts affecting, or with respect to, the Subject Property, including without limitation, any pertaining to ownership, insurance, shared facilities, passageway agreements or other similar matters specifically, and without limitation, confirming the good

standing of such contracts and the rights of the Lender under its Security.

- j) If registered title is held by a nominee or trustee, a beneficial owners agreement by which all beneficial owners charge their respective beneficial interests in the Subject Property in favour of the Lender and authorize the nominee or trustee to execute all documentation as required pursuant to the Commitment Letter and agree to be bound thereby as if they executed same themselves, provided that any recourse against the beneficial owners pursuant to any covenants contained in such documents shall at all times be limited to the specific obligations as herein or in their guarantees set out and required of them.
- k) In the event that the Security comprises a leasehold interest or a condominium, then if required by the Lender, an insurance trust agreement to adequately protect the Lender's Security in the proceeds of insurance may be required.
- l) Such other security as the Lender or Lender's Solicitor (as hereinafter defined) may deem necessary, acting reasonably.

**23. Conditions
Precedent to the
Disbursement of
Funds**

The conditions precedent to the disbursement of the Initial Advance (as hereinafter defined) shall include, but not be limited to the items set out in the remainder of this section, all of which must be satisfactory to the Lender in its sole, unfettered and absolute discretion, and all of which collectively comprise the Lender's due diligence. The Lender may require any additional information as it deems necessary in its sole, unfettered and absolute discretion for the Initial Advance and for any other advances (if applicable).

- a) Completion and registration of the Security, as required by the Lender. Title must be acceptable to the Lender and all Security documents must be registered, the Lender's Solicitor (as hereinafter defined) must provide a satisfactory report on registration of the Security, the Lender's Solicitor (as hereinafter defined) must confirm that no adverse filings concerning the Borrower(s) have been registered in any department or agency of government which, in the Solicitor's (as hereinafter defined) opinion, could affect the security or priority of the Security, and all other terms and conditions of this Commitment Letter must be satisfied.
- b) Inspection of the Subject Property by the Lender.
- c) No material adverse change in the value of the Property or the financial condition of the Borrower(s) and/or any Guarantors.

The Lender's receipt and satisfactory review of the following materials:

- d) An appraisal report, no more than nine (9) months old, valuing the Subject Property at no less than \$14,300,000 as-is. The report must include the terms of engagement and a transmittal letter from the author of the report addressed to "Trez Capital Limited Partnership or its nominee".
- e) All required environmental reports for the Subject Property. The report must include the terms of engagement and a transmittal letter from the author of the report(s) addressed to "Trez Capital Limited Partnership or its nominee and disclosing the amount of liability insurance that the author carries. The transmittal letter must confirm that the conclusions of the report remain unchanged considering any regulatory changes since the date of the report.

- f) A geotechnical report for the Subject Property. The report must include the

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The transmittal letter will be provided to the Lender on a best efforts basis. To the extent that a transmittal letter cannot be obtained, the Lender shall deem the reports sufficient.

The transmittal letter will be provided to the Lender on a best efforts basis. To the extent that a transmittal letter cannot be obtained, the Lender shall deem the reports sufficient.

terms of engagement and a transmittal letter from the author of the report(s) addressed to "Trez Capital Limited Partnership or its nominee" and disclosing the amount of liability insurance that the author carries.

- g) An offer to purchase / purchase and sale contract in the amount of \$5,200,000, all amendments (if any), and the associated statement of adjustments for the Subject Property.
- h) A rent roll for the Subject Property, which has been signed as true and dated by the Borrower(s).
- i) All leases, offers to lease or residential tenancy agreements for the Subject Property.
- j) Historical operating statements for the Subject Property for the previous two years, the current year-to-date (if available) as well as the current year operating budget.
- k) Copies of all management agreements and contracts relating to the operation of the Subject Property.
- l) Architectural drawings, site plans, cross sections, floor layouts and building plans showing the gross square footage of the improvements to be constructed on the Subject Property as well as delineating any unit divisions or strata lots within the Subject Property along with net square footage for each such sub-unit. The Lender acknowledges the architectural drawings are subject to change based on final Site Plan Approval.
- m) Copy of the Ontario Land Tribunal (LPAT) rezoning approval for the Subject Property.
- n) A current certified survey for the Subject Property.
- o) Evidence to the Lender's satisfaction and a statutory declaration confirming that the Borrower has a minimum of \$5,800,000 of equity invested in the Subject Property, with such equity to stay in place throughout the term of the Loan. The Lender will permit a future reduction in the minimum equity to \$3,800,000 subject to the conditions outlined in clause 34 of this subject letter. — For clarity, the minimum equity invested in Subject Property is inclusive of land lift/land surplus.
- p) Payout statement(s) for any loan(s) being discharged with the proceeds of this loan.
- q) The Limited Partnership Unitholder Registry, signed and dated by the Borrower and a copy of the Limited Partnership Agreement. Or The General Partnership Agreement.
- r) Resumes / biographies for the Borrower(s), Guarantor(s) and key members of the development team.
- s) An organizational chart and a copy of the current shareholder registry for the Borrower and any corporate Guarantors, signed and dated by the respective company's authorized signatory.
- t) Certified financial statements from the Borrower(s) and Guarantor(s). If an individual then a personal net worth statement, on the Trez Capital form, dated no more than four (4) months prior, are required, if a corporate entity then most recent financial statements is required. All statements, whether personal or corporate, must be accompanied by the most recent Notice of Assessment from Canada Revenue Agency. All Personal Net Worth

Statements must include the individuals' full name, full-time occupation, Social Insurance Number, Birth date and current address.

- u) Satisfactory results, in the Lender's sole discretion, of due diligence investigations conducted pursuant to the *Proceeds of Crime Money Laundering and Terrorist Financing Act (Canada)* and Regulations (collectively the "Act") thereunder including but not limited to the following;
 - i. One piece of satisfactory identification for all *Borrower/Guarantor/Signing Officer(s)* (up to three Signing Officers, if borrowing under a corporate entity) prior to closing;
 - ii. If the Borrower is a corporate entity, the name and address of all individuals who own or control (directly or indirectly) 25% or more of that corporate entity or the assets being held by that corporate entity, together with confirmation/evidence of the accuracy of all such information;
 - iii. The Borrower's bank statements for the last three months and/or such other information as may be required to verify the source of equity funds;
 - iv. Satisfactory verification of employment, income and assets;
 - v. Third Party Declaration/Statement;
 - vi. Politically Exposed (Foreign and Domestic) Persons Declaration;
 - vii. Director's resolutions, certificates of officers and opinions of counsel to the Lender and Borrower, confirming corporate capacity and the due authorization, execution, delivery, enforceability and priority of Security, as may be required by the Lender; and
 - viii. Any other documentation that may be requested by the Lender in order to fulfill its obligations under the Act.
- v) Confirmation that the Subject Property and the proposed improvements to be constructed thereon, is in compliance with current zoning and that there are no outstanding work or fire orders, or that any such orders shall be paid from the proceeds of the Mortgage.
- w) Confirmation that all property taxes owing on the Subject Property have been paid or will be paid from the proceeds of the Mortgage and the Borrower(s) is registered in the appropriate monthly property tax payment program in the appropriate city, county or jurisdiction.
- x) Insurance of the Subject Property which has been reviewed and approved by the Lender's Insurance Consultant (as hereinafter defined) which insurance shall include the coverage set out in Schedule A, or as otherwise required by the Lender in consultation with its Insurance Consultant (as hereinafter defined).
- y) Confirmation that the Borrower(s) is in compliance with each of the terms and conditions of this Commitment Letter. In the case of any advance, all conditions precedent pertaining to the advance must be performed no less than five (5) business days prior to the scheduled date of the advance or the Lender shall be under no obligation to make the advance.
- z) A Bring Down Certificate, signed by the Borrower(s) and Guarantor(s), confirming that all representations and warranties set out in the Commitment Letter are true at the time of closing.
- aa) Such other materials and completion of such other reasonable requirements as

may be deemed necessary by the Lender.

24. Real Property Taxes

All property tax payments, utilities and like amounts due and owing in relation to the Subject Property, or any other taxes charged against the Subject Property, shall be paid prior to or coincide with the Advance (as hereinafter defined). The Borrower(s) shall make arrangements to have the taxes paid by monthly installments to the appropriate taxing authority in order to have them paid in full on their due date. The Borrower(s) is to provide evidence of same to the Lender on a quarterly basis.

In the Event of a Default (as hereinafter defined) under the Mortgage Security, the Lender shall have the right to require the establishment of a tax reserve by way of monthly payments representing 1/12 of the estimated taxes payable. The Lender shall not be responsible for the payment of any tax arrears.

25. Statutory Declaration

The Lender shall receive a satisfactory statutory declaration from an officer or director of the Borrower(s) as to the representations and warranties of the Borrower(s), whether contained in this Commitment Letter or in any of the Security, including: accuracy of financial statements and that there has been no material adverse change in the Borrower(s) financial conditions or operations as reflected in the financial statements used to evaluate this credit; satisfactory title to the Subject Property charged by the Mortgage; power and authority to execute and deliver documents; accuracy of documents delivered and representations made to the Lender; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the Subject Property; preservation of assets; payment of all taxes; no other consents, approvals or authorizations necessary in connection with documentation; compliance of the Subject Property with all laws; no other charges against the Subject Property except permitted encumbrances; all necessary services available to the Subject Property; and such other matters as the Lender or its Solicitor (as hereinafter defined) may require.

26. Further Documents

Notwithstanding anything contained in this Commitment Letter, the Lender may request other documents containing such other assurances, information and covenants as the Lender's Solicitor (as hereinafter defined) may require with regard to the Loan and Security.

27. Funding

All fundings shall require five (5) business days notice.

The Loan shall be funded in a single advance once all of the Lender's conditions have been satisfied and the Security is in place (the "Initial Advance").

The Lender shall record the principal amount of each advance of the Loan and the payment of principal, interest and fees and all other amounts becoming due to the Lender under this agreement. The Lender's accounts and records constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower(s) for the Loan to the Lender pursuant to this agreement.

All fees that are payable to the Lender and expenses that are incurred by the Lender during the due diligence process shall be deducted from the Initial Advance or the Deposit.

REPRESENTATIONS & WARRANTIES

28. The Borrower(s) warrant(s) and represent(s) that:

a) Description of Subject Property of Properties

Civic Address: 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

Site and Property Description: a 22,992 sf multi-family development site currently improved with 3 residential apartment buildings containing 13 rental apartment units. Rezoning approval is in place to construct a 57,136 sf residential building containing 28 strata residential units and 6 rental apartment units.

- b) Appraised Value** \$14,300,000. The Subject Property was appraised by Samuel Linds, B.Comm, AACI, P.App, PLE of Colliers International Realty Advisors Inc. with an effective date of December 31, 2021.
- c) Ownership** At the time of the Initial Advance of the Loan, the legal owner of 1677 Bathurst St. and 73-75 Elderwood Dr. will be Elderwood Townhomes Inc. and the beneficial owner will be Elderwood Townhomes LP. The legal owner of 1679 Bathurst St. will be Elderwood Townhomes II Inc. and the beneficial owner will be Elderwood Townhomes LP.
- d) Share Capital** The Borrower(s) declare and represent that its authorized share of partnership units is as follows:

Number of Units	Class	Unit Holder's Name

- e) Priority of Financing** The mortgages registered against the Subject Property as at the funding date will be as follows:

Rank	Lender	Amount
1 st Position	Trez Capital Limited Partnership or its Nominee	\$9,300,000
Total		\$9,300,000*

*The Lender will permit a post-closing 2nd mortgage loan with a to-be-determined lender subject to the conditions outlined in clause 34 of this subject letter.

- f) Repayment** This Loan will be repaid from the proceeds of any refinancing or sale of the Subject Property and/or other assets of the Borrower(s).
- g) Financial** All financial information provided by the Borrower(s) and Guarantor(s) to the Lender, including but not limited to, financial information provided in respect of the values and other matters pertaining to the Subject Property is true and accurate and may be relied upon by the Lender in executing this Commitment Letter and making the Loan. ET
- h) Development Schedule & Budget** Should the Borrower(s) be required by the Lender to provide either a development schedule or a development budget, the Subject Property shall proceed in accordance with the said Lender approved development schedule and/or Lender approved development budget. — Should the Lender request a development budget or development schedule, the Lender acknowledges the documents are subject to change and are a best estimate. AS
- i) Legal Compliance** The Subject Property and the use and occupancy thereof, and revenues therefrom, are and shall be at the time of each disbursement, authorized and in accordance with all applicable legislation and there are, and shall be at the time of each disbursement, no work orders or liens outstanding against the Subject Property. [Signature]
- j) Hazardous Materials** The Borrower(s) and Guarantor(s) warrant and represent that to the best of their knowledge the Subject Property and existing prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental

authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance, and operation thereof (collectively, the "Environmental Laws") and, without limiting the generality of the foregoing:

- (i) The Subject Property has never been used as a land fill site or to store hazardous substances either above or below ground, in storage tanks or otherwise;
- (ii) All hazardous substances used in connection with the business conducted on the Subject Property has at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
- (iii) No hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Subject Property as a result of the conduct of the business on the Subject Property; and
- (iv) No notices of any violation of any matters referred to above relating to the Subject Property or its use have been received by the Borrower(s) and there are no directions, writs, injunctions, orders or judgments outstanding, no law suits, claims, proceedings, or investigations being instituted or filed.

For the purposes of this Commitment Letter, a hazardous substance includes but is not limited to contaminants, pollutants, dangerous substances, gasoline, oil, liquid wastes, industrial wastes, whole liquid wastes, toxic substances, hazardous wastes, hazardous materials and hazardous substances as defined in or pursuant to any applicable Environmental Laws. Further, the Borrower(s) shall indemnify and save harmless the Lender from any loss or liability whatsoever arising from any violation whatsoever of any law, regulation, ordinance, judgment, appraisal or decision in connection with hazardous risks or environmental risks.

GENERAL CONDITIONS

- 29. Repayment of the Loan** The Loan shall be repayable on demand by the Lender following the occurrence of an Event of Default (as hereinafter defined), and shall in any event be repaid in full at the end of the Term. Any payment of any amount due to the Lender hereunder or in the Security documents must be received by the Lender at the Lender's address by 1:00pm Pacific Standard Time on a business day, failing which such payment will be deemed to be received on the next business day.
- 30. Management** The Subject Property is to be managed at all times by a property manager satisfactory to the Lender, and on terms satisfactory to the Lender. A change in the property manager without the Lender's approval shall constitute an Event of Default (as hereinafter defined).
- 31. Abandonment** In the event of abandonment of the Subject Property for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after giving the Borrower(s) written notice of any abandonment and provided the Borrower(s) fails to rectify same within ten (10) days after such notice has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest, all at the Lender's option.
- 32. Liens** At all times, and in particular on each disbursement date, there shall have been full and complete compliance with all requirements of federal and provincial legislation which may give rise to a lien or other charge in priority to the Lender. The Lender may retain from any disbursement such amounts as it considers advisable to protect

its interest from subordination under such legislation. The Borrower(s) shall provide additional security, information and documentation as may be required by the Lender to preserve and ensure, in all respects, the absolute priority of the Mortgage over any rights of any existing or potential lien claimants. The Lender reserves the right to hold back additional amounts due to suppliers, contractors, government or other agencies, which may be due under the terms of any legislation giving rise to a claim of lien or other charge. Furthermore, the Lender shall have the right to make payments directly to suppliers, contractors, government or other agencies for the Borrower(s) account as if advanced directly to the Borrower(s), as the Lender may deem necessary.

33. Environmental Concerns

At the time of any disbursement of the Loan, the Lender shall be satisfied that there are not in, on, under or about the Subject Property, or any part thereof, any contaminants, toxic, dangerous or hazardous substances (collectively, the "Dangerous Substances") including, without limitation, UFFI (Urea Formaldehyde Foam Insulation), asbestos fireproofing insulation, PCB's (Polychlorinated Biphenyl's) or radioactive materials and, to the best of the Borrower(s) knowledge, neither the Subject Property, nor any adjacent lands, have ever been used as or for a waste disposal or coal gasification site, nor have they ever contained any underground storage tanks, and further, the use of the Subject Property has not involved, and will not involve, during the Term, the handling of Dangerous Substances or will such use result in any environmental damage. In addition to any liability imposed on the Borrower(s) and Guarantor(s) under any instrument evidencing or securing the Loan indebtedness, the Borrower(s) and Guarantor(s) shall be liable for any and all of the costs, expenses, damages or liabilities of the Lender, its Directors and Officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Subject Property of any hazardous or noxious substances and such liabilities shall survive foreclosure of the Security for the Loan and any other existing obligations of the Borrower(s) and Guarantor(s) to the Lender in respect of the Loan and any other exercise by the Lender of any remedies available to the Lender for any default of the Loan.

34. Restriction on Further Financing

The Borrower(s) agrees not to enter into any further financing of the Subject Property and not to further encumber the Subject Property in any manner without the prior written approval of the Lender, which approval may be withheld in the Lender's sole discretion. The Borrower(s) will provide evidence, satisfactory to the Lender, as to the source of the Borrower(s) required equity in the Subject Property. The Borrower(s) shall disclose to the Lender all existing or proposed financing related to the Subject Property or any Security used in connection therewith and shall not further pledge, charge or otherwise encumber its interest in the Subject Property, nor any of the Security used in connection with the Subject Property to any party other than the Lender, without the prior written consent of the Lender.

The Lender will permit a 2nd mortgage loan subject to the following conditions, which must be satisfactory to the Lender in its sole discretion:

- (i) The Borrower(s) will provide a minimum of thirty (30) days written notice to the Lender;
- (ii) The purpose and use of the 2nd mortgage loan funds shall be to assist the Borrower(s) with refinancing of the limited partnership units of Elderwood Townhomes LP and shall at all times be used for this said purpose and for no other purpose without the prior written consent of the Lender;

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- (iii) A priority and standstill agreement between the Lender and the 2nd mortgagee, in form and substance satisfactory to the Lender in its sole and unfettered discretion;
- (iv) Receipt of the commitment letter and/or loan agreement for the 2nd mortgagee. All 2nd mortgage terms and conditions must be satisfactory to the Lender.
- (v) Such other security and documents as the Lender or Lender's solicitor may deem necessary, acting reasonably.

35. Sale

WHICH SHALL NOT REMOVE ALLEN TOMA AND EMIL TOMA FROM CONTROL OF THE GENERAL PARTNERSHIP

Except as provided in Partial Discharges section above, the Borrower(s) shall not sell, assign, lease in its entirety or otherwise dispose of the legal ownership or title to the Subject Property, or its beneficial interest therein, or of the personal property related thereto or which is necessary to the use and operation of the Subject Property, without the prior written consent of the Lender. The Borrower(s) shall not make any changes to the authorized share capital or allocation or ownership thereof, which would result in a change of voting control or beneficial ownership thereof, without the prior written consent of the Lender. The Borrower(s) shall provide a minimum of thirty (30) days' written notice to the Lender for any request for such change. The Lender has been advised by the Borrower of a potential reorganization in the future and the Lender acknowledges that a change in voting control and beneficial ownership may occur and will act reasonably to accommodate such reorganization.

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36. Proceedings

The Borrower(s) shall provide the Lender with evidence that it has taken all of the necessary corporate proceedings relating to the transactions contemplated herein.

37. Default

At the time of the disbursement of any part of the Loan, no default shall have occurred and be continuing, nor any state of affairs or event shall be existing which, with the passage of time or the giving of notice or both, would constitute a default hereunder or in the instruments evidencing or securing the Loan or incidental thereto and neither the Borrower(s) or Guarantor(s) shall be deceased or insolvent or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material litigation or continuation under the laws of any other jurisdiction. Any default under the Security shall be deemed to be a default hereunder.

38. Costs & Expenses

Whether or not the Loan is ^{if the} ~~discoursed~~ ^{not} ~~discoursed~~, and notwithstanding retention of the Commitment Fee by the Lender, all of the Lender's costs and expenses relating to the Loan, including legal costs and travel costs, in addition to any costs and expenses incurred by the Lender due to proceedings under the Bankruptcy and Insolvency Act relating to the Borrower(s), shall be borne in full by the Borrower(s). Such costs and expenses may be added to the then outstanding principal balance of the Mortgage and shall bear interest at the Interest Rate under the Mortgage. If requested by the Lender, the Borrower(s) shall deposit with the Lender's Solicitor (as hereinafter defined) an amount equal to the estimated fees and expenses of the Lender's Solicitor (as hereinafter defined) prior to such Solicitor (as hereinafter defined) commencing preparation of the Security.

THE LANGUAGE IN THIS SECTION SHALL REMAIN UNAMENDED

~~In the event of the occurrence of an Event of Default (as hereinafter defined), then the Lender shall, notwithstanding anything contained herein to the contrary, be entitled to receive in addition to all other fees, charges and disbursements, an administration and management fee in the amount of (and not to exceed) \$5,000 for each month or part thereof for which the Borrower(s) remains in default. This administration and management fee is intended to reimburse the Lender for time and trouble in the management and administration of the Security and the Subject Property. The said sum or sums are agreed to be a liquidated amount to cover the Lender's administration and management costs and are not intended nor shall be construed to be a penalty. All such sums payable to the Lender shall be a charge~~

~~upon the Subject Property and shall bear interest at the Interest Rate until paid.~~

39. Marketing

From time to time, the Lender publishes advertisements or announcements of completed transactions. The advertisements or announcements include, but are not limited to, press releases, paid advertisements, internally displayed tombstones, investor brochures or information displayed on the internet or on the Lender's intranet. The Borrower and Guarantors consent to the publication of an advertisement or announcement of the transaction contemplated by this Commitment Letter. The Borrower and Guarantor agree to allow the Lender to photograph or utilize existing photographs or artistic renderings (for unfinished projects) of the Subject Property for possible use in internal or external marketing programs.

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~~During the Term, the Lender may require a sign to be erected on the Subject Property and maintained by the Borrower evidencing the financing of same. The design of the sign is to be approved by the Lender prior to being erected on the Subject Property.~~

40. Further Assurances

The Borrower(s) and Guarantor(s) shall, at the Lender's request, execute or deliver such further documentation and enter into such other agreements as are necessary for the securing of the Loan and the fulfilling of the terms contained herein, and deliver such financial information concerning the Borrower(s) as the Lender may require, and satisfy the terms and conditions herein to permit the disbursement of the entire Loan Amount.

41. Financial Information

Until the repayment of the Loan, the Borrower(s) shall provide the Lender, within 120 days after the end of each fiscal year of the Borrower(s) or more often if requested by the Lender, a detailed financial statement of the Borrower(s) including a separate income and expense statement for the Subject Property, an operating statement and an updated rent roll containing relevant lease terms for the Subject Property, all satisfactory to the Lender in form and content.

The financial statement is to be prepared by a chartered accountant licensed under the applicable legislation in the province where the Subject Property is located. Third party-chartered accountant prepared Notice to Reader financial statements are acceptable to the Lender.

The Borrower(s) and Guarantor(s) authorize the Lender to obtain such financial information as the Lender may require. Specifically, the Borrower and Guarantor(s) consent to the Lender obtaining credit reports from the appropriate credit reporting agencies and relying on these reports when making decisions regarding advances under this Loan.

42. Information Updates

Until the repayment of the Loan, the Borrower(s) shall supply the Lender with such updated information relating to any of the condition precedent requirements as the Lender may request from time to time. Such information shall be provided to the Lender within 14 days from the date of the Lender's request.

43. Survival of Commitment

The terms, conditions, representations and warranties expressed herein shall continue in effect as long as any part of the Loan remains outstanding and shall bind the personal representatives, heirs, successors and assigns of the Lender and the Borrower(s), shall enure to the benefit of the successors and assigns of the Lender and the Borrower(s), and shall not merge on the execution or registration of the Security. In the event of conflict between this Commitment Letter and the Security delivered hereunder, the Lender shall determine which shall prevail.

44. Communication All communications provided for hereunder shall be in writing, personally delivered

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or sent by prepaid first class mail or telecommunications, and if to the Lender addressed to the address above noted, to the attention of the President, and if to the Borrower(s) to the address noted above. The date of receipt of any such communication shall be deemed to be the date of delivery, if delivered as aforesaid, or on the third business day following the date of mailing, as aforesaid. Any party hereto may change its address for service from time to time by notice in the manner herein provided. In the event of a postal disruption or an anticipated postal disruption, prepaid first class mail will not be an acceptable means of communication.

- 45. Governing Law** This Commitment Letter shall be governed by and constituted in accordance with the laws of the province in which the Subject Property is situated.
- 46. Waivers** Except as otherwise expressly provided herein, this Commitment Letter cannot be waived, changed, amended, discharged or terminated other than by an agreement in writing signed by the party against whom enforcement of any waiver, change, amendment, discharge or termination is sought.
- 47. Other Agreements** This Commitment Letter, when accepted by the Borrower(s) and Guarantor(s), will constitute the entire agreement and understanding between the parties hereto with respect to the Loan and supersedes all other prior agreements, understandings or commitments, oral or written. This Commitment Letter shall assume the accuracy of information previously supplied by the Borrower(s) and will presuppose no material adverse change in the Borrower(s) prior to any disbursement. Any approvals or consents required to be made or given by the Lender hereunder must be expressly given pursuant hereto and shall not be construed by the delivery or receipt of documents.
- 48. Time of the Essence** Time shall be of the essence in all respects herein.
- 49. Privacy Act Consent** With regard to any personal information that is provided during this application process, the Borrower(s) and Guarantor(s) consent to the collection, use, and disclosure of that information for the following purposes: to understand their financial status in order to approve the Loan; to meet regulatory requirements; to enable the Lender to manage and enforce the credit facility; to verify their identities. The Lender may from time to time give this personal information to credit bureaus and other financial institutions. The Lender may also share this personal information with anyone who works with or for the Lender or any individual or group investing in the Loan, and any other potential sources of business, but only as needed for the provision and enforcement of the credit facility requested.
- 50. Assignment, Sale or Syndication** Neither this Commitment Letter, nor any of the Loan proceeds, may be assigned by the Borrower(s), but this Commitment Letter and attendant Security may be assigned by the Lender without the consent of the Borrower(s). The Loan terms, representations and warranties herein contained shall enure to the benefit of each assignee of the Lender. The Lender shall have the right to assign, sell, syndicate or transfer all or any portion of the Loan, and as part of any such transaction, the Lender is hereby authorized to provide to prospective participants in such transactions all information received by the Lender regarding the Borrower(s) and the Subject Property. This information will be held in strict confidence between the Lender and any prospective participant in the Loan.
- 51. Interpretation** a) The headings of all provisions herein are inserted as a matter of convenience only and not to define the intent of this document. The necessary grammatical changes required to apply to the parties hereto shall be assumed

as though expressed.

- b) "Business Day" means a day of the week, other than Saturday, Sunday or any other day which is a statutory or a municipal holiday in the municipality in which the Subject Property is situated.
- c) "Event of Default" shall mean the breach of any of the terms, conditions, representations or warranties contained in this Commitment Letter, as it pertains to both the Borrower(s) and Guarantor(s).
- d) "Lender" shall mean Trez Capital Limited Partnership or its nominee.
- e) "Person" includes any individual, partnership, joint venture, trust, unincorporated organization or any other association, corporation and government or any department or agency thereof.
- f) The words "hereto", "herein", "hereunder", "hereby", "Commitment Letter", "this agreement", and similar expressions used in this Commitment Letter, including the schedules attached hereto, mean or refer to this Commitment Letter and not to any particular provision, section or paragraph or other portion of this Commitment Letter and include any instrument supplemental or ancillary hereto.
- g) The word "satisfactory" shall mean acceptable to the Lender in its absolute, sole and unfettered discretion.

52. Advance

Notwithstanding anything contained in this Commitment Letter, the advance of the Loan or any part thereof is subject to the Lender's sole, absolute, unfettered and unqualified discretion not to advance notwithstanding any and all steps taken by you or your legal counsel, including, without limitation, the registration of Security documents.

53. Counterparts, Facsimile & Electronic Transmission

This agreement may be executed in any number of counterparts and by facsimile, electronic transmission or .pdf copy, each of which when so executed is deemed to be an original and all of which together shall constitute one and the same agreement.

54. Professional Advisors

- a) **Solicitor:** The title report, security and all other documents relating to this financing and the processing of all legal steps with respect to advances of funds shall be prepared and carried out by David Markowitz of the law firm of SR Law LLP, located at 1000-120 Adelaide Street West, Toronto, Ontario (Telephone: 416-363-2215).
- b) **Insurance Consultant:** All insurance and bonding matters shall be reviewed and approved at the cost of the Borrower by David Truscott of the consulting firm Risk Review Inc., located at Suite #3 94 Graham Street, (PO Box 20137), in the City of Woodstock, Province of Ontario (Telephone: 416-607-7251).

The Lender reserves the right to appoint such other Solicitor or Insurance Consultant from time to time without the consent of the Borrower(s).

ACCEPTANCE

This Commitment Letter shall not become effective until the Borrower(s), Guarantor(s) and Lender have signed it and a copy is returned to the Lender's office by no later than 5:00pm Eastern Time on August 23, 2021. The Borrower(s) and Guarantor(s) hereby acknowledge and agree to the terms and conditions of this Commitment Letter and authorize Trez Capital Limited Partnership to instruct its Solicitor to prepare the Security documentation. The Borrower(s) and Guarantor(s) further acknowledge that the Commitment Fee set forth herein is a reasonable estimate of the cost incurred in granting the Loan and of holding monies available to fund

~~AF~~
~~AF~~

same, and that the Commitment Fee shall be forfeited and payable to Trez Capital Limited Partnership as liquidated damages, and not as a penalty, if the Initial Advance under the Loan is not taken ~~down within the time limit herein provided only if the Borrower(s) has not met all conditions precedent of the Loan to the satisfaction of the Lender and its Solicitor within the time limit herein.~~ This Commitment Letter and any fees earned as a result of this Commitment Letter, together with any expenses or costs incurred by Trez Capital Limited Partnership including, but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan reviews, soil tests, survey, environmental assessments, and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Trez Capital Limited Partnership may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Trez Capital Limited Partnership all its estate and interest in the said Subject Property and Security. This Commitment Letter supersedes all previous correspondence between the parties hereto.

^{by the Initial Advance Date.}
BY THE
EXPIRY
OF LOAN
OFFER
DATE
OF
NOVEMBER
15th, 2021

~~ET~~ ~~AF~~ ~~AF~~

provided only if the borrowers have not taken the Initial Advance by the Initial Advance date

EXPIRY OF LOAN OFFER DATE

Please set out below the name and phone number (including area code) of the solicitor representing you:

Lawyer

(PLEASE PRINT)

~~AF~~ ~~AF~~ ~~ET~~

~~AF~~ ~~AF~~ ~~ET~~

Firm

(PLEASE PRINT)

Phone Number

(PLEASE PRINT)

Please set out below the name and phone number (including area code) of the insurance agent representing you:

Insurance Agent

(PLEASE PRINT)

Firm

(PLEASE PRINT)

Phone Number

(PLEASE PRINT)

Yours Truly,
TREZ CAPITAL LIMITED PARTNERSHIP
BY ITS GENERAL PARTNER
TREZ CAPITAL (2011) CORPORATION


Eric Hone
Senior Vice President
Lic.#: M2001785


Robert Perkins
Managing Director
Lic.#: M16002264

We hereby agree to the terms and conditions contained in this Commitment Letter and agree to be bound by the terms hereof.

Dated at the 20th of August, in the Province of Toronto, this 20th day of August, 2021.

BORROWER(S)

Elderwood Townhomes Inc.


Authorized Signatory


Authorized Signatory

I/We have the authority to bind the Corporation.

Elderwood Townhomes II Inc.


Authorized Signatory


Authorized Signatory

I/We have the authority to bind the Corporation.


Elderwood Townhomes LP by its general partner, Elderwood Townhomes GP Inc.


Authorized Signatory


Authorized Signatory

I/We have the authority to bind the Partnership.

GUARANTOR(S)


Allen Toma

Witness


Emil Toma


Witness

SCHEDULE 'A'
INSURANCE

The Borrower(s) shall obtain and maintain during the Term the following insurance coverage with respect to the Subject Property and the property related thereto or used for its operation, which insurance shall be reviewed by the Lender's Insurance Consultant as set out in the Commitment Letter, prior to any advance of funds.

1. Upon substantial completion of the Subject Property

- (i) **Fire Insurance:** A fire insurance policy with extended coverage for all other risks and perils for an amount equal to one hundred percent (100%) of the gross replacement cost for the building erected on the Subject Property, without deduction for foundation and footings; said policy shall inter alia provide for replacement cost endorsement, deletion from the policy of any provision requiring reconstruction on same or adjacent sites, coverage of direct and indirect damage resulting from leakage of fire protection equipment, an endorsement to the effect that the policy will cover any additional costs of reconstruction as a result of enforcement of current building by-laws and regulations, and loss to be payable to the Lender as a first-ranking mortgage creditor on the Subject Property in accordance with the IBC 3000 mortgage clause approved by the Insurance Bureau of Canada including, without limitation, that such policy will not be cancelled, terminated or permitted to expire unless the Lender shall first receive a thirty (30) days prior written notice of the same. Such policy of insurance shall not contain a percentage co-insurance endorsement other than a one hundred percent (100%) stated amount co-insurance endorsement.
- (ii) **Boiler and Machinery Insurance:** A broad form boiler insurance policy with coverage on all electrical and mechanical equipment, as well as all pressure vessels; such policy shall contain a rider with the standard mortgage clause approved by the Canadian Boiler and Machinery Underwriters' Association, with proceeds payable to the Lender as first-ranking mortgage creditor on the Subject Property and such policy shall provide inter alia for the same terms and conditions as set out in paragraph 1(i) above.
- (iii) **Liability Insurance:** A general liability insurance policy covering corporeal and material damages in an amount of not less than Five Million Dollars (\$5,000,000) per occurrence. The Policy shall include limited pollution coverage.
- (iv) **Rental Insurance:** A rental income insurance policy for a period of indemnity of, at minimum, twenty-four (24) months for an amount equal to, at minimum, one hundred per cent (100%) of the actual or projected gross annual rents (or the net rents plus the amount of the operating expenses from the Subject Property).

2. For Properties Under Construction

- (i) **All Risks Builders Course of Construction including flood and earthquake on:**
 - a. One hundred percent (100%) of the estimated final construction cost of the Subject Property, including reasonable soft costs;
 - b. One hundred percent (100%) of the anticipated annual rents (assuming full occupancy) written on a delayed income basis.
 - c. The policy shall allow for partial or full occupancy. All other terms and conditions shall apply as if there were a fire with extended coverage policy in force as described above in paragraph 1(i).
- (ii) The liability coverage as described more fully in paragraph 1(iii) above. However, if the construction cost is in excess of Ten Million Dollars (\$10,000,000), then a wrap-up liability is required with a limit of not less than Ten Million Dollars (\$10,000,000) and must include all contractors, subcontractors and trades.



- (iii) Engineers' errors and omission insurance for at least Five Hundred Thousand Dollars (\$500,000) or such greater amount as the Lender may reasonably require.

3. Additional Insurance

In addition to any of the forgoing, the Lender shall be entitled to request that the Borrower(s) obtain any other insurance coverage it deems necessary, useful or appropriate.

The provisions relating to cancellation of the insurance policies or alteration clauses in the policies, including the mortgage clause, shall provide that a prior written notice of not less than thirty (30) days must, in such event, be given to the Lender.

All proceeds of insurance from insurance policies maintained, other than liability insurance, shall be paid to the Lender and at the option of the Lender may either be applied on account of the Loan, whether or not the same may be due and payable, and interest thereon and any other sums payable in respect thereof, or held by it as part of the Lender's Security and, so long as the Borrower(s) is not in default, may be subject to withdrawal by the Borrower(s) in instalments on a cost-to-complete basis, as the repair or replacement progresses, subject to the Lender's receipt of appropriate certificates, opinions and other documents as required by it and Lender's Solicitor.

If the Lender's Security is by way of a leasehold mortgage, then notwithstanding the provisions of the immediately preceding paragraph, but provided that the Lender, its Insurance Consultant and its Solicitor are satisfied that the proceeds of insurance shall be applied to rebuilding and are otherwise completely satisfied with the provisions of all arrangements made with the ground lessor and an insurance trustee in respect thereof, the proceeds payable under the policies referred to above, other than liability insurance may be payable to the insurance trustee under and in accordance with an insurance trust agreement, satisfactory to the Lender, its Insurance Consultant and its Solicitor.

The Borrower(s) shall provide to the Lender such evidence as the Lender may request that all of the above required insurance is in place prior to any advance of the Loan being made.

All required insurance policies shall be forwarded to the Lender's Insurance Consultant for verification and approval, at the expense of the Borrower(s), prior to the disbursement of the Initial Advance of the Loan.



Loan No: 2264/21

Disclosure to Borrower
Mortgage Brokerages, Lenders and Administration Act

Important

This document must be provided to the Borrower 2 business days prior to the signing of any mortgage instruments, unless waived below.

Property to be mortgaged: 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

Details of Mortgage:

The principal amount of the first Mortgage to be repaid by the Borrower will be \$9,300,000 to be advanced in one installment(s) in the amount of \$9,300,000 to be advanced on funding.

The principal amount of the Mortgage will bear interest at 5.95% per year for the initial 18 months and 15.00% per year thereafter and will be repayable upon loan maturity. Where the annual interest rate may change, the method of determining the annual interest rate is: the greater of HSBC prime rate + 3.50% and 5.95%.

Interest will begin to accrue on the Closing Date.

The mortgage will be interest only and interest is to be compounded monthly.

The total amount of all payments over the initial 18-month term of the mortgage will be \$830,025. Each payment made on the mortgage must be applied first to the accumulated cost of borrowing and then to the outstanding principal.

Terms and Conditions:

- *General Terms / Conditions:* See lender commitment letter for details
- *Prepayment Privileges:*
- *Transferability:*
- *Method of Payment:*
- *Special Conditions:*
- *Particulars / Penalties:*
- *Additional Comments:*
- *Optional Services:*

Fees and Costs Payable by the Borrower:

<i>Costs Included in APR</i>		<i>Costs Excluded from APR</i>	
Broker/Commitment Fee	\$106,950	Insurance Review	\$500
Exit Fee (if any)		Legal Fees/ Disbursements (est.)	\$13,025
		Appraisal or Inspection (if any)	
Total Costs (Incl. APR):	\$106,950	Total Costs (Excl. from APR)	\$13,525

Total Cost of Borrowing: APR: 7.15% (This includes the final month of interest at 15%)

Total Costs (incl. in APR) of \$106,950 + interest to be paid during the term of the mortgage of \$946,275 = \$1,053,225.

Referral Fees Paid to Brokerage and Broker / Agent:

N/A. The Broker / Agent is an affiliated or related company of the lender.

ET 

Conflicts of Interest:

The broker / Agent has the following relationship which may be perceived as a conflict of interest:

- The Broker / Agent is representing the Lender and not the Borrower in this transaction.
- The Broker / Agent is an affiliated or related company of the lender.
- The Broker /Agent has acted solely for the lender during the previous fiscal year.

Name and Address of Brokerage: Trez Capital, Suite 1404, 401 Bay St., Toronto, Ontario, M5H 2Y4
Licensing: 12222

Name of Authorized Person signing on behalf of the Brokerage: Robert Perkins
Title of this Authorized Person: Managing Director
Licensing: M16002264

Date: AUGUST 10, 2021



Signature of Authorized Person

Material Risks associated with Mortgage Borrowing:

The Borrower(s) acknowledge that the Brokerage and Broker / Agent have reviewed and discussed the material risks of mortgage financing. These risks include, but are not limited to, such items as the consequences of default in payment or other term of the mortgage which may result in the lender taking action against us; the prepayment penalties in the mortgage, if any; the mortgage may not be renewable at maturity; and any risk that a change in our income or other personal circumstances may create.

ACKNOWLEDGEMENT

I / we acknowledge receipt of a copy of this form and that I / we have reviewed the information herein. The Broker / Agent has explained the Risks and Benefits associated with this transaction.

Date: August 20, 2021

Borrower: 

Date: August 20, 2021

Borrower: 

I / we waive the 48 hour requirement for this disclosure:

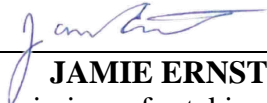
Date: _____

Borrower: _____

Date: _____

Borrower: _____

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)



October 19, 2021

Distrikt Developments
1 - 90 Wingold Avenue
Toronto ON
M6B 1P5

Attention: Mr. Cory Capland

Dear Sir:

RE: Amendment to Commitment Letter for a 1st mortgage financing of \$9,300,000 secured by a 22,992 sf multi-family development site located at 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario (the "Subject Property") [Loan # 2264/21]

Further to the commitment letter dated August 9th, 2021 (the "Commitment Letter"), we provide you with the following amendments to the terms of the 1st mortgage loan (the "Loan"), which upon execution by the Borrower(s), Guarantor(s), and Lender shall constitute an agreement which shall bind the Borrower(s) and Guarantor(s) with respect to the Loan effective as of the date of the Commitment Letter. The Commitment Letter is hereby amended as follows:


Section	Replaced in its entirety with:
2 Borrower(s)	Elderwood Holdings Inc.
3 Guarantor(s)	The joint and several unlimited guarantee(s) of 2633501 Ontario Inc., Allen Toma and Emil Toma shall be provided for the full Loan Amount (as hereinafter defined) outstanding from time to time including interest arising therefrom and any other monies which may now or hereafter become due and owing (collectively, the "Guarantor(s)").

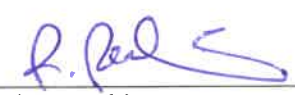
This Amendment Letter and the Commitment Letter shall be read together as one and the same document and may be executed in counterpart and delivered via facsimile or other electronic transmission. Other than as expressly set out herein, all of the terms and conditions of the Commitment Letter shall continue in full force and effect, unamended. This Amendment Letter shall not become effective until the Borrower(s), Guarantor(s) and Lender have signed it and a copy is returned to the Lender's office by no later than 5:00pm Pacific Time on **November 02, 2021**.

Two digital signature boxes, each containing a signature and the letters 'DS' in the top right corner. The first signature is 'AT' and the second is 'AT'.

Yours truly,

**Trez Capital Limited Partnership
by its general partner,
Trez Capital (2011) Corporation**


Eric Horie
Senior Vice President
Lic.#: M2001785


Robert Perkins
Managing Director
Lic.#: M16002264

We hereby agree to the Terms and Conditions contained in this Amendment and agree to be bound by the terms hereof.

Acknowledged and agreed at Toronto this 28th day of October, 2021.

BORROWER(S):

Elderwood Holdings Inc.

DocuSigned by:

Per: 698CCD755C94475...
Authorized Signature

GUARANTOR(S):

2633501 Ontario Inc.

DocuSigned by:


698CCD755C94475...
Authorized Signatory

DocuSigned by:
Allen Toma
72685C01A4C94D3...
Authorized Signatory

I/We have the authority to bind the Corporation.

DocuSigned by:
Allen Toma
72685C01A4C94D3...
Allen Toma

DocuSigned by:
Cory Capland
FF221B0AB9EB496...
Witness

DocuSigned by:

698CCD755C94475...
Emil Toma

DocuSigned by:
Cory Capland
FF221B0AB9EB496...
Witness

Acknowledged by the Prior Borrower(s):

Elderwood Townhomes LP by its general partner, Elderwood Townhomes GP Inc.

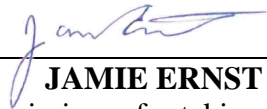
DocuSigned by:

698CCD755C94475...
Authorized Signatory

DocuSigned by:
Allen Tama
72685C01A4C94D3...
Authorized Signatory

I/We have the authority to bind the Partnership.

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)



April 26, 2023

Distrikt Developments
1 - 90 Wingold Avenue
Toronto ON
M6B 1P5

Attention: Mr. Cory Capland

Dear Sir:

RE: Renewal of financing in the amount of \$9,300,000 secured by a 1st priority mortgage on a 22,992 sf multi-family development site located at 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario (the "Subject Property"). [Loan Name: Distrikt Capital – Elderwood Condos, Loan #: 2264/21]

We are pleased to advise that we have approved a renewal (the "Renewal") of the 1st mortgage loan (the "Loan") to Elderwood Holdings Inc. (the "Borrower(s)") on the terms described in this letter (this "Renewal Letter"), which upon execution by the Borrower(s), Guarantor(s) and Lender shall constitute an agreement which shall bind the Borrower(s) and Guarantor(s) with respect to the Renewal. This Renewal Letter is an amendment of the Commitment Letter dated August 9, 2021, and the Amendment Letter dated October 19, 2021. The Renewal has been approved subject to the following terms and conditions.

1. Expiry of Renewal Offer

It is a condition of this Renewal Letter that if the Security is not registered and in place, and the renewal is not completed on or before **June 1, 2023**, this Renewal Letter shall, at the option of the Lender, expire and be of no force and effect.

2. Renewal Amount

\$9,300,000 as at May 1st, 2023, plus interest, fees, costs and expenses as set out in the Commitment Letter and this Renewal Letter.

The current balance is \$9,300,000 as at April 1, 2023.

3. Renewal Term

13 months commencing from the renewal date of May 1, 2023 (the "Renewal Date") and maturing on June 1, 2024.

4. Renewal Option

The Borrower may apply to renew the loan for one (1) additional 6-month term. The additional renewal would include the same terms and conditions as contained herein, or such other terms and conditions as the Lender may agree to or require. Any renewal will be subject to the loan being in good standing and never in default, no material negative change in the income or value of the Subject Property, Borrower or Guarantor or market conditions, all in the sole discretion of the Lender. The Borrower must notify the Lender in writing of its intention to make an application to renew the Loan at least 90 days prior to the maturity date of the mortgage.

5. **Interest Rate**

Interest will be charged on the outstanding balance under the Loan at the greater of 10.60% per annum and HSBC Prime + 3.90%, compounded and payable monthly, for the initial 12 months of the Renewal Term plus any additional loan renewal term approved by the Lender, and 15.0% per annum, compounded and payable monthly, for the final month of the Renewal Term and thereafter. Overdue interest shall bear interest at the same rate as principal.

Such interest rate shall be set with respect to amounts advanced on the day of each advance and thereafter monthly on the first day of each month. Interest shall be calculated daily on the daily balance outstanding from time to time, before as well as after maturity, default or judgment, from the date of each advance. Such Interest Rate shall be determined upon the basis of a three hundred and sixty-five (365) day year for common years and a three hundred and sixty-six (366) day year for leap years. Interest shall be calculated in accordance with the Lender's usual practice (as to times and methods of calculation) and shall be adjusted automatically without notice to the Borrower(s). All interest rates specified are nominal annual rates. The effective annual rate in any case will vary with payment frequency. All interest payable hereunder bears interest as well after as before maturity, default and judgment with interest on overdue interest at the applicable rate payable hereunder. All interest payable hereunder bears interest from the date of advance of any portion of the Loan to the Lender's solicitor, whether or not such advance of the Loan is released to the Borrower(s) or the Borrower(s)'s solicitor.

6. **Amortization**

Interest only

7. **Monthly Payments**


Monthly Payments shall be paid from the Borrower(s)'s own resources.^{DS}

8. **Deposit**

69,750  

A non-refundable deposit in the amount of ~~\$93,000~~ is due upon acceptance of this Renewal Letter, and payable upon return of this Renewal Letter to the Lender. The deposit, less any expenses incurred during the renewal process, shall be applied toward the Renewal Fee. Any amount remaining shall then be applied toward the balance of the Loan.

~~ET~~ 9. **Renewal Fee**

69,750 ^{DS}


~~\$40,500~~ ~~\$93,000~~. The renewal fee (the "Renewal Fee") shall be deemed to be fully earned upon acceptance of this Renewal Letter. The Renewal Fee shall be payable on the earlier of the date on which the Lender confirms that all Conditions Precedent to the Renewal have been satisfied and the date of expiry of this Renewal offer.

The Renewal Fee shall be payable from the Deposit and additional Borrower resources if necessary.

10. **Prepayment**

^{DS}


The Borrower(s), not being in default of the Loan, may, at any time after a minimum of **six (6) months** interest has been earned by the Lender on the Renewal Amount and paid to the Lender, and after the provision of 30 days written notice, which notice shall contain evidence of the source of funds to be used for repayment, repay the whole of the Renewal Amount hereby secured upon payment to the Lender of the Renewal Amount outstanding, together with all interest to date of such prepayment plus costs and other charges, accrued to the date of payment, up to and including the date of such.

11. Sources and Uses of Funds

Project Balance Sheet			Assets		
Equity & Liabilities	%	\$		%	\$
Pay Out Meridian 1st		6,250,000	Purchase Price (2016)		5,200,000
Finance Equity Repatriation		2,100,000	PTT & Closing		190,625
Finance Costs		950,000	Land Lift		8,909,375
Trez 1st	56%	9,300,000	Trez U/W Land Value (Oct 2021 UTR)	87%	14,300,000
Equity - Existing Cash		1,078,194	Trez Interest Reserve	5%	830,025
Equity - Land Lift		8,909,375	Trez Commitment Fee	1%	106,950
Equity Repatriation		(4,037,569)	Legal, Closing, etc.	0%	13,025
Total Equity	36%	5,950,000	Trez - monthly interest (post IR)	1%	202,487
Cash Equity (interest payments)	1%	202,487	Trez Renewal Fee	1%	69,750
Equity - Renewal Term	6%	1,041,600	Projected interest (renewal term)	6%	\$348,600
Total	100%	16,494,087	Total	100%	16,494,087

12. Conditions Precedent to the Renewal

The conditions precedent to the Renewal shall include, but not be limited to the items set out in the remainder of this section, all of which must be satisfactory to the Lender in its sole, unfettered and absolute discretion, and all of which collectively comprise the Lender's due diligence. The Lender may require any additional information as it deems necessary in its sole, unfettered and absolute discretion.

- Completion of all security amendments as required by the Lender.
- Satisfactory inspection of the Subject Property by the Lender.

The Lender's receipt of the following:

- An updated rent roll for the Subject Property, which has been signed as true and dated by the Borrower(s).
- All residential tenancy agreements for the Subject Property dated September 1, 2021 onwards (if any).
- Historical operating statements for the Subject Property for the previous year, as well as year-to-date operating statements (if available).
- The Borrower's updated development schedule for the Subject Property which must be satisfactory to the Lender, in its sole, unfettered and absolute discretion.
- The Borrower's updated proforma budget for the Subject Property, indicating individual costs per line basis.
- A planning review letter from a third-party planning consultant, acceptable to the Lender outlining the proposed site plan, the feasibility of the proposed plan as it relates to the city's zoning and development requirements, the likelihood of acceptance of such proposed plan, the approvals required, and the anticipated timeline for obtaining the required approvals. The letter must outline any additional steps and approvals to be obtained for the 6 rental replacement units to be relocated off site.
- Site Plan Approval application (as/when available).
- Certified financial statements from the Borrower(s) and Guarantor(s). If an individual then a personal net worth statement, on the Trez Capital form, dated no more than **four (4)** months prior, is required, if a corporate entity then most recent financial statements is required. All statements, whether personal or corporate, must be accompanied by the most recent Notice of Assessment from Canada Revenue Agency.
- Confirmation that the Subject Property is in compliance with current zoning.

- l) Confirmation that all property taxes owing on the Subject Property have been paid or will be paid from the proceeds of the Loan and the Borrower(s) is registered in the appropriate monthly property tax payment program in the appropriate city.
- m) Insurance of the Subject Property which has been reviewed and approved by the Lender's Insurance Consultant which insurance shall include the coverage set out in Schedule A of the Commitment Letter, or as otherwise required by the Lender in consultation with its Insurance Consultant.
- n) Confirmation of no changes to the corporate structure.
- o) Such other materials and completion of such other reasonable requirements a may be deemed necessary by the Lender.

This Renewal Letter, the amendment letter, and the Commitment Letter shall be read together as one and the same document and may be executed in counterpart and delivered via facsimile or other electronic transmission. Other than as expressly set out herein, all of the terms and conditions of the Commitment Letter shall continue in full force and effect, unamended.

[Handwritten signatures and stamps] ^{DS} \$69,750 ~~\$46,500~~ *[Signature]*

This Renewal shall not become effective until 1) the Borrower(s), Guarantor(s) and Lender have signed this letter and a copy is returned to the Lender's office along with a cheque for the Deposit of ~~\$23,000~~ by no later than 5:00pm Pacific Time on **May 5, 2023**; and 2) the Lender has confirmed that all Conditions Precedent to the Renewal have been satisfied.

The Borrower(s) and Guarantor(s) hereby acknowledge and agree to the terms and conditions of this Renewal Letter and authorize Trez Capital Limited Partnership to instruct its solicitor to prepare the documentation required to give effect to this Renewal. The Borrower(s) and Guarantor(s) further acknowledge that the Renewal Fee set forth herein is a reasonable estimate of the cost incurred in granting the Renewal and of holding monies available for same, and that the Renewal Fee shall be forfeited and payable to Trez Capital Limited Partnership as liquidated damages, and not as a penalty, if the Renewal is not completed within the time limit herein. This Renewal and any fees earned as a result of this Renewal Letter, together with any expenses or costs incurred by Trez Capital Limited Partnership including, but not limited to, appraisal, re-appraisal, inspections, re-inspections, title searches, plan reviews, soil tests, survey, environmental assessments, and legal costs on a solicitor and its client basis, are deemed to be a charge on the Subject Property referred to herein and Trez Capital Limited Partnership may file and maintain a caveat on the title to the Subject Property to protect that charge and the Borrower(s) and Guarantor(s) do hereby mortgage to Trez Capital Limited Partnership all its estate and interest in the said Subject Property and Security. This Renewal Letter supersedes all previous correspondence between the parties hereto save and except for the amendment letter(s) (if any) and the Commitment Letter.

Yours truly,

Trez Capital Limited Partnership
by its general partner,
Trez Capital (2011) Corporation

Per: *[Signature]*
 Eric Horie
 Senior Managing Director, Head of
 Origination Canada
 Agent#: M2001785

Per: *[Signature]*
 Chris Worthington
 Vice President, Head of Credit Risk &
 Underwriting, Canada
 Broker#: M17000400

We hereby agree to the Terms and Conditions contained in this Renewal Letter and agree to be bound by the terms hereof.

Acknowledged and agreed at Toronto this 29th day of April, 2023.

BORROWER(S):

Elderwood Holdings Inc.


Per: _____
Authorized Signature

GUARANTOR(S):

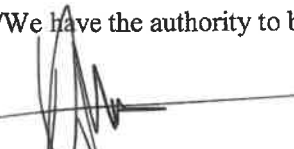
2633501 Ontario Inc.




Authorized Signatory

Authorized Signatory

I/We have the authority to bind the Corporation.



Allen Toma



Witness



Emil Toma



Witness

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

GUARANTEE

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

WHEREAS you, the Lender (hereinafter sometimes called "you" or the "**Lender**") have advanced funds or are about to advance funds to the Borrower and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of Two (\$2.00) Dollars, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby declares, covenants and agrees as follows:

1. In this Guarantee, the following words shall have the meaning as indicated opposite such words:
 - (a) "**Credit**" - means financial accommodation of any kind whatsoever made to the Borrower pursuant to the Facility Letter.
 - (b) "**Indebtedness**" - means in its broadest sense, all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest and costs of the Lender on each and every such obligation due under the Facility Letter.
2. Without further authorization from or notice to the undersigned, you may grant credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Undersigned you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or reduce the rate of interest thereon, release or add one or more Undersigned or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you or any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given by the Borrower or the Undersigned or any person, firm or corporation, no dealing by you with the Borrower or the Undersigned or any person, firm or corporation, no dealing by you with the Borrower or any Undersigned or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Undersigned obligations hereunder or any security furnished by the Undersigned or give the Undersigned any recourse against you.
3. The Undersigned guarantees unconditionally and promises to pay to you or your order the amount of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Undersigned and, promise to perform each guaranteed obligation when due.
4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Undersigned, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Undersigned of all Indebtedness hereby guaranteed. This Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Undersigned or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Undersigned.

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

liability if recovery from the Borrower, any other Undersigned or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Undersigned will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Undersigned and will assign to you all of the Undersigned rights thereunder. If the Undersigned do not file any such claim, you, as attorney in fact of the Undersigned, are hereby authorized to do so in the name of the Undersigned or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Undersigned, and to the full extent necessary for that purpose the Undersigned hereby assign to you all the Undersigned right to any payments or distributions to which the Undersigned otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.
15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Undersigned shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by the Undersigned relating to Credit extended to the Borrower by you, the amount of the Undersigned liability imposed by such other guarantee or guarantees shall be added to the amount of the Undersigned liability imposed by the provisions hereof and the resulting total shall be the amount of the Undersigned liability.
16. The Undersigned shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the undersigned hereunder.
17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgment obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the undersigned or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and the undersigned's obligations hereunder have been fully performed.
18. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially enforceable, the provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.
19. Any notice or demand which you may wish to give may be served on the undersigned either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.
20. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the undersigned shall be estopped from denying the same; any judgment recovered in the Courts of such Province against any undersigned or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them.
21. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation, partnership, firm and any entity.
22. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

23. The undersigned covenant and agree to perform all such obligations referred to in the Security Documents which are the obligation of the undersigned to perform.
24. In connection to the Indebtedness, this Guarantee is unlimited from the undersigned to and in favour of the Lender.
25. This Guarantee and Postponement of Claim on the part of the undersigned shall extend to and ensure to your benefit and the benefit of your successors and assigns and shall be binding on the undersigned and their executors, administrators, legal person representatives, successors and assigns.

[signing page follows]

[Guarantee]

DATED this 4th day of November, 2021.

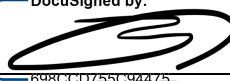
2633501 ONTARIO INC.

DocuSigned by:
Allen Toma
 Per: _____
 Name: 72685C01A4C94D3... Allen Toma
 Title: Secretary
 I have the authority to bind the corporation

DocuSigned by:
Allen Toma

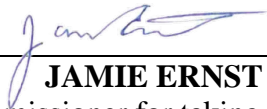
 Name: Allen Toma

Witness: _____

DocuSigned by:


 Name: Emil Toma

THIS IS **EXHIBIT "I"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)

Properties

<i>PIN</i>	21178 - 0320 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO		
<i>Address</i>	73 - 75 ELDERWOOD DRIVE TORONTO		
<i>PIN</i>	21178 - 0321 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN 66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO		
<i>Address</i>	1679 BATHURST STREET TORONTO		
<i>PIN</i>	21178 - 0322 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO		
<i>Address</i>	1677 BATHURST STREET TORONTO		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name ELDERWOOD HOLDINGS INC.
Address for Service 1-90 Wingold Avenue
 Toronto, Ontario, M6B 1P5
 I, Allen Toma (Vice-President), have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name COMPUTERSHARE TRUST COMPANY OF CANADA
Address for Service c/o Trez Capital Limited Partnership
 Suite 1404, 401 Bay Street
 Toronto, Ontario M5H 2Y4

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$9,300,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	calculated daily and compounded monthly, interest only		
<i>Balance Due Date</i>	On Demand		
<i>Interest Rate</i>	25% per annum		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	On Demand		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Signed By

David Mathew Markowitz

1000-120 Adelaide St. W.
Toronto
M5H 3V1acting for
Chargor(s)

Signed 2021 11 04

Signed By

Tel 416-363-2211

Fax 416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.
Toronto
M5H 3V1

2021 11 04

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

File Number

Chargee Client File Number : 43133 DM

SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached provided that the interest rate set out in the Commitment shall govern to the extent of any conflict or inconsistency;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as the same may be further amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
 - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
 - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
 - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
 - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and,

provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender's reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or

- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or
- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

“Rents” means all rents, issues and profits now due or to become due under or derived from the Leases;

“Security” means, collectively the Commitment and, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

ARTICLE 2 - CHARGING PROVISIONS

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

ARTICLE 3 - REPAYMENT AND INTEREST

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 1:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 1:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged

for such extension.

ARTICLE 4 - CRIMINAL RATE OF INTEREST

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate “interest” (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the “credit advances” (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge 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 shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

ARTICLE 5 - INTEREST ACT (CANADA)

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

ARTICLE 6 - PREPAYMENT

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

ARTICLE 7 - NO OBLIGATION TO ADVANCE

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower's ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
 - (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower's ability to perform its obligations hereunder or under the Security;
 - (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
 - (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower's performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower's articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
 - (e) There is not now pending or, to the best of the Borrower's knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of

this Charge or the Security;

- (f) No Event of Insolvency has occurred or is threatened or pending;
- (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
- (h) The Borrower has the right to charge the Charged Premises to the Lender;
- (i) The Borrower has not received any notice of or threat of a lien under the *Construction Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
- (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
- (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
- (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the sixty (60) days immediately preceding the date hereof;
- (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
- (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
- (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
- (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
- (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
- (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
- (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
- (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
- (u) If and as applicable, the Borrower is not a non-resident corporation or person of Canada within the meaning of the *Income Tax Act* (Canada);
- (v) If applicable, each partner of the limited partnership of which the Borrower is the general partner is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (w) If applicable, with respect to each partner of the limited partnership of which the Borrower is a general partner that is a Canadian corporation, either (i) the shares of that corporation do not derive their value, directly or indirectly, primarily from foreign property, all within the meaning of the *Income Tax Act* (Canada) or (ii) the corporation is a corporation described in subsection 206(1.1) of the *Income Tax Act* (Canada), as that provision may be amended from time to time;
- (x) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
- (y) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).

- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

ARTICLE 9 – COVENANTS

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day- to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
 - (b) Any default under a Lease;
 - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
 - (d) Any default under any Permitted Encumbrance;
 - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any

Applicable Law which may have a material adverse affect on the Charged Premises; and

- (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.

9.11 The Borrower covenants at all times:

- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);
- (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;
- (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
- (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
- (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
- (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
- (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
- (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.

9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.

9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:

- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
- (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
- (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.

9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.

9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.

9.16 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, cause or permit any change in the status of the Borrower that results in the representations contained in Subparagraph 8.1(u) or Subparagraph 8.1(v) ceasing to be accurate in all material respects.

9.17 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.

9.18 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the

Security.

- 9.19 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

ARTICLE 10 - TAXES/LIENS

10.1

- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
- (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.
- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

ARTICLE 11 – INSURANCE

- 11.1 The Borrower will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Lender, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Lender. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Lender, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Lender. Evidence of continuation of all such insurance having been effected shall be produced to the Lender at least fifteen (15) days before the expiration thereof; otherwise the Lender may provide therefore and charge the premium paid and interest thereon at the rate provided for in the Charge to the Borrower and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Lender may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Lender and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be payable forthwith by the Borrower with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Lender as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- 11.2 During any construction on the Charged Property, the Borrower shall maintain:
- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
 - (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
 - (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
 - (iv) Professional Liability coverage in an amount not less than \$10,000,000.

ARTICLE 12 - ENVIRONMENTAL

- 12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executive orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

- 12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

- 12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an

environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;

- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;
- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;
- (e) If the Borrower:
 - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
 - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
 - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;

- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
 - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
 - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
 - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall

immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

- 12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.
- 12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees and agents and their respective successors and assigns (in this Section, collectively referred to as the "Indemnified Parties") from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:
- (a) Any inaccuracy in or breach of the Borrower's representations and warranties relating to the environmental matters contained herein;
 - (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
 - (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
 - (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower's right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

ARTICLE 14 - MANAGEMENT AND REPAIR

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender's prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender,

be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.

- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Charged Premises.
- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

ARTICLE 15 - INCREASED COSTS

- 15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:
- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
 - (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
 - (c) Imposes on the Lender any other condition with respect to this Charge; or
 - (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

- 15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- 15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:
- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
 - (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the

Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender as herein provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
 - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;
 - (ii) for examining the Charged Premises and the title thereto up the date hereof;
 - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
 - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
 - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
 - (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
 - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
 - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
 - (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
 - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
 - (iii) handling any dishonored cheque;
 - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
 - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
 - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
 - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
 - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

ARTICLE 17 - CONDEMNATION AWARDS

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments (“Condemnation Award(s)”) including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures (“Condemnation”), partial or complete, including any sidewalk or lane; or
 - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or
 - (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;
- (any matter referred to in (a), (b) or (c) above being hereinafter called an “Incident of Expropriation”) to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower. Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby change, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.
- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an “Event of Default”):
- (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
 - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
 - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
 - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender’s reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
 - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
 - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
 - (g) The occurrence of an Event of Insolvency; or
 - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
 - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
 - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:

- (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
- (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
- (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security, this Charge or the Permitted Encumbrances; or
- (k) If the Charged Premises are abandoned; or
- (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or
- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all

remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
 - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
 - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
 - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
 - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
 - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
 - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
 - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
 - (iv) make any stipulation as to title or conveyance or commencement of title;
 - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
 - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:

- (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
 - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
 - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Lands or any part thereof;
 - (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
 - (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
 - (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
- (i) the Receiver's remuneration;
 - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
 - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
 - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and

- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of and Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an

Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.

- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
- (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;
 - (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and
 - (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

ARTICLE 22 - FINANCIAL DATA

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower

relating to the Charged Premises at reasonable times and upon reasonable prior notice.

- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.
- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:
- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
 - (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by 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 telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for

payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.

- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 Notwithstanding any terms contained in the Commitment to the contrary, in the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.
- 24.11 The Borrower acknowledges that Computershare Trust Company of Canada is the title trustee/custodian for Trez Capital Limited Partnership and that the terms 'Lender', 'Mortgagee' or 'Chargee' when used in this Charge and other security documents shall include Trez Capital Limited Partnership. Where the consent of the Lender is required to any matter, the consent of Trez Capital Limited Partnership shall be sufficient to meet that requirement.

ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.
- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
 - (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
 - (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
 - (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with

respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.

- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Act* (Ontario) for the purpose of vacating the lien from title to the property. The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

ARTICLE 27 - ASSIGNMENT AND SALE

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender's sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

ARTICLE 28 –CROSS DEFAULT

- 28.1 This Charge is given as security for a loan to the Borrower in connection with the Commitment and for all other loans, present and future, between Trez Capital Limited Partnership, as lender, and the Borrower and/or 2633501 Ontario Inc. and/or Allen Toma and/or Emil Toma, as borrower(s), either individually or collectively, and with all other loans, present and future, between Trez Capital Limited Partnership and entities owned or controlled by the principals of the Borrower (collectively the "Collateral Loans").
- 28.2 In the Lender's sole discretion, a default under any of the Collateral Loans shall be considered a default hereunder and conversely a default hereunder shall be considered a default under the Collateral Loans.

ACKNOWLEDGEMENT AND DIRECTION

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

AND TO: SCHNEIDER RUGGIERO SPENCER MILBURN LLP, its lawyers herein

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

This will confirm that:

1. The undersigned have reviewed the information contained on the document(s) attached hereto for identification purposes and confirm that this information is accurate;
2. You are authorized and directed to register electronically on our behalf the following document(s), copies of which are attached hereto for identification purposes:
 - (i) Charge/Mortgage of the Property in favour of the Lender in the principal amount of \$9,300,000.00; and
 - (ii) Assignment of Rents-General of the Property in favour of the Lender (collectively the "**Document(s)**");
3. The effect of the electronic Document(s) described in this Acknowledgment and Direction has been fully explained to the undersigned and each of the undersigned understand that it is a party to and is bound by the terms and provisions of the electronic Document(s) to the same extent as if the undersigned had signed these documents;
4. You are hereby authorized and directed to insert any information that may be required in the Document(s) that may not be available to you at the time of execution of this Acknowledgment and Direction;
5. You are hereby authorized to make any minor, non-material alterations that may be required to effect certification of the Document(s) by the Land Registry Office;
6. In the event of any investigation by the Director of Land Registration appointed under subsection 6(1) of the *Registry Act* (the "**Director**") regarding suspected fraudulent or unlawful activity or registration in connection with the Document(s), the undersigned hereby consents to you releasing to the Director a true copy of this Acknowledgment and Direction, upon request by the Director;
7. Each of the undersigned is, in fact, the party named in the electronic Document(s) described in this Acknowledgment and Direction and the undersigned have not misrepresented their identity to you; and
8. You are hereby authorized to rely on a telefaxed or electronically transmitted executed copy of this Acknowledgment and Direction as if it was an originally signed copy.

[signing page follows]

[Acknowledgment and Direction re: Charge and GAR]

DATED this _____ day of _____, 2021.

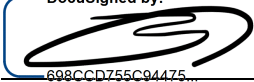
ELDERWOOD HOLDINGS INC.

DocuSigned by:
Allen Toma
Per: _____
Name: Allen Toma
Title: Vice-President
I have the authority to bind the corporation

2633501 ONTARIO INC.

DocuSigned by:
Allen Toma
Per: _____
Name: Allen Toma
Title: Secretary
I have the authority to bind the corporation

DocuSigned by:
Allen Toma
Name: Allen Toma

DocuSigned by:

Name: Emil Toma

Witness: _____

Properties

<i>PIN</i>	21178 - 0320 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO		
<i>Address</i>	73 - 75 ELDERWOOD DRIVE TORONTO		
<i>PIN</i>	21178 - 0321 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN 66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO		
<i>Address</i>	1679 BATHURST STREET TORONTO		
<i>PIN</i>	21178 - 0322 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO		
<i>Address</i>	1677 BATHURST STREET TORONTO		

Chargor(s)

The chargor(s) hereby charges the land to the chargee(s). The chargor(s) acknowledges the receipt of the charge and the standard charge terms, if any.

Name ELDERWOOD HOLDINGS INC.
Acting as a company
Address for Service 1-90 Wingold Avenue
Toronto, Ontario, M6B 1P5

I, Allen Toma (Vice-President), have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name COMPUTERSHARE TRUST COMPANY OF CANADA
Acting as a company
Address for Service c/o Trez Capital Limited Partnership
Suite 1404, 401 Bay Street

Statements

Schedule:

Provisions

<i>Principal</i>	\$9,300,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	calculated daily and compounded monthly, interest only		
<i>Balance Due Date</i>	On Demand		
<i>Interest Rate</i>	25% per annum		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	On Demand		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

File Number

Chargee Client File Number :

43133 DM

SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE

RECITALS

The Lender has agreed to make a loan in favour of the Borrower upon the terms and conditions more particularly contained herein.

The Borrower is the registered owner of the lands and premises described in the electronic Charge to which this schedule is attached.

This Charge is given by the Borrower to the Lender as continuing security for the repayment by the Borrower to the Lender of such loan and the performance by the Borrower of its obligations as more particularly described herein.

ARTICLE 1 - DEFINITIONS

1.1 For the purposes of this Charge the following definitions will apply:

“Applicable Laws” means, at any time, in respect of any Person, property, transaction, event or other matter, as applicable, all then current laws, rules, statutes, regulations, treaties, orders, judgments and decrees and all official directives, rules, guidelines, orders, policies, decisions and other requirements of any Governmental Authority (whether or not having the force of law) (collectively, the “Law”) relating or applicable to such Person, property, transaction, event or other matter and shall also include any interpretation of the Law or any part of the Law by any Person having jurisdiction over it or charged with its administration or interpretation;

“Applicable Rate” means the interest rate set out in the electronic Charge to which this schedule is attached provided that the interest rate set out in the Commitment shall govern to the extent of any conflict or inconsistency;

“Bills” has the meaning ascribed thereto in Section 10.1(a);

“Borrower” means the party identified as “Chargor” set out in the electronic Charge to which this schedule is attached and its successors and assigns;

“Business Day” means a day on which the Lender is open for business but specifically excluding Saturdays, Sundays or statutory holidays pursuant to the laws of Canada or the Province of Ontario and “Business Days” means more than one Business Day;

“Charge” means this charge/mortgage of land and all instruments supplemental hereto or in amendment, renewal, extension, restatement, replacement or confirmation hereof;

“Charged Premises” means, collectively, the Lands and the Improvements;

“Commitment” means the letter of commitment between the Borrower and Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as the same may be further amended, restated, supplemented, renewed, extended or superseded from time to time;

“Environmental Approvals” has the meaning ascribed to it in Section 12.1 hereof;

“Environmental Laws” or “Environmental Law” has the meaning ascribed to them in Section 12.1 hereof;

“Event of Default” has the meaning ascribed thereto in Section 18.1 hereof;

“Event of Insolvency” means the occurrence of any one of the following events:

- (a) If the Borrower, or the Guarantor(s), shall, other than as expressly permitted hereby:
 - (i) be wound up, dissolved or liquidated, whether pursuant to the provisions of the laws of the Province of Ontario or the federal laws of Canada applicable therein, or any other law or otherwise, or becomes subject to the provisions of the *Winding-Up and Restructuring Act* (Canada), or has its existence terminated or has any resolution passed therefor; or
 - (ii) makes a general assignment for the benefit of its creditors or files a proposal or a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act* (Canada), shall otherwise acknowledge its insolvency or shall be declared or become bankrupt or insolvent; or
 - (iii) proposes a compromise or arrangement or otherwise brings proceedings under or becomes subject to the provisions of the *Companies’ Creditors Arrangement Act* (Canada) or shall file any petition or answer seeking any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution or any other relief for itself under, or in any way takes the benefit of, the *Bankruptcy and Insolvency Act* (Canada) or any other present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors; or
 - (iv) be unable, by reason of insolvency or similar circumstances, to pay its trade creditors generally, within one hundred and twenty (120) days of the rendering of trade accounts or admit its inability to pay its debts or perform its obligations as they become due; or
- (b) If a court of competent jurisdiction shall enter an order, judgment or decree against the Borrower in respect of any re-organization, arrangement, composition, re-adjustment, liquidation, dissolution, winding-up, termination of existence, declaration of bankruptcy or insolvency, or similar relief under any present or future law relative to bankruptcy, insolvency or other relief for debtors or for or against the benefit of creditors, or the Borrower shall acquiesce in the entry of such order, judgment or decree, unless the Borrower is also proceeding forthwith to diligently and in good faith contest the same and,

provided that none of the Charged Premises, the Charge or the Security, the value of the Charged Premises or the operation thereof, are adversely affected and there is no prejudice to the Lender in the Lender's reasonable opinion, and such order, judgement or decree is vacated or permanently stayed within fifteen (15) days of its making; or

- (c) If any trustee in bankruptcy, receiver, receiver and manager, monitor or liquidator or any other officer with similar powers shall be appointed for the Charged Premises or any portion thereof, or for the Borrower or the Guarantor(s), or for all or any substantial part of its assets or its interest in the Charged Premises with the consent or acquiescence of the Borrower; or
- (d) If, other than as expressly permitted hereby, an encumbrancer or the holder of any lien or charge or any other creditor takes possession of the Charged Premises or the Borrower's interest in the Charged Premises, or any part thereof, or if a distress, execution, garnishment or any similar process is levied or enforced upon or against the same;

"Governmental Authority" means any federal, provincial, territorial or municipal government and any executive, judicial, regulatory or administrative functions of, or pertaining to, government (including, without limitation, all boards, commissions, agencies, departments and ministries);

"Guarantor(s)" means any Person from time to time guaranteeing the Indebtedness;

"Hazardous Substance" has the meaning ascribed to it in Section 12.1 hereof;

"Improvements" means the buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements now located on the Lands and all appurtenances pertaining thereto, together with all other buildings, structures, fixtures and improvements hereafter located from time to time in, on or under the Lands and all personal property, equipment and chattels now or hereafter affixed to the Lands or to such buildings, erections, structures, fixed machinery, fixed equipment, plant, and improvements owned by the Borrower;

"Indebtedness" means, collectively, the Principal Sum, any debts, liabilities, obligations, covenants and duties owing by the Borrower to the Lender of any kind or nature, present or future and arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith, whether or not evidenced by any note, guarantee or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, guarantee, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired and in all cases arising under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith. The term includes, without limitation, all interest, yield maintenance, charges, expenses, fees, including all processing and commitment fees and all legal fees and disbursements (in each case whether or not allowed), and any other sum chargeable to the Borrower under, pursuant to or in connection with this Charge, the Security or any other document delivered pursuant to or in connection herewith or therewith;

"Inspections" has the meaning ascribed to it in Section 12.1 hereof;

"Interest Adjustment Date" means the interest adjustment date set by the Lender for the purposes of setting a payment schedule;

"Lands" means the lands and premises described in the electronic Charge to which this schedule is attached, including all tenements, hereditaments and appurtenances belonging or in any way appertaining thereto, and the reversion or reversions, remainder and remainders, rents, issues and profits therefrom, and all the estate, right, title, interest, property claim and demand whatsoever of the Borrower of, in and to the same and of, in and to every part thereof;

"Lease Benefits" means the benefit of all covenants and obligations of tenants, licencees or occupants contained in any of the Leases, including, without limitation, all rights and benefits of any guarantees thereof, the right to demand, sue for, collect, recover and receive all Rents, to enforce the landlord's rights under any Lease and generally any collateral advantage or benefit to be derived from the Leases or any of them;

"Lease Rights" means, collectively, the Leases, the Rents and the Lease Benefits;

"Leases" means all present and future leases, subleases, licences, agreements to lease, agreements to sublease, options to lease or sublease, rights of renewal or other agreements by which the Borrower, or any predecessor or successor in title thereto, has granted or will grant the right to use or occupy all or part or parts of the Charged Premises, including all agreements collateral thereto, but which, for the purpose of this definition does not include the Property Lease, and "Lease" means any one of them;

"Lender" means the party identified as "Chargee" in the electronic Charge to which this schedule is attached, and its successors and assigns;

"Loan" means the loan extended or to be extended by the Lender to the Borrower in the principal amount set out in the electronic Charge to which this schedule is attached and secured by this Charge and other security given to the Lender by the Borrower and the Guarantor(s), if any;

"Major Tenant Leases" means any agreements to lease, offers to lease or leases, subleases or occupancy agreements in respect of premises situate on the Charged Premises and which are determined by the Lender in its discretion to be material to the Charged Premises and the extension and maintenance of the Loan;

"Maturity Date" means, subject to early maturity by reason of the occurrence of an Event of Default and the acceleration of repayment at the option of the Lender, the balance due date set out in the electronic Charge to which this schedule is attached;

"Permitted Encumbrances" means encumbrances, liens and interests affecting the Charged Premises which are acceptable to the Lender in its sole discretion;

"Person" means any natural person, sole proprietorship, partnership, syndicate, trust, joint venture, Governmental Authority or any incorporated or unincorporated or entity or association of any nature;

"Principal" or "Principal Sum" means the principal amount of the Loan owing from time to time by the Borrower to the Lender;

“Rents” means all rents, issues and profits now due or to become due under or derived from the Leases;

“Security” means, collectively the Commitment and, all other or additional security, other than this Charge, given by the Borrower or others to the Lender as security for the Loan;

“Taxes” means for each year during the term of this Charge all real property taxes, business taxes, rates, duties, charges, assessments, impositions, taxes, levies and charges for local improvements or otherwise, imposed upon or assessed against the Charged Premises or any part or parts thereof by any Governmental Authority including, without limitation, school boards, and paid or payable by the Borrower or any tenant of the Charged Premises, but shall not include franchise, capital levy or transfer tax or any income, excess profits or revenue tax or any other tax or impost of a personal nature charged or levied upon the Borrower or any tenant of the Charged Premises. If the system of real property taxation or business shall be altered or varied and any new tax shall be levied or imposed on all or any portion of the Charged Premises or the revenues therefrom in substitution for, or in addition to, taxes presently levied or imposed, then any such new tax or levy shall be deemed to be and shall be included herein; and

“Term” means the term of this Charge and being a period which expires on the Maturity Date.

ARTICLE 2 - CHARGING PROVISIONS

- 2.1 Now therefore witnesseth that the Borrower, being the registered owner of a freehold estate in fee simple in possession of the Lands, in consideration of the Loan advanced or to be advanced by the Lender to the Borrower or for its benefit, and as security for the repayment of all Indebtedness and the performance of the obligations of the Borrower hereunder, does hereby grant, mortgage, charge and create a security interest in, to and in favour of the Lender all of its estate, right, title and interest in and to the Charged Premises and covenants and agrees to and with the Lender as hereinafter provided.
- 2.2 The last day of any term reserved by any lease or sublease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Borrower, as lessee, and forming part of the Charged Premises is hereby excepted out of the mortgage, charge, assignment and security interest hereby created or granted or any instrument in implementations hereof, and the same shall be deemed to be a charge by way of sublease. As further security for the payment of the Indebtedness, the Borrower agrees that it will stand possessed of the reversion of such last day of the term and shall hold it in trust for the Lender for the purpose of this Charge and to assign and dispose thereof, without cost or expense to the Lender, in such manner as the Lender shall by notice in writing, for such purpose, direct. Upon any sale, assignment, sublease or other disposition of such leasehold interest or any part thereof, the Lender, for the purpose of vesting the aforesaid one day residue of such term or renewal thereof in any purchaser, assignee, sublessee or other acquirer thereof, shall be entitled by deed or writing to appoint such party or parties as a new trustee or trustees of the aforesaid residue of any such term or renewal thereof in the place of the Borrower and to vest the same accordingly in the new trustee or trustees so appointed freed and discharged from any obligation respecting the same.

ARTICLE 3 - REPAYMENT AND INTEREST

- 3.1 The Borrower covenants to pay to or to the order of the Lender at its offices as set out in Article 23 hereof or at such other address as the Lender may from time to time designate in writing, without set-off, compensation or deduction, and without deduction for bank service or any other charges, the Principal Sum together with all other Indebtedness with interest thereon at the Applicable Rate, as well after as before maturity and both before and after default, demand and judgment. Such interest at the Applicable Rate shall be computed from the date of advance to become due and be paid initially on the Interest Adjustment Date and thereafter to be paid in equal instalments of interest, commencing on the first payment date set out in the Commitment or in the electronic Charge to which this schedule is attached and continuing each month during the Term, to and including the last payment date set out in the Commitment or the electronic Charge to which this schedule is attached, each such instalment to be in the amount stipulated in the Commitment or in the electronic Charge to which this schedule is attached and the last instalment, in the amount of the then remaining balance of the Principal Sum, other Indebtedness and accrued interest thereon, to be paid on the Maturity Date.
- 3.2 The Borrower acknowledges and agrees that monthly instalments for interest described in Section 3.1 together with all payments for Taxes as set out in Section 10.1 hereof must pass through a single bank account on which the Borrower will have provided post-dated cheques (as required by the Lender) or have pre-authorized the Lender to withdraw the monthly payments under this Charge plus any Taxes payable in respect of the Charged Premises if not otherwise paid by the Borrower. In addition, the Borrower must maintain at all times in such account a minimum balance equal to the sum of the monthly payment of principal, interest and Taxes (as such Taxes become due).
- 3.3 It is hereby agreed that if default should occur in payment of any sum due at the time appointed for payment thereof as herein provided, compound interest at the Applicable Rate shall be payable on the sum in arrears from time to time, as well after as before maturity, and if interest as compounded is not paid within one (1) month from the time of default, a rest shall be made, and compound interest at the Applicable Rate shall be payable on the aggregate then due, as well after as before maturity, both before and after default, demand and judgement and so on from time to time and all such interest and compound interest shall be a charge on the Charged Premises.
- 3.4 All interest in arrears shall be treated (as to payment of interest thereon) as Principal and shall bear compound interest, as well after as before maturity, default and judgement as provided in Section 3.3 hereof.
- 3.5 The Borrower will pay interest, including interest on overdue interest, at the Applicable Rate on any arrears of instalments of interest, and any payment by the Borrower shall be applied by the Lender first on account of interest and then on account of principal.
- 3.6 All payments of principal and interest pursuant to Section 3.1 shall be made to and received by the Lender prior to 1:00 p.m. on the date due, failing which such payment shall be deemed received on the next succeeding Business Day provided that in such case, such extension of time shall be included for the purpose of computation for interest; provided further that in the event any payment is due on a day which is not a Business Day, it shall be payable prior to 1:00 p.m. on the next succeeding Business Day and provided such payment is received by such date and such time, then, save in respect of repayment of the Indebtedness at the Maturity Date where interest shall be charged for extensions to the next succeeding Business Day, interest shall not be charged

for such extension.

ARTICLE 4 - CRIMINAL RATE OF INTEREST

- 4.1 Notwithstanding any other provisions of this Charge, in no event shall the aggregate “interest” (as defined in Section 347 of the Criminal Code, (Canada), as the same shall be amended, replaced or re-enacted from time to time) payable to the Lender under this Charge exceed the effective annual rate of interest on the “credit advances” (as defined in that section) under this Charge lawfully permitted under that section and, if any payment, collection or demand pursuant to this Charge 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 shall be deemed to have been made by mutual mistake of the Lender and the Borrower and the amount of such payment or collection in excess of that lawfully permitted shall be refunded by the Lender to the Borrower.

ARTICLE 5 - INTEREST ACT (CANADA)

- 5.1 For the purposes of this Charge, whenever interest is payable or stated not on the basis of a yearly rate, such rate of interest may be determined by multiplying the Applicable Rate by a fraction the numerator of which is the actual number of days in the calendar year in which the same is to be ascertained and the denominator of which is the number of days in the period for which such rate is determined to be payable.
- 5.2 All calculations of interest or fees under this Charge are to be made on the basis of the stated rates set out herein and not on any basis which gives effect to the principle of deemed re-investment.

ARTICLE 6 - PREPAYMENT

- 6.1 Subject to prepayment provisions provided for in the Commitment, if any, or early maturity by reason of the acceleration of the repayment of the Indebtedness at the option of the Lender upon the occurrence of an Event of Default, the Borrower shall not be entitled to prepay all or any portion of the Principal under this Charge prior to the Maturity Date.

ARTICLE 7 - NO OBLIGATION TO ADVANCE

- 7.1 The Borrower acknowledges and agrees that the Lender is not bound to make any advance of any of the Principal Sum or any unadvanced portion thereof by reason of the registration of this Charge in any place or registry office or the advance of any part of the said Principal Sum, it being acknowledged by the Borrower that any advance hereunder is subject, inter alia, to: (i) the representations and warranties contained herein being true and correct as of the date of any advance of the Loan; (ii) no default having occurred hereunder, under any of the Security or under the Commitment; and (iii) the conditions precedent contained in the Commitment having been satisfied.
- 7.2 In the event this Charge is registered and either no advance whatsoever is made hereunder by the Lender or the Borrower's ability to draw down funds is terminated by the Lender before any funds are advanced, the Lender will, at the expense of the Borrower and upon payment of all monies, costs, fees and disbursements then due to the Lender, promptly upon request by the Borrower execute and deliver to the Borrower, or any agent thereof, registrable discharges of this Charge and of the Security, for use in every registry office where they or notices thereof have been recorded or filed; provided that the Borrower acknowledges that this Section 7.2 shall be of no effect once any advance of the funds is made hereunder by the Lender.

ARTICLE 8 - REPRESENTATIONS AND WARRANTIES

- 8.1 The Borrower represents and warrants in favour of the Lender, acknowledging that the Lender is relying on such representations and warranties in extending the Loan:
- (a) The Borrower is a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and has all necessary corporate power and authority to enter into this Charge and the Security and to perform or cause to be performed its obligations contained herein and therein, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on;
 - (b) There are no provisions in the articles or bylaws of the Borrower or any unanimous shareholders agreement of or with respect to the Borrower or to which the Borrower is a party which restrict, limit or regulate in any way the powers of the Borrower to borrow on credit or to issue, sell or pledge any of the property or assets now or hereafter owned by it to secure its debt obligations, save and except any provisions which have been complied with. No steps or proceedings have been taken or are pending to amend or supersede the articles or bylaws of the Borrower in a manner which would impair or limit the Borrower's ability to perform its obligations hereunder or under the Security;
 - (c) The Borrower has taken all necessary corporate action to authorize the execution and delivery of this Charge and the Security, and performance of the provisions of each in accordance with its terms;
 - (d) The authorization, creation, execution or delivery of this Charge or the Security or the Borrower's performance of its obligations hereunder or thereunder does not require any approval or consent of any Governmental Authority having jurisdiction nor will any such action be in conflict with or contravene any of the Borrower's articles, bylaws, unanimous shareholders agreement, if any, or resolutions of directors or shareholders, or the provisions of any indenture, instrument, agreement or undertaking to which the Borrower is a party or by which it or its properties or assets are bound, or result in the creation, imposition or crystallization of any hypothec, title retention, charge, pledge, lien, encumbrance or security interest of any kind upon any of its property or assets subject to the Charge or security interest created thereby or by the Security other than in accordance with the provisions of this Charge and the Security. This Charge and the Security when executed and delivered will constitute valid and legally binding obligations of the Borrower, enforceable against it in accordance with its terms;
 - (e) There is not now pending or, to the best of the Borrower's knowledge or belief after due inquiry, threatened against the Borrower, any litigation, action, suit, investigation or other proceeding by or before any court, tribunal or other competent Governmental Authority which would materially adversely affect the present or prospective ability of the Borrower to perform its obligations under this Charge or the Security, as the case may be, or which calls into question the validity or enforceability of

this Charge or the Security;

- (f) No Event of Insolvency has occurred or is threatened or pending;
- (g) The Borrower is the registered owner of and has a good and marketable title in fee simple to the Lands, and, unless otherwise disclosed to the Lender in writing, is the legal and beneficial owner of the Charged Premises, free and clear of all security interests, charges, liens and other encumbrances whatsoever except for the Permitted Encumbrances, which Permitted Encumbrances are in good standing;
- (h) The Borrower has the right to charge the Charged Premises to the Lender;
- (i) The Borrower has not received any notice of or threat of a lien under the *Construction Act* (Ontario), as amended, against the Charged Premises nor has any lien been registered against the Charged Premises in respect of labour, materials or services furnished with respect to any improvement thereon which has not been discharged;
- (j) Unless expressly stipulated in the Commitment, the Charge is not being given with the intention to use the proceeds thereof to finance any alterations, additions or repairs to, or any construction, erection, demolition or installation on the Charged Premises or any structure thereon;
- (k) Unless expressly stipulated in the Commitment, the Charge is not a building mortgage, within the meaning of the *Construction Act* (Ontario), as amended, and the funds to be advanced by the Lender are not being used to repay a building mortgage;
- (l) There has been no improvement or materials supplied on or in respect of the Charged Premises in respect of which a construction lien could arise and which has not been completed or abandoned within the sixty (60) days immediately preceding the date hereof;
- (m) Except as disclosed to the Lender in writing, the existing and proposed uses, the operation of the Charged Premises and the business conducted thereon comply and, to the best of the Borrower's knowledge and belief, have (including all prior uses) at all times complied with all Applicable Laws, including all Environmental Laws, and the Borrower is not in violation of, and does not violate, by virtue of the ownership, use, maintenance or operation of the Charged Premises or the conduct of any business related thereto, any Applicable Laws, including all Environmental Laws;
- (n) The Charged Premises may be charged by the Borrower in compliance with the *Planning Act* (Ontario), and no severance of any adjoining lands owned by the Borrower is required;
- (o) All financial statements and data delivered or presented to the Lender by the Borrower up to and including the date hereof are true and correct in all material respects as at the dates and for the periods indicated and have been prepared in accordance with Canadian generally accepted accounting principles and disclose to the Lender all financial information relevant to the Lender in respect of making the Loan and there is no information, financial or otherwise, which has not been disclosed to the Lender which would be material to the Lender in its decision to advance the Loan, and, without limiting the foregoing, neither the Guarantor(s) nor the Borrower has failed to disclose to the Lender any facts or information material to the making of the Loan;
- (p) No Event of Default, or an event which with the giving of notice, lapse of time or otherwise, would constitute an Event of Default exists;
- (q) Each Permitted Encumbrance is in good standing and all obligations and covenants required to be met or complied with thereunder on the part of the Borrower have been complied with and, in respect to any other party thereto to the best of the Borrower's knowledge and belief, have been met or complied with;
- (r) All Leases entered into as of the date hereof are valid, subsisting and enforceable leases and are in good standing as of the date hereof without right of set-off or abatement;
- (s) The Borrower is not bound by any indenture, agreement, lease or other instrument, nor is it subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction or any of the Applicable Laws, which materially adversely affects its business operations in respect of the Charged Premises or the performance of its obligations under this Charge or the Security;
- (t) The Borrower has complied with all Applicable Laws in respect of any residential unit located on the Charged Premises, including in respect of any conversion, demolition, rentals charged or filings or applications to be made and there are no outstanding orders, decisions or directives made or pending which are or would be adverse to the Borrower or the Charged Premises in respect of any residential unit located on the Charged Premises;
- (u) If and as applicable, the Borrower is not a non-resident corporation or person of Canada within the meaning of the *Income Tax Act* (Canada);
- (v) If applicable, each partner of the limited partnership of which the Borrower is the general partner is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (w) If applicable, with respect to each partner of the limited partnership of which the Borrower is a general partner that is a Canadian corporation, either (i) the shares of that corporation do not derive their value, directly or indirectly, primarily from foreign property, all within the meaning of the *Income Tax Act* (Canada) or (ii) the corporation is a corporation described in subsection 206(1.1) of the *Income Tax Act* (Canada), as that provision may be amended from time to time;
- (x) The Borrower shall not, without the prior written consent of the Lender, execute or deliver any mortgage, charge, lien or other encumbrance of the Lands intended to rank subordinate to this Charge; and
- (y) The Borrower is not and shall not be during the Term (without the prior written consent of the Lender), a farmer within the meaning of the *Farm Debt Mediation Act* (Canada).

- 8.2 The representations and warranties set out in this Article 8 shall speak as of the date made, survive the execution and delivery of this Charge and the making of any advance hereunder and continue to be true and accurate during the Term of this Charge, notwithstanding any investigations or examinations which may be made by the Lender or the Lender's solicitors and the Lender shall be deemed to have relied on such representations and warranties in making advances under the Loan.
- 8.3 The Borrower shall indemnify and save harmless the Lender from and against all losses, damages, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from any omission, inaccuracy or misrepresentation of the Borrower herein relating to or concerning the Charged Premises and with respect to all losses, charges, claims and expenses directly or indirectly incurred or suffered by the Lender resulting from or arising in connection with environmental matters relating to, arising from, in connection with or concerning the Charged Premises, whether referred to or contemplated herein or hereby.

ARTICLE 9 – COVENANTS

- 9.1 The Borrower covenants with the Lender that upon the occurrence of an Event of Default, the Lender shall have quiet possession of the Charged Premises, free from any encumbrances, save and except for the Permitted Encumbrances.
- 9.2 The Borrower shall not without the prior written consent of the Lender, which may be withheld in the sole discretion of the Lender permit or suffer to exist any charges, liens, security interests or other encumbrances against the Charged Premises, save and except for the Permitted Encumbrances; and the Borrower shall maintain the Permitted Encumbrances in good standing and provide notice to the Lender forthwith of any default under any of the Permitted Encumbrances.
- 9.3 The Borrower shall not initiate, permit or suffer to exist any Event of Insolvency, in respect of itself or, to the extent that the Loan, this Charge or the Security is affected by the occurrence of any such event, of any related person or corporation, including without limitation, any parent corporation of the Borrower. The Borrower covenants and agrees (i) to provide two Business Days' notice prior to the occurrence of an Event of Insolvency (an "Insolvency Notice"), and agrees that the receipt of an Insolvency Notice by the Lender shall constitute an immediate Event of Default if the Borrower or any Guarantor(s) is an applicant or takes the benefit of such statute or proceeding or if any of these proceedings otherwise affect the rights or entitlements of the Lender under the Loan, this Charge or the Security or the Lender's ability to enforce this Charge or the Security, and (ii) prior to the commencement of any such proceedings, to deliver to the Lender copies of all relevant filing materials, including, without limitation, copies of draft court orders, plans of compromise, proposals and notices of intention, it being intended by the Borrower that the Lender be entitled during the period after receipt of an Insolvency Notice to enforce this Charge and the Security for the purpose of, among other things, taking possession and control of the Charged Premises, in the Lender's sole discretion.
- 9.4 The Borrower shall not, without the prior written consent of the Lender, initiate, join in or consent to any change to or modification in any private restrictive covenant, municipal or other governmental law, rule or regulation, by-law, or any other public or private restrictions, limiting or defining the uses which may be made of the Charged Premises, or any part thereof and which could adversely affect the Charge, the Security, the day- to-day operations of the Charged Premises, the income derived therefrom or the value of the Charged Premises.
- 9.5 The Borrower shall comply in all respects with all covenants, deed restrictions, easements and Applicable Laws which pertain to the ownership, use or operation of the Charged Premises or the performance by the Borrower of its obligations under this Charge and shall ensure that all representations and warranties contained herein continue to be true and accurate at all times during the Term.
- 9.6 The Borrower shall permit the Lender, or cause to be made available to the Lender, access to all records, both written and electronic, pertaining to the Charged Premises and upon request shall make copies of such information for the Lender. For such purposes, the Lender shall have reasonable access to the Charged Premises or such other place as such records are kept upon reasonable prior written notice to the Borrower.
- 9.7 The Borrower shall fulfil on a timely basis any undertaking provided by it to the Lender at the time of the advance of the Loan.
- 9.8 The Borrower covenants to ensure that this Charge will remain a valid and enforceable mortgage of the Charged Premises with first priority subject only to the Permitted Encumbrances and the Borrower will fully and effectively maintain and keep the Security as valid and effective security during the currency hereof.
- 9.9 The Borrower shall promptly give written notice to the Lender of any litigation, proceeding or dispute affecting the Charged Premises if the result thereof might have a material adverse effect on the Charged Premises, the financial condition or operations of the Borrower or any Guarantor(s) or its ability to perform its obligations hereunder and shall, from time to time, furnish to the Lender all reasonable information requested by the Lender concerning the status of such litigation, proceeding or dispute and shall in all such cases diligently and in good faith proceed to defend, settle or otherwise deal with any such litigation, proceeding or dispute in a commercially reasonable manner.
- 9.10 The Borrower shall promptly give notice to the Lender upon becoming aware of and provide particulars in respect of:
- (a) An Event of Default or any event which with the passage of time or giving of notice would constitute an Event of Default;
 - (b) Any default under a Lease;
 - (c) Details of material renovations to the Charged Premises when the Borrower intends to or reasonably anticipates that it will renovate the Charged Premises;
 - (d) Any default under any Permitted Encumbrance;
 - (e) Any notice of expropriation, action or proceeding materially affecting the Charged Premises or the violation of any

Applicable Law which may have a material adverse affect on the Charged Premises; and

- (f) Any matter which may have a material adverse affect upon the Borrower or the Guarantor(s) or Charged Premises or the operations conducted thereon, or the security constituted by this Charge and the Security.

9.11 The Borrower covenants at all times:

- (a) to perform or cause to be performed all of the covenants and obligations on the part of lessor contained in the Leases (except the extent the same have been expressly waived by the other parties to such Leases and except in circumstances where the tenant is in default and the Borrower is acting prudently and in the best interests of the Charged Premises);
- (b) to maintain or cause to be maintained the Lease Rights in good standing and not to do, permit to be done or omit to do anything which may impair the enforceability of the Lease Rights;
- (c) save for the deposits for the first and last month rentals, not to accept Rents more than one (1) month in advance of the dates when Rents fall due;
- (d) not to enter into Leases which are not at arm's length unless the terms thereof are at least equal to current market terms;
- (e) not to enter into Lease which do not constitute Major Tenant Leases (each of which must be approved by the Lender as hereafter provided) unless such leases are substantially on Lender pre-approved standard lease forms and not to enter into Major Tenant Leases without the Lender's approval as hereafter provided;
- (f) not to or to permit termination, alteration or amendment or waiver of rights or remedies or otherwise take any action with respect to any of the Leases which in the aggregate would create a material reduction in Rents from those payable as of the date hereof, without the prior approval of the Lender;
- (g) not to further assign, mortgage or pledge or permit the assignment, mortgaging or pledging of any Lease or the rents thereunder, save for assignments by tenants of their tenant's interest in Leases, to the extent permitted under such Leases; and
- (h) to ensure in respect of all Leases now or hereafter entered into that (i) the tenant thereunder, at the option of the Lender, subordinates its lease to the security of this Charge and attorns to and becomes a tenant of the Lender or any purchaser from the Lender in the event of the exercise of a sale remedy by the Lender, for the unexpired residue of the term and upon the terms and conditions of said lease, provided the Lender will agree to enter into non-disturbance agreements on commercially reasonable terms with all such tenants; and (ii) at the request of the Lender, provide as further security specific assignments of Leases hereinafter entered into.

9.12 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, enter into any agreement or document in respect of the Charged Premises (except for leases in accordance with the terms hereof and the Security) which is material to the ownership, value, operation, or use of the Charged Premises unless the same is in the ordinary course of business.

9.13 With respect to any Major Tenant Lease, the Borrower shall not and shall not permit without the prior written consent of the Lender:

- (a) cancel or modify any Major Tenant Lease, release the obligations of any lessee thereunder, accept a surrender of a Major Tenant Lease, accept any prepayment of Rents thereunder or consent to any sublet or assignment by the lessee under any Major Tenant lease (except where the provisions of such Major Tenant Lease require the landlord to do so); or
- (b) enter into any Major Tenant Lease unless the terms, form and substance of such Major Lease is satisfactory to the Lender, acting reasonably; or
- (c) to further assign, mortgage, pledge, hypothecate or otherwise deal with any Major Tenant Lease.

9.14 The Borrower shall do or cause to be done all things necessary to keep in full force and effect all rights, franchises, licences and qualifications necessary or incidental to perform or cause to be performed its obligations contained in this Charge and the Security and to carry on its business pertaining thereto as presently carried on.

9.15 The Borrower shall from time to time to pay or cause to be paid all amounts related to taxes, wages, workers compensation obligations, government royalties, and any other similar amounts relating to the business conducted on the Charged Premises if non-payment thereof may result in an encumbrance (other than a Permitted Encumbrance) against the Charged Premises or any of the assets secured in favour of the Lender by the Security.

9.16 The Borrower shall not, without the prior written consent of the Lender, acting reasonably and promptly, cause or permit any change in the status of the Borrower that results in the representations contained in Subparagraph 8.1(u) or Subparagraph 8.1(v) ceasing to be accurate in all material respects.

9.17 The Borrower covenants, subject to the rights of reorganization herein contained, to continue as a corporation duly organized, validly subsisting and in good standing under the laws of its incorporating jurisdiction and maintain all necessary corporate power and authority to perform or cause to be performed its obligations contained herein and in the Security, to own and operate the Charged Premises and to carry on its business pertaining thereto as presently carried on.

9.18 The Borrower covenants that, unless in respect of a reorganization of the Borrower permitted under Paragraph 18.1(h) or with the consent of the Lender as provided therein, no steps or proceedings will be taken to amend or supersede the articles or bylaws of the Borrower and in any event no steps or proceedings, including any reorganization of the Borrower, will be taken in a manner which would impair or limit the Borrower's or its successor's ability to perform its obligations hereunder or under the

Security.

- 9.19 The Borrower will not enter into any indenture, agreement, lease or other instrument, nor become subject to any trust agreement, charter, by-law, unanimous shareholders agreement or other corporate restriction, which materially adversely affects the Charged Premises.

ARTICLE 10 - TAXES/LIENS

10.1

- (a) The Borrower shall pay or cause to be paid, all Taxes together with such other amounts, the failure to pay which would give rise to a lien against the Charged Premises, as and when the same shall fall due and payable (collectively, the "Bills").
- (b) With respect to Taxes at the option of the Lender, the Borrower shall pay to the Lender in equal monthly instalments on the first day of each month in each calendar year during the Term, commencing on the first day of the month next following the Interest Adjustment Date, one-twelfth (1/12) of the annual Taxes (or such amount as may be required in order to pay the Taxes as they become due) as reasonably estimated by the Lender; said payments of Taxes shall be paid to the Lender in addition to the instalments of interest due and payable under this Charge, to be deposited upon receipt and held by the Lender in an interest-bearing account for the payment of Taxes, with interest to accrue thereon to the benefit of the Borrower and to be credited in reduction of the amount required to be paid to the Lender for Taxes. The Lender agrees that upon and subject to receipt of monies for Taxes it will remit such monies to the proper municipal offices in payment of Taxes as required from time to time; provided that if any Event of Default shall occur and be continuing, then the Lender, at its sole option, may apply all or any part of any funds held in such account to any amount due hereunder, whether principal, interest or otherwise. The Borrower shall also pay, or cause to be paid, to the Lender before the due date for the payment of Taxes (or next periodic instalment date therefor, as the case may be) any sums in addition to the aforesaid monthly instalments which may be required in order that out of such sums held in trust or escrow by the Lender and such additional sums, the Lender may pay the whole amount of Taxes assessed thereto, on the due date for payment thereof. Notwithstanding the foregoing provisions of this Paragraph 10.1(b), the Borrower acknowledges that the Lender is under no obligation to collect from the Borrower monthly instalments on account of Taxes. In addition, the Borrower acknowledges its obligation to pay all Taxes when due, whether or not the payment of all Taxes are the responsibilities of tenants and whether or not such tenants have remitted the same to the Borrower.
- (c) The Lender may, after written notice being given to the Borrower, pay all unpaid and due Taxes, and any amounts, the failure to pay which would give rise to a lien and any amounts so paid by the Lender shall become part of the Principal hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender with interest at the Applicable Rate until paid.
- (d) If the Charged Premises or any part thereof are sold or forfeited for nonpayment of Taxes while any sum remains unpaid hereunder, the Lender may acquire the title and rights of the purchaser at any sale, or the rights of any other person or corporation becoming entitled on or under any such forfeiture, or the Lender may pay, either in its own name or in the name of the Borrower and on the Borrower's behalf, any and all sums necessary to be paid to redeem such land so sold or forfeited, and to revest such lands in the Borrower, and the Borrower hereby nominates and appoints the Lender as agent to pay such monies on the Borrower's behalf and in the Borrower's name, and any monies so expended by the Lender shall become part of the Principal Sum hereby secured and be a charge on the Charged Premises in favour of the Lender and shall be payable forthwith by the Borrower to the Lender and until so paid shall bear interest at the Applicable Rate or in the alternative, the Lender may purchase the Charged Premises at any tax sale of the same.
- (e) Notwithstanding anything to the contrary herein contained, the Borrower shall have the right to contest or defend any actions brought to recover, or appeal any judgments recovered against it in respect of any Bills, or other like charges, or any construction or other liens levied or registered against the Charged Premises, by appropriate proceedings diligently conducted in good faith, provided that the Borrower shall have first deposited with the Lender, or otherwise provided to the reasonable satisfaction of the Lender, such security as the Lender acting reasonably may require including, without limitation, security for the payment of such Bills, charges or liens and any costs payable in connection therewith, and further provided that the Lender shall have determined, to its reasonable satisfaction, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall not materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises. Should the Lender at any time thereafter determine, in its reasonable discretion, that any such contest, defence or appeal or any delay or nonpayment of such Bills, charges or liens shall materially prejudice the prior charge or lien of this Charge or the title of the Borrower to the Charged Premises, the Lender may realize upon such security for payment as aforesaid and pay such Bills, charges or liens. Upon termination of such proceedings, the Borrower shall promptly pay or cause to be paid the amount of the Bills, charges or liens and any other costs, fees, interest and penalties as are properly payable upon determination of such proceedings and promptly cause any tax notifications, caveats, liens, certificates of or pertaining litigation or any other form of notice or encumbrance in respect thereof to be promptly discharged from the title to the Charged Premises at the sole expense of the Borrower whereupon all such security deposited or otherwise provided to the Lender and any proceeds from the realization thereof not paid on account of Bills as aforesaid, shall be returned and paid to the Borrower.
- (f) The Borrower agrees to and does hereby indemnify the Lender against all claims, demands, costs, damages and expenses which arise in respect of any default, late payment, omission, act or proceeding by the Borrower, under or in respect of this Section 10.1.
- (g) If the Lender comes into and for as long as it is in possession of the Charged Premises, the Lender, in its sole discretion, shall be entitled to and shall enjoy all the rights of the Borrower set out in Paragraph 10.1(d) hereof, to the exclusion of the Borrower.

ARTICLE 11 – INSURANCE

- 11.1 The Borrower will immediately insure, unless already insured, and during the continuance of the Charge keep insured against loss or damage by fire, in such proportions upon each building as may be required by the Lender, the buildings on the land to the amount of not less than their full insurable value on a replacement cost basis in dollars of lawful money of Canada. Such insurance shall be placed with a company approved by the Lender. Buildings shall include all buildings whether now or hereafter erected on the land, and such insurance shall include not only insurance against loss or damage by fire but also insurance against loss or damage by explosion, tempest, tornado, cyclone, lightning and all other extended perils customarily provided in insurance policies including "all risks" insurance. The covenant to insure shall also include where appropriate or if required by the Lender, boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Lender. Evidence of continuation of all such insurance having been effected shall be produced to the Lender at least fifteen (15) days before the expiration thereof; otherwise the Lender may provide therefore and charge the premium paid and interest thereon at the rate provided for in the Charge to the Borrower and the same shall be payable forthwith and shall also be a charge upon the land. It is further agreed that the Lender may at any time require any insurance of the buildings to be cancelled and new insurance effected in a company to be named by the Lender and also of his own accord may effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be payable forthwith by the Borrower with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Lender as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.
- 11.2 During any construction on the Charged Property, the Borrower shall maintain:
- (i) Builders' all-risk coverage for 100% of the construction cost with loss payable to the Lender by way of an Insurance Bureau of Canada ("IBC") approved mortgage clause. The policy must cover flood, earthquake, building by-laws, delayed opening, must allow for partial occupancy of the premises and provide for interim loss payments during reconstruction;
 - (ii) Wrap-Up Liability coverage in an amount not less than \$10,000,000 per occurrence;
 - (iii) Project performance and completion bonds and insurance, including coverage for labour and material bonds; and
 - (iv) Professional Liability coverage in an amount not less than \$10,000,000.

ARTICLE 12 - ENVIRONMENTAL

- 12.1 The following capitalized terms shall have the following respective meanings:

"Environmental Approvals" means all applicable permits, licences, authorizations, consents, directions or approvals required by Governmental Authorities pursuant to the Environmental Laws with respect to the use, occupation, ownership or operation of the Charged Premises;

"Environmental Laws" means all applicable federal, provincial and municipal laws, by-laws, regulations, executive orders, judgments and protocols, relating in whole or in part, to the environment or its protection, and without restricting the generality of the foregoing, includes without limitation, those laws relating to the manufacturing, processing, use, handling, packaging, labelling, sale, storage, recycling, transportation, treatment, destruction, burial or disposal of Hazardous Substances, employee safety, and the emission, discharge, release, deposit, issuance, spraying, dumping, throwing, pouring, spilling, emptying, placing, leaking, seeping, exhausting or abandonment of Hazardous Substances into the atmosphere, air, surface water, ground water, land surface or subsurface strata and, in each such case, as such Environmental Laws may be amended or supplemented from time to time, and "Environmental Law" means any of them;

"Hazardous Substance" means any pollutant, contaminant, waste, hazardous waste, toxic substance or dangerous good which is defined or identified in or the object of any Environmental Law, the presence of which in the environment is in contravention of any Environmental Law; and

"Inspections" means all inspections, evaluations or tests conducted by the Lender or any agent or consultant thereof for the purpose of determining the environmental condition of the Charged Premises, as the Lender may deem appropriate, acting reasonably.

- 12.2 The Borrower represents and warrants (which representations and warranties shall continue throughout the Term of the Loan) that:

- (a) The condition and use of the Charged Premises is and, to the best of the Borrower's knowledge, any prior use of the same was, in compliance in all material respects with all applicable Environmental Laws;
- (b) The Charged Premises is not subject to any judicial or administrative proceedings alleging violation of any Environmental Laws and there are no outstanding orders or proceedings against the Charged Premises from a Governmental Authority responsible for protecting the environment alleging the violation of any Environmental Laws;
- (c) To the knowledge of the Borrower, the Charged Premises is not the subject of any investigation by Governmental Authorities having jurisdiction evaluating whether any remedial action is needed to respond to a contravention of any Environmental Laws; and
- (d) There is no contingent liability of which the Borrower has knowledge or reasonably should have knowledge in connection with the contravention of any Environmental Laws.

- 12.3 The Borrower covenants with the Lender:

- (a) If not already provided, to provide to the Lender within ninety (90) days of the execution of this Charge, an

environmental audit with respect to the Lands, and if an event shall have occurred after the date of this Charge, which the Lender, acting reasonably, believes may have resulted or may result in material adverse change in the environmental condition of the Charged Premises or any part thereof, to provide such further environmental audits as the Lender may require;

- (b) To provide notice within fifteen (15) days of either having learned of any enactment or promulgation of any Environmental Laws which may result in any material adverse change in the condition, financial or otherwise, of the Charged Premises;
- (c) To defend, indemnify and hold harmless the Lender, its directors, officers, employees, agents and their respective successors and assigns, against any and all loss, cost, expense, claim, liability or alleged liability arising out of any environmental damage occasioned to the Charged Premises contravention of any Environmental Laws;
- (d) To, at all times and at its own expense, conduct its business and maintain the Charged Premises in compliance with all Environmental Laws and Environmental Approvals including causing all tenants of the Charged Premises to comply with the same;
- (e) If the Borrower:
 - (i) receives notice from any Governmental Authority having jurisdiction that violation of any Environmental Law or Environmental Approval has been committed by the Borrower or any tenant with respect to the Charged Premises;
 - (ii) receives notice that any remedial order or other proceeding has been filed against the Borrower or any tenant alleging in respect of the Charged Premises violations of any Environmental Law or requiring the Borrower to take any action in connection with the release of a Hazardous Substance into the environment; or
 - (iii) receives any notice from a Governmental Authority having jurisdiction in respect of the Charged Premises that the Borrower or any tenant may be liable or responsible for costs associated with a nuisance or a response to, or clean up of, a release of a Hazardous Substance into the environment or any damages caused thereby;

to provide to the Lender a copy of such notice within ten (10) days of the Borrower's receipt thereof, and thereafter shall keep the Lender informed in a timely manner of any developments in such matters, and shall provide to the Lender such other information in respect thereto as may be reasonably requested by the Lender from time to time and shall proceed to deal with the same diligently and in good faith in order to bring the Charged Premises into compliance to the extent necessary to comply with Environmental Laws;

- (f) Unless in existence on the Charged Premises on the date of this Charge, not to use, discharge, transport or install in or upon the Charged Premises any material or equipment containing PCBs or permit any tenant of the Charged Premises to do so and, to the extent in existence on the Charged Premises as of the date of this Charge, to maintain the same in compliance with all Environmental Laws;
- (g) To maintain, and to require all occupants of the Charged Premises to maintain in good leak-proof condition all above-ground and underground storage tanks and drums on the Charged Premises;
- (h) Not to install asbestos or permit asbestos to be installed in the Charged Premises. With respect to any asbestos present in the Charged Premises on the date of this Charge, the Borrower shall, at its expense, promptly comply with the requirements of Environmental Laws and Governmental Authorities respecting the use, removal and disposal of asbestos; and
- (i) To obtain or cause its solicitors to obtain copies of all relevant environmental studies or assessments of the Charged Premises which the Borrower or its solicitors or agents have commissioned or which are in the possession or control of the Borrower, as of the date of this Charge and, to the extent any such assessments or studies are required by the Lender from time to time, to promptly provide same to the Lender upon request and hereby authorizes and directs its solicitors, agents and consultants to promptly release same to the Lender.

12.4 Having due regard to the rights of any tenant of the Borrower, the Lender and its employees and agents shall have the right, and are hereby granted permission by the Borrower, to enter the Charged Premises from time to time, and to have access to the Borrowers' relevant documents and records, in order to conduct Inspections, to determine compliance with Environmental Laws as the Lender, acting reasonably, may deem appropriate. Inspections shall be:

- (a) at such times and to such extent as may be reasonable in the circumstances on prior notice to the Borrower if the Lender has reasonable grounds for believing that:
 - (i) there are, contrary to Environmental Laws or Environmental Approvals, Hazardous Substances in or upon the Charged Premises which have not been disclosed to and approved by the Lender and appropriate Government Authorities; or
 - (ii) the Borrower is in breach of any environmental representations in this Charge or its covenants in this Article; or
 - (iii) the Borrower is not in compliance with any Environmental Laws or material Environmental Approvals; and
- (b) at any time without prior notice upon the occurrence of an Event of Default which is continuing.

If the Borrower is found not to be in compliance with the Environmental Laws or Environmental Approvals and such failure to comply becomes an Event of Default that is continuing, the Lender may, at its option (but without any obligation to do so) take such actions as are required, acting reasonably, to bring the Charged Premises into compliance, and the costs thereof shall

immediately become due and payable to the Lender by the Borrower and shall be secured by the Security.

- 12.5 The Lender shall not, by virtue of being the chargee under this Charge or the enforcement of its rights contained herein for purposes of the Environmental Laws, be or be deemed to be the owner of, any of the Charged Premises, or to have management, charge, control, occupation or possession of any of the Charged Premises or the businesses of the Borrower, or of any Hazardous Substances located on, upon or within any of the Charged Premises.
- 12.6 The Borrower hereby covenants and agrees to be responsible for, and to indemnify and hold harmless the Lender and each of its officers, directors, employees and agents and their respective successors and assigns (in this Section, collectively referred to as the "Indemnified Parties") from and against all claims, demands, liabilities, losses, costs, damages and expenses (including, without limitation, reasonable legal fees and all costs incurred in the investigation, pursuing of any claim, or in any proceeding with respect to, defense and settlement of any item or matter hereinafter set out) that the Indemnified Parties may incur or suffer, directly or indirectly as a result of or in connection with:
- (a) Any inaccuracy in or breach of the Borrower's representations and warranties relating to the environmental matters contained herein;
 - (b) The presence of any Hazardous Substance on, upon or within the Charged Premises, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Charged Premises of any Hazardous Substance, whether or not there is compliance with all applicable Environmental Laws and Environmental Approvals;
 - (c) The imposition of any remedial order affecting the Lands, or any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Charged Premises by any person, including the Borrower, the Lender or any person acting on behalf of the Lender; and
 - (d) Any diminution in the value or any loss on the disposition of the Charged Premises arising directly or indirectly as a result of the presence on the Lands of any Hazardous Substance, or as a result of the imposition of any remedial order or the breach by any person of any Environmental Law or Environmental Approval.

This indemnity shall survive the satisfaction and release of this Charge and the Security and the payment and satisfaction of all indebtedness hereunder. The benefit of this indemnity may be assigned by the Lender to any successor or assign of the Lender and the Borrower hereby consents to any such assignment.

ARTICLE 13 - ASSIGNMENT OF RENTS AND LEASES

- 13.1 As further security for the payment of all monies owing and the performance of all obligations to be performed hereunder, the Borrower does, as and by way of security, hereby sell, assign, transfer and set over unto to the Lender all of the Borrower's right, title and interest, both at law and equity, in and to the Lease Rights, to hold and receive the same unto the Borrower with full power and authority to demand, collect, sue for, recover and receive and give receipts for Rents and enforce payments of the same and enforce performance of the obligations of tenants under the Leases, provided, however, that, subject to the terms of this Charge, the Borrower shall have the full right, so long as no Event of Default has occurred and is continuing, to continue to collect Rents, to take or cause to take all actions as it deems necessary with respect to the Lease Rights, acting as a reasonable lessor.
- 13.2 It is expressly acknowledged and agreed by the Borrower that nothing contained in this Charge shall oblige the Lender to assume or perform any obligation of the Borrower to any third party in respect of or arising out of the assigned Lease Rights. The Lender may, however, after the occurrence of an Event of Default and while such Event of Default continues, at its option, assume or perform any such obligation as the Lender considers necessary or desirable to obtain the benefit of the Lease Rights, free of any set-off, reduction or abatement, and any money expended by the Lender in this regard shall form part of or be deemed to form part of the indebtedness secured by this Charge and shall bear interest at the Applicable Rate.

ARTICLE 14 - MANAGEMENT AND REPAIR

- 14.1 The Borrower shall cause the Charged Premises at all times to be professionally maintained, managed and operated and fully and continuously operational during customary business hours, including all uses ancillary or incidental to its operations, at all times, by competent managers and staff of proper background and training, in a first class manner consistent with the management and operation of other properties which are of size, location, use, class, age and type comparable to the Charged Premises, and the Borrower shall obtain the Lender's prior written approval of any manager and any management contract with any manager which may be entered into by the Borrower for the management of the Charged Premises. In addition to any other rights hereunder of the Lender, the Lender shall have the right, acting reasonably, to replace the manager at the expense of the Borrower in the event the management standards are not maintained as required hereunder and the situation is not remedied within thirty (30) days after written notice from the Lender. The Lender acknowledges and approves, as of the date hereof, of the Borrower or a company controlled by the Borrower acting as manager of the Charged Premises provided that the Charged Premises are managed and maintained in accordance with the provisions hereof.
- 14.2 The Borrower shall promptly repair, maintain, restore, replace, rebuild, keep, make good, finish, add to and put in order, or cause to be so done, the Charged Premises, so that the same shall, at all times, be in good condition and repair and to pay or cause to be paid when due all claims for labour performed and materials furnished therefor. The Borrower shall not commit or suffer any waste of the Charged Premises nor take any action that might invalidate or give cause for cancellation of any insurance maintained in respect of the Charged Premises. No building or other property now or hereafter charged by this Charge shall be removed, or demolished or nor shall the structure of any building be materially altered, redeveloped, retrofitted or renovated, without the prior written consent of the Lender, except that the Borrower shall have the right, without such consent, to remove and dispose of, free from the lien or charge of this Charge, such fixed equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, and if necessary for the operation of the Charged Premises such equipment shall be replaced with other equipment of a quality comparable to that of the replaced equipment and free from any lien, title retention agreement, conditional sale contract, security agreement or other encumbrance, and by such removal and replacement the Borrower shall be deemed to have subjected such fixed equipment to the lien or charge of this Charge, or, (b) any net cash proceeds received from such disposition shall, at the option of the Lender,

be paid over promptly to the Lender to be applied in a manner determined by Lender in its sole discretion toward the payment of any amounts owing hereunder or secured hereby. The Borrower shall notify the Lender promptly of any material damage to or defects in any of the Improvements, and thereafter forthwith shall make or cause to be made such repairs thereto as are required to correct any such damage or defects and return the Charged Premises to a state of condition and repair equivalent to the state of condition and repair required by the provisions of this Charge.

- 14.3 The Borrower shall comply with, or cause to be complied with, all statutes including without limitation the provisions of the *Construction Act* (Ontario), ordinances and requirements of any Governmental Authority having jurisdiction with respect to the Charged Premises; the Borrower shall complete and pay for, within a reasonable time, any structure at any time in the process of construction on the Charged Premises.
- 14.4 The Borrower shall permit the Lender or its authorized agents at all reasonable times to enter upon the Charged Premises and inspect same, and if such inspection reveals that any repairs or like actions are necessary, the Lender may give notice to the Borrower requiring the Borrower to repair, rebuild or reinstate the same, or take such other like action within a reasonable time. Any failure by the Borrower to comply with such notice shall constitute an Event of Default hereunder and the Lender may repair, rebuild or reinstate the Charged Premises at the cost of the Borrower and charge all sums of money determined by the Lender to be properly paid therefor and interest thereon at the Applicable Rate until paid.

ARTICLE 15 - INCREASED COSTS

- 15.1 In the event that as a result of any application of or any change in or enactment of any applicable law, regulation, treaty or official directive after the date hereof (whether or not having the force of law), or in the interpretation of application thereof by any court or by any governmental or other authority or entity charged with the administration thereof which now or hereafter:
- (a) Subjects the Lender to any tax or changes the basis of taxation, or increases any existing tax, on payments of principal, interest or other amounts payable by the Borrower to the Lender under this Charge (except for taxes on the overall net income of the Lender or capital of the Lender imposed by the Government of Canada or any political subdivision thereof or by the jurisdiction in which the principal or lending office of the Lender is located); or
 - (b) Imposes, modifies or deems applicable any special requirements against assets held by, or deposits in or for the account of or any other acquisition of funds by the Lender or imposes on the Lender a requirement to maintain or allocate capital or additional capital in relation to the Loan; or
 - (c) Imposes on the Lender any other condition with respect to this Charge; or
 - (d) Renders any portion of this Charge illegal or unenforceable;

and the result of any of the foregoing is to increase the cost to the Lender, or reduce the amount of principal, interest or other amount received or receivable by the Lender hereunder or its effective return hereunder in respect of making or maintaining the Loan hereunder or to reduce the payments receivable by the Lender in respect of the Loan by an amount which the Lender deems to be material, the Lender shall promptly give written notice thereof to the Borrower setting out in reasonable detail the facts giving rise to and a summary calculation of such increased costs or reduced payments, and the Borrower shall forthwith pay to the Lender upon receipt of such notice that amount which will compensate the Lender for such additional cost or reduction in income (herein referred to as "Additional Compensation"). Upon the Lender having determined that it is entitled to Additional Compensation in accordance with the provisions of this Section, the Lender shall promptly so notify the Borrower. The Borrower shall forthwith pay to the Lender upon receipt of such notice such Additional Compensation calculated on the date of demand. The Lender shall be entitled to be paid such Additional Compensation from time to time to the extent that the provisions of this Section are then applicable notwithstanding that the Lender has previously been paid any Additional Compensation. The Lender shall endeavour to limit the incidence of any such Additional Compensation, including seeking recovery for the account of the Borrower, by appealing any assessment at the expense of the Borrower upon the Borrower's request.

- 15.2 All payments made by the Borrower to the Lender will be made free and clear of all present and future taxes, withholdings or deductions of whatever nature. If these taxes, withholdings or deductions are required by Applicable Law and are made, the Borrower shall, as a separate and independent obligation, pay to the Lender all additional amounts as shall fully indemnify the Lender from any such taxes, withholding or deduction. Provided, however, that the Borrower shall have no obligation to pay any withholding or like tax which may be exigible, incurred or required as a result of the Lender being a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- 15.3 If the result of any law, regulation, treaty or official directive or request or any change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) is such that it is or will become (other than as a result of some positive action of the Lender, including any participation or syndication hereof by the Lender) unlawful for the Lender to make, fund or allow to remain outstanding all or part of the Loan, or to carry out all or any of its other obligations under this Charge and/or the Security or receive interest or any fee at the Applicable Rate, then in such case:
- (a) The Lender may give written notice to the Borrower of such law, regulation, treaty or official directive or request (whether or not having the force of law) or such change in or any introduction thereof or change in the interpretation or application thereof or compliance by the Lender with the same (including, without limitation, those relating to taxation, reserve requirements, capital adequacy or other banking or monetary controls) which such notice shall certify that such law, regulation, treaty, official directive or request is generally applicable to all other borrowers from the Lender with any accommodation similar to that herein provided; and
 - (b) The Borrower shall prepay the Indebtedness on such date and to such extent as the Lender shall certify to be necessary to comply with the relevant law or change described above;

provided, however, that should the Loan become unlawful, the Lender, without prejudice to its rights to require repayment and without any obligation on its part, will consider other means of funding the Loan which would not be unlawful, would allow the

Lender to carry out its obligations in respect of the Loan and would enable the Lender to receive interest at the Applicable Rate, provided always, notwithstanding the foregoing, the Lender is not obligated to provide alternate funding.

ARTICLE 16 - OBTAINING AND MAINTAINING SECURITY

16.1 Regardless of whether such sums are advanced or incurred with the knowledge, consent, concurrence or acquiescence of the Borrower or otherwise and in addition to any other amounts provided for herein or otherwise permitted by Applicable Law to be secured hereby, except as herein otherwise provided, the following are to be secured hereby and shall be a charge on the Charged Premises, together with the interest thereon at the Applicable Rate, and all such monies shall be repayable to the Lender as herein provided:

- (a) All reasonable and properly chargeable solicitor's, inspector's, valuator's, consultant's, architect's, engineer's, surveyor's and appraiser's fees and out-of-pocket expenses:
 - (i) for drawing and registering this Charge and the Security and financing statements in connection therewith, and attending to advances hereunder;
 - (ii) for examining the Charged Premises and the title thereto up the date hereof;
 - (iii) for making and maintaining this Charge as a registered charge on the Charged Premises and maintaining the Security (including the registration and filing of renewals);
 - (iv) for the preparation of this Charge, the Security and any related documents and in exercising or enforcing or attempting to enforce or advising the Lender in respect of defaults hereunder or in pursuit of any right, power, remedy or purpose hereunder or subsisting at law;
 - (v) reasonable allowance for the time, work and expenses of the Lender or of any agent of the Lender in connection therewith; and
- (b) All reasonable sums which the Lender may from time to time advance, expend, incur or suffer hereunder:
 - (i) for insurance premiums, Bills, Taxes, rates, or in or toward payment of prior liens, charges, encumbrances or claims charged or to be charged against the Charged Premises;
 - (ii) in maintaining, repairing, restoring or completing construction of the Charged Premise;
 - (iii) in inspecting, leasing, managing or improving the Charged Premises as permitted hereunder, including the price or value of any goods of any sort or description supplied to be used on the Charged Premises as permitted hereunder; and
- (c) Without limiting the generality of any of the foregoing, the then current reasonable fee of the Lender and/or its solicitor for the following matters:
 - (i) executing any cessation or discharge of this Charge, notwithstanding that said cessation or discharge may have been prepared by the Borrower;
 - (ii) entering into an agreement to amend the interest rate or any other provision in the Charge;
 - (iii) handling any dishonored cheque;
 - (iv) preparing an amortization schedule showing the principal and interest components of payments due under this Charge;
 - (v) the cost of completing a Phase I & II Environmental Audit and such other environmental audits as the Lender may require in its discretion;
 - (vi) such other administrative matters as the Lender may perform with regards to the Charge or with regards to any collateral security, as permitted by the Commitment;
 - (vii) the fee charged by the Lender's insurance consultant to review the Borrower's policy of insurance for the subject lands including business interruption insurance if required by the Lender; and
 - (viii) the execution and delivery of any consents, postponements, acknowledgments or any other documents that may be required from the Lender, whether from the Borrower and/or any governmental authorities and/or public/private utilities.

16.2 If any action or proceeding be commenced (except an action to foreclose this Charge or to collect the money that is secured hereby) in which the Lender becomes a party or participant by reason of being the holder of this Charge or the indebtedness secured hereby, all sums paid by the Lender for the expense of so becoming a party or participating (including all reasonable and properly chargeable legal costs) shall, on written notice, be paid by the Borrower, together with interest thereon at the Applicable Rate from the dates of payment of such sums by the Lender, and shall be a lien and charge on the Charged Premises, prior to any right or title to, interest in, or claim upon the Charged Premises subordinate to the lien and charge of this Charge, and shall be deemed to be secured by this Charge, and that in any action or proceeding to foreclose this Charge, or to recover or collect the indebtedness secured hereby, provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

ARTICLE 17 - CONDEMNATION AWARDS

- 17.1 The Borrower shall notify the Lender promptly upon it being aware of any and all awards or payments (“Condemnation Award(s)”) including interest thereon, and the right to receive the same (save for any portion of any such Condemnation Award paid for remedial purposes and which is actually used for such purpose) which may be made with respect to the Charged Premises, or any part thereof, as a result of:
- (a) Any condemnation, eminent domain, compulsory acquisition, expropriation or like procedures (“Condemnation”), partial or complete, including any sidewalk or lane; or
 - (b) The imposition, and enforcement, of any restriction, regulation or condition to meet any building or development guideline for development or restriction of or by any municipality or other competent authority; or
 - (c) Any other material injury to or decrease in the value of the Charged Premises by any lawful regulation or any governmental authority having jurisdiction;
- (any matter referred to in (a), (b) or (c) above being hereinafter called an “Incident of Expropriation”) to the extent of all amounts which may be secured by this Charge at the date of receipt of any such Condemnation Award by the Borrower. Notwithstanding the occurrence of any Incident of Expropriation, the Borrower shall continue to pay interest at the Applicable Rate on the Principal Sum. The Borrower does hereby charge, assign, set over as transfer to the Lender, as security for the repayment of all Indebtedness.
- 17.2 Any Condemnation Award received by the Lender shall be held by the Lender as part of the security for the Loan subject to application as provided in this Article 17. Pending such application, such amounts received shall be held and invested by the Lender, acting reasonably. If at any time an Event of Default has occurred and is continuing, the Lender may, at its option, apply such amounts in reduction of the amounts owing hereunder.
- 17.3 Notwithstanding the provisions of Sections 17.1 and 17.2, in the event that any Incident of Expropriation shall occur which, in the reasonable opinion of the Lender, would materially and adversely affect the security of the Charge or any other Security after the application of any Condemnation Award pursuant to Section 17.1 hereof, the Lender may, at its option, declare such Incident of Expropriation to be an Event of Default and be entitled to exercise any and all rights and remedies available to it hereunder at law or in equity.

ARTICLE 18 - EVENTS OF DEFAULT

- 18.1 The whole of the Principal Sum together with interest thereon at the Applicable Rate, interest on overdue interest and any amounts payable pursuant to Article 6, and all other amounts secured hereby shall, at the option of the Lender, subject to Section 18.2 hereof, become due and payable and all powers conferred on the Lender herein and hereby shall become exercisable, in like manner to all intents and purposes as if the time herein mentioned for payment of such Principal monies had fully come and expired, if specifically provided for in this Charge, or if any of the following events shall occur (the occurrence of any such event together with the expiry of the applicable cure period, if any, and any other occurrence specifically provided for herein as an Event of Default being collectively referred to as an “Event of Default”):
- (a) Upon default in payment of any regularly schedule instalment of interest beyond the date such payment is due and payable; or
 - (b) Upon default in payment of the Indebtedness due and owing on the Maturity Date; or
 - (c) Upon default in payment of any Indebtedness (other than an instalment of interest and upon maturity) due hereunder within five (5) Business Days after written notice thereof is provided by the Lender; or
 - (d) Save as otherwise provided for in subparagraphs (a), (b) and (c) hereof or otherwise specifically provided herein, upon any default in the performance of any covenant or obligation of the Borrower hereunder within fifteen (15) days after written notice thereof is provided by the Lender, provided that if such default is curable and the nature of such default is such that the exercise of reasonable diligence of more than fifteen (15) days is required to cure such default, and if such default in the Lender’s reasonable discretion does not jeopardize or adversely effect the security interest of the Lender hereunder or adversely affect the Borrower or its ability to perform its obligations hereunder or under the Security or adversely affect the Charged Premises, the Lender will not, for a further sixty (60) days so long as no other Event of Default has occurred, enforce its remedies in respect of such default while and so long as during such time the Borrower is actively continuing to diligently and in good faith cure such default; or
 - (e) If at any time during the Term there is a breach of any representation or warranty contained herein or at any time during the Term if any representation or warranty contained herein is no longer true or accurate or becomes untrue or inaccurate for any reason and provided the same can be rectified, and the same is not rectified within thirty (30) days after written notice thereof is provided by the Lender; or
 - (f) Upon the assignment by the Borrower to any other party of the whole or a part of the rents, income or profits arising from the Charged Premises, without the written consent of the Lender; or
 - (g) The occurrence of an Event of Insolvency; or
 - (h) If without the prior written consent of the Lender, in its sole and absolute discretion:
 - (i) the Borrower transfers, sells, conveys, or otherwise disposes of all or any part of the Charged Premises, or any interest therein (other than by way of Leases), whether legal or beneficial or enters into any transaction or series of transactions where all or any part of the Charged Premises becomes the property of another person, whether through reorganization, amalgamation, merger, consolidation or otherwise, or if there is any change in the legal or beneficial interest, in whole or in part, of the Charged Premises; or
 - (i) If, without the prior written consent of the Lender, in its sole and absolute discretion:

- (i) there is any change in the Borrower's corporate control or change in the Borrower's effective control existing as of the date of this Charge; or
- (ii) the Borrower creates, permits or suffers to exist any mortgage, pledge, charge, loan, assignment, hypothecation, security interest or other encumbrance attaching the Charged Premises other than this Charge, the Security and the Permitted Encumbrances; or
- (j) Upon default by or non-compliance of the Borrower or any Guarantor(s), or any others bound by or acknowledging to be bound by the terms of this Charge, with respect to any of the provisions of the Security, this Charge or the Permitted Encumbrances; or
- (k) If the Charged Premises are abandoned; or
- (l) Failure by the Borrower to fulfil, complete or comply with any undertakings delivered by the Borrower to Lender in connection with the Loan in accordance with the terms of such undertakings; or
- (m) Upon any breach, default, non-observance occurring or being alleged, charged or claimed against the Borrower as lessor under any lease or as sublessor under any sublease of the Charged Premises and the Borrower is not diligently proceeding to rectify any such breach, default, non-observance or non-performance or defend any allegations, charges or claims of the same; or
- (n) If this Charge, or any of the Security, shall fail to constitute a legal, valid, binding and enforceable first charge, first assignment or first security interest, each enforceable in accordance with its terms, subject only to Permitted Encumbrances; or
- (o) If in the reasonable opinion of the Lender there occurs an event which has a material adverse effect on the financial condition or operation of the Borrower, the Charged Premises, this Charge, the Security or the ability of the Borrower to pay the Indebtedness or to perform its obligations hereunder or under the Security and which cannot be rectified by the Borrower within a reasonable period of time.

18.2 Save as otherwise specifically provided, an Event of Default hereunder or under any Security shall not have occurred or be deemed to have occurred until the expiration of any applicable notice period, if any, called for in this Charge or in such Security within which the Borrower may remedy such default. In any event, if in the opinion of the Lender, an event has occurred which with the passing of time, the giving of notice or otherwise would constitute an Event of Default and as a result of which the Charged Premises or the property assets and undertaking subject to the Security is materially at risk, the Lender may take such action or exercise such remedies as may be appropriate without notice to the Borrower or the expiry of any cure period.

ARTICLE 19 - REMEDIES

19.1 If an Event of Default has occurred hereunder and is continuing (or if the Lender exercises its rights pursuant to Section 18.2 hereof before the occurrence of an Event of Default), then at any time thereafter, but subject always to the waiver thereof by the Lender, the Lender may:

- (a) Declare the Indebtedness to be immediately due and payable and proceed to exercise any and all rights hereunder or under the Security or any other rights available to it under any other document or instrument or at law or in equity including without limitation, the drawdown of any letter of credit held by the Lender;
- (b) Commence legal action to enforce payment of the Indebtedness or performance of the obligations by the Borrower to the Lender;
- (c) At the expense of the Borrower, when and to such extent as the Lender deems advisable, observe and perform or cause to be observed and performed any covenant, agreement, proviso or stipulation contained herein or in the Security, and the reasonable cost thereof with interest thereon at the Applicable Rate until paid, shall immediately become due from the Borrower to the Lender after demand by the Lender upon the Borrower therefor;
- (d) Pay or discharge any mortgage, encumbrance, lien, adverse claim or charge that may exist or be threatened against the Charged Premises; in any such case, the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (e) Send or employ any inspector or agent to inspect and report upon the value, state and condition of the Charged Premises and may employ a lawyer to examine and report upon the title to the same;
- (f) Immediately take possession of all of the Charged Premises or any part or parts thereof by action or otherwise, with power, among other things, to exclude the Borrower, to enforce the Borrower's rights, to preserve and maintain the Charged Premises, to repair, alter or extend the Charged Premises, to lease the Charged Premises, to complete construction and development of the Charged Premises, to operate and manage the Charged Premises and to collect or receive rents, income and profits of all kinds (including taking proceedings in the name of the Borrower for that purpose) and pay therefrom all reasonable expenses and charges of maintaining, preserving, protecting and operating the Charged Premises (payment of which may be necessary to preserve or protect the Charged Premises), and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation, power to advance its own moneys and enter into contracts and undertake obligations for the foregoing purposes upon the security hereof, and all sums advanced or expended shall be added to the Principal outstanding and shall bear interest at the Applicable Rate;
- (g) On default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice, sell and dispose in the Charged Premises with or without entering into possession of the same and with notice to such persons and in such manner and form and within such terms as provided under Part III of the *Mortgages Act* (Ontario), as amended; and all

remedies available may be resorted to and all rights, powers and privileges granted or conferred upon the Lender under and by virtue of any statute or by this Charge may be exercised and no want of notice or publication or any other defect, impropriety or irregularity shall invalidate any sale made or purporting to be made in the Charged Premises; and the Lender may sell, transfer and convey any part of the Charged Premises on such terms, including on credit for all or part of the consideration, (provided the Borrower shall not be accountable for any default in respect of the credit), secured by contract or agreement for sale, or charge, or otherwise, as shall appear to the Lender most advantageous and for such prices as can reasonably be obtained therefor in the circumstances; and in the event of sale on credit or part cash and part credit, whether by way of contract for sale or by conveyance or transfer, charge, or otherwise, the Lender is not to be accountable for or charged with any monies until the same shall be actually received in cash or received by a take-back charge; and sales may be made from time to time of parts of the Charged Premises to satisfy interest and leaving the Principal or part thereof to run with interest at the Applicable Rate; and the Lender may make any stipulations as to title or evidences or commencement of title or otherwise as the Lender shall deem proper and may buy or rescind or vary any contract for sale; and on any sale or resale, the Lender shall not be answerable for loss occasioned thereby; and for any of such purposes the Lender may make and execute all arrangements and assurances that the Lender shall deem advisable or necessary;

- (h) With respect to the Leases:
 - (i) to demand, collect and receive the Rents or any part thereof and to give acquittances therefor, and to take from time to time, in the name of the Borrower, any proceeding which may be, in the opinion of the Lender or its counsel, expedient for the purpose of collecting the Rents or for securing the payment thereof or for enforcing any of the Borrower's rights under the Leases;
 - (ii) to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect to any amount of Rent and any settlement arrived at shall be binding upon the Borrower;
 - (iii) to enter upon the Lands by its officers, agents or employees for the purpose of collecting the Rents; (iv) to receive, enjoy or otherwise avail itself of the Lease Rights; and
 - (v) on behalf of the Borrower to alter, modify, amend or change the terms of Leases; to terminate Leases, to enter into new Leases; to give consents, concessions or waivers of any rights or provisions of Leases; to accept surrenders of Leases; to give consents to assignment of or subletting under Leases;
- (i) With or without taking possession of all or any part of the Charged Premises, sell, lease or otherwise dispose of the whole or any part of the Charged Premises, as agent for the Borrower and not the Lender, and in exercising the foregoing power, the Lender may, in its absolute discretion:
 - (i) sell, lease or otherwise dispose of the whole or any part of the Charged Premises by public auction, public tender with notice, or by private contract (in the name of or on behalf of the Borrower) or otherwise, with such notice, advertisement or other formality as is required by law;
 - (ii) make and deliver to the purchaser good and sufficient deeds, assurances and conveyances of the Charged Premises and give receipts for the purchase money, and any such sale once effected shall be a perpetual bar, both at law and in equity, to the Borrower and all those claiming an interest in the Charged Premises by, from, through or under the Borrower making any claim against the purchaser of the Charged Premises;
 - (iii) grant, rescind, vary or complete any contract for sale, lease or options to purchase or lease, or rights of first refusal to purchase or lease the whole or any part of the Charged Premises, for cash or for credit, with or without security being given therefor, and on terms as shall appear to be most advantageous to the Lender (including a term that a commission be payable to the Lender or a related corporation in respect thereof) and if a sale is on credit, the Lender shall not be accountable for any moneys until actually received;
 - (iv) make any stipulation as to title or conveyance or commencement of title;
 - (v) re-sell or re-lease the Charged Premises or any part thereof without being answerable for any loss occasioned thereby; and
 - (vi) make any arrangements or compromises which the Lender shall think expedient in the interest of the Lender and to assent to any modification of this Charge, and to exchange any part or parts of the Charged Premises for any other property suitable for the purposes of the Lender on such terms as the Lender considers expedient, either with or without payment of money for equality or exchange or otherwise;
- (j) Take proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Charged Premises;
- (k) To borrow or raise money on the security of the Charged Premises or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Premises or any part thereof or for carrying on all or any part of the business of the Borrower relating to the Charged Premises;
- (l) Take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this Charge includes a manager and a receiver and manager, and hereafter, the "Receiver") of all or any part of the Charged Premises;
- (m) By instrument in writing appoint, with or without taking possession, any person to be a Receiver of the Charged Premises or of any part thereof and may remove any Receiver so appointed and appoint another in his stead, with all fees and costs related thereto being the Borrower's obligations; and the following shall apply in respect of any such Receiver so appointed:

- (i) the Lender may from time to time fix the remuneration of the Receiver who shall be entitled to deduct that same out of the revenue from the Charged Premises or the proceeds thereof;
 - (ii) the Receiver shall, to the fullest extent permitted by law, be deemed the agent or attorney of the Borrower for all purposes and the Lender shall not be in any way responsible for any actions other than as caused by gross negligence, willful misconduct or fraud, of any Receiver, and the Borrower hereby agrees to indemnify and save harmless the Lender from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Lender may hereafter suffer, incur or be required to pay as a result, in whole or in part, of any action taken by the Receiver or any failure of the Receiver to do any act or thing other than as are caused by gross negligence, willful misconduct or fraud;
 - (iii) the appointment of the Receiver by the Lender shall not incur or create any liability on the part of the Lender to the Receiver in any respect and such appointment or anything which may be done by the Receiver or the removal of the Receiver or the termination of any such Receivership shall not have the effect of constituting the Lender a mortgagee in possession in respect of the Lands or any part thereof;
 - (iv) the Receiver may exercise or pursue any other remedy or proceeding which the Lender is entitled as the holder of the Charge authorized or permitted hereby or by law or in equity in order to enforce the security constituted by this Charge;
 - (v) and for the purposes above, the Borrower hereby irrevocably empowers the Receiver so appointed as its attorney to execute deeds, transfers, leases, contracts, agreements or other documents on its behalf and in its place (and the same shall bind the Borrower and have the same effect as if such deeds were executed by the Borrower) and to affix the Borrower's seal, if necessary, or a duplicate thereof to any of the same. On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds as part of the Secured Property; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt; and
 - (vi) save as to claims for accounting under paragraph (o) below, the Borrower hereby releases and discharges the Lender and the Receiver from every claim of every nature, whether resulting in damages or not, which may arise or be caused to the Borrower by reason or as a result of anything done by the Lender or any successor or assign claiming through or under the Lender or the Receiver under the provisions of this paragraph unless such claim be the direct result of dishonesty or gross neglect;
- (n) The Lender may at any time and from time to time terminate any receivership by notice in writing to the Borrower and to the Receiver;
- (o) The Receiver shall account for all monies received in respect of the Charged Premises or any part thereof, and shall pay, out of such monies received, subject to the further direction of the Lender in its discretion, the following in the order specified:
- (i) the Receiver's remuneration;
 - (ii) all payments reasonably made or incurred by the Receiver in connection with its receivership;
 - (iii) all payments of interest, Principal and other money which may, from time to time, be or become charged upon the Charged Premises in priority to this Charge, and all Bills, Taxes, insurance premiums and every other proper expenditure reasonably made or incurred by the Receiver in respect to the Charged Premises or any part thereof; and
 - (iv) all payments to the Lender of all interest due or falling due hereunder and the balance to be applied upon Principal due and payable and secured hereby;

and thereafter any surplus remaining in the hands of the Receiver after payments made as aforesaid shall be accountable to the Borrower or other persons entitled thereto; and

- (p) On its own account or through a Receiver and whether alone or in conjunction with the exercise of all or any other remedies contemplated hereby, shall have the right, at any time, to notify and direct any account debtor to make all payments whatsoever to the Lender and the Lender shall have the right, at any time, to hold all amounts received from any account debtor and any proceeds thereof as security for the Indebtedness; any payments received by the Borrower from and after the security hereby constituted becomes enforceable, shall be held by the Borrower in trust for the Lender in the same medium in which received, shall not be commingled with any assets of the Borrower and shall, at the request of the Lender, be turned over to the Lender not later than the next Business Day following the day of their receipt.

ARTICLE 20 - DEFAULT UNDER SECURITY, PARAMOUNTCY DISCHARGE AND RENEWAL

- 20.1 Payments of principal and interest made under and pursuant to the terms of the Security shall constitute payment hereunder and vice versa and default in the payment of principal and interest under the Security shall constitute default hereunder and vice versa. Default in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained in the Security shall entitle the Lender to exercise all or any of the rights or remedies provided herein and the occurrence of and Event of Default hereunder or in compliance with any of the conditions, covenants, undertakings, provisions and stipulations contained herein shall entitle the Lender to exercise all or any of the rights or remedies provided in the Security. The occurrence of an

Event of Default hereunder shall constitute an Event of Default under the Security and vice versa.

- 20.2 The cancellation of or any other dealing with any Security (other than foreclosure thereof) shall not release or affect this Charge, and the taking of this Charge, or the cancellation of or any other dealing with, or proceeding under (other than foreclosure hereunder), this Charge, shall not release or affect any Security:
- (a) The Lender may at any time and from time to time release any part or parts of the Charged Premises or any other Security or any surety for payment of all or any part of the monies hereby secured or may release the Borrower or any other person from any covenant or other liability to pay the Principal Sum and interest and all other monies secured hereby, or any part thereof, either with or without any consideration therefor, and without being accountable for the value thereof or for any monies except those actually received by the Lender, and without thereby releasing any other part of the Charged Premises, or any other Security or covenants herein contained, it being especially agreed that notwithstanding any such release, the Charged Premises, the Security and the covenants remaining unreleased shall stand charged with the whole of the monies hereby secured;
 - (b) In the event that the monies advanced hereunder are applied to payment of any charge or encumbrance, the Lender shall be subrogated to all the rights of and stand in the position of and be entitled to all the equities of the party or parties so paid whether such charge or encumbrance has or has not been discharged; and the decision of the Lender as to the validity or amount of any advance or disbursement made under this Charge or of any claims so paid, shall be final and binding on the Borrower; and
 - (c) The Lender shall not be charged with any monies receivable or collectible out of the Charged Premises or otherwise, except those actually received by or on behalf of the Lender and all revenue of the Charged Premises received or collected by the Lender from any source other than payment by the Borrower may, at the option of the Lender, be retained in a separate account to be used in, maintaining, insuring or improving the Charged Premises to the extent required for such purpose, in the opinion of the Lender, acting reasonably, or in payment of Taxes or other liens, charges or encumbrances against the Charged Premises, or applied in reduction of the amounts owing hereunder.
- 20.3 Subject to Section 6.1 hereof, upon payment of all amounts secured by this Charge, the Borrower shall be entitled to receive and the Lender shall provide a discharge of this Charge and the Security within a reasonable period of time after the request therefor. The Lender shall have a reasonable time after such payment within which to prepare and execute such discharge and all reasonable legal and other expenses for the preparation, execution and registration of such discharge and/or documents, as the case may be, shall be borne by the Borrower.
- 20.4 All payments made pursuant to Section 20.3 shall be made to and received by the Lender prior to 1:00 p.m. on the date due or the next succeeding Business Day in the event the date due is not a Business Day; provided such extension of time shall be included for the purposes of computation of interest.

ARTICLE 21 - NO MERGER OR WAIVER OF LENDER'S RIGHTS

- 21.1 It is further understood and agreed that this Charge and the Security shall stand as a continuing security for repayment of the Loan, including, all advances made thereunder together with all interest, damages, costs, charges and expenses which may become due and payable to the Lender in respect of or in connection with the Loan or any portion thereof, notwithstanding any fluctuation or change in the amount, nature or form of the Loan or in the obligations now or hereafter representing the Loan or any portion thereof or in the names of the obligors or any of them.
- 21.2 The rights of the Lender arising under this Charge shall be separate, distinct and cumulative and, except as expressly provided herein, none of them shall be in exclusion of the other and no act of the Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.
- 21.3 The giving and taking of this Charge shall in no way merge, waive, prejudice, suspend or affect any of the rights or remedies of the Lender under any Security which may be given or which may have been or may hereafter be given in respect of the Principal Sum hereof, interest and other monies secured by this Charge, or any part thereof, or under the Security and all rights and remedies which the Lender now has or may hereafter have against any one or more persons, are hereby preserved.
- 21.4 The taking of a judgment or judgments under any of the covenants or obligations herein or under any Security shall not operate as a merger of the covenants of the Borrower or affect the Lender's right to interest at the Applicable Rate on any monies due or owing to the Lender during the continuance of this Charge, under any of the covenants herein contained or on any judgment to be recovered thereon.
- 21.5 The covenant of the Borrower to pay interest shall not merge in any judgment in respect of any covenant or obligation of the Borrower under this Charge or any Security and such judgment shall bear interest at the Applicable Rate until such judgment and all interest thereon have been paid in full.
- 21.6 Any waiver by the Lender of any default by the Borrower or any omission on the Lender's part in respect of any default by the Borrower shall not extend to or be taken in any manner whatsoever to affect any subsequent default by the Borrower or the rights resulting therefrom.
- 21.7 No extension of time given by the Lender to the Borrower or anyone claiming under the Borrower, shall in any way affect or prejudice the rights of the Lender against the Borrower or any person liable for payment of the monies hereby secured.

ARTICLE 22 - FINANCIAL DATA

- 22.1 The Borrower shall provide or cause to be provided promptly to the Lender full and complete information about the financial condition and operations of the Charged Premises, including a comprehensive rent roll of all space in the Charged Premises, about the financial condition of the Borrower and any Guarantor(s) and such other information which the Lender may reasonably require from time to time, and the Lender shall have the right to examine the books and records of the Borrower

relating to the Charged Premises at reasonable times and upon reasonable prior notice.

- 22.2 Without limiting the foregoing, the Borrower covenants and agrees to provide or cause to be provided to the Lender audited financial statements together with operating statements pertaining to the Charged Premises and such other financial information the Lender may reasonably require, (a) in the case of audited financial statements, within ninety (90) days of the end of each fiscal year of the Borrower (or such other time as may reasonably be required by the Lender), and (b) with respect to operating statements for the Charged Premises, within thirty (30) days of the end of each quarter of each calendar year. The audited financial statements are to be prepared by a nationally recognized firm of chartered accountants and shall include a balance sheet, and a detailed statement of income and expenditures and supporting notes and schedules. The operating statements shall contain a certificate by a senior officer of the Borrower as to the contents and preparation thereof, and shall include detailed statements of income, expenditures results of operation and such other matters relating to the operation of the Charged Premises as the Lender may reasonably require. In the event applicable, the Borrower shall provide the Lender with copies of all proxy statements, reports and information circulars that the Borrower makes available to its shareholders and copies of all regular and periodic reports which the Borrower may file with any securities commission or any other Governmental Authority.
- 22.3 The Borrower shall provide or cause to be provided to the Lender, or as the Lender may direct, a comprehensive list of all current tenants and rentals of space in the Charged Premises during the Term, which list shall disclose, without limitation, the name of each tenant, the duration of its term, renewal options, if any, and the term thereof, the rental being paid, the last date on which rental was paid and whether such tenancy is in good standing. Such list shall contain an endorsement by an officer of the Borrower as to being complete and accurate.
- 22.4 All statements, reports and other documents required to be provided hereunder shall be prepared in a manner acceptable to the Lender, in its reasonable discretion.

ARTICLE 23 - NOTICE

- 23.1 Unless otherwise provided herein, any demand, notice or communication given or required to be given to a party hereunder shall be in writing and shall be personally delivered or given by transmittal by telecopy or facsimile transmission addressed to the respective parties at its address or telecopy or facsimile number set forth below or to such other address or telecopy or facsimile number as such party may designate by notice in writing to the other party hereto:
- (a) If to the Borrower, at the address for service set out in the electronic Charge to which this schedule is attached; and
 - (b) If to the Lender, at the address for service set out in the electronic Charge to which this schedule is attached.

Any demand, notice or communication made by 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 telecopy or by facsimile, on the first day other than a Saturday, Sunday or a statutory holiday in Ontario, on which Schedule I banks are open for commercial business in Toronto, Ontario, following the transmittal thereof.

ARTICLE 24 - GENERAL

- 24.1 If any provision of this Charge or the application thereof to any circumstances shall be held to be invalid or unenforceable, it shall be deemed severed herefrom and the remaining provisions of this Charge, or the application thereof to other circumstances, shall not be affected thereby and shall be held valid and enforceable to the full extent permitted by law. In particular, and without limiting the generality of the foregoing, to the extent any and all amounts due pursuant to Article 6 hereof may be deemed to be in excess of what is permissible by law, any such excess shall be deemed not to be due under this Charge.
- 24.2 Wherever used in this Charge, unless the context clearly indicates a contrary intent as unless or otherwise specifically provided herein, the word "Borrower" shall mean "Borrower and/or subsequent owner or owners of the Charged Premises", the word "Lender" shall mean "Lender or any subsequent holder or holders of this Charge".
- 24.3 The descriptive headings of the several subparagraphs or paragraphs or sections or articles of this Charge are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.
- 24.4 Wherever the singular number or masculine gender is used in this Charge, the same shall be construed as including the plural and feminine or a body corporate, respectively, and vice versa, where the fact or context so requires; and the successors and assigns of any party executing this Charge are bound by the covenants, agreements stipulations and provisos herein contained. The covenants, agreements stipulations and provisos herein stated shall, except as otherwise limited hereby, be in addition to those granted or implied by statutory law.
- 24.5 This Charge shall be construed and enforceable under and in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the non-exclusive jurisdiction of the courts sitting at Toronto, Ontario.
- 24.6 The Borrower shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Lender may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the Charge and the priority accorded to them by law or under this Charge.
- 24.7 If any of the forms of words contained herein are also contained in Column 1 of Schedule "B" of the Short Forms of Mortgages Act (Ontario) and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column 2 of Schedule "B" of the said Act distinguished by the same number, and this Charge shall be interpreted as if the *Short Forms of Mortgages Act* (Ontario) were still in full force and effect. The implied covenants deemed to be included in a charge under Subsection 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded from the terms of this Charge.
- 24.8 This Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Lender for

payment of the indebtedness in an amount not exceeding the amount secured by this Charge and performance of the Borrower's other obligations under the Charge notwithstanding any fluctuation or change in the amount, nature or form of the indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Lender representing all or any part of the indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.

- 24.9 This Charge is given as collateral security to the Commitment.
- 24.10 Notwithstanding any terms contained in the Commitment to the contrary, in the event of conflict between the Commitment and the terms of this Charge, the provisions of the Commitment shall prevail; provided that any provision herein contained that is not contained in the Commitment and vice versa shall not in and of itself be considered to be inconsistent or in conflict.
- 24.11 The Borrower acknowledges that Computershare Trust Company of Canada is the title trustee/custodian for Trez Capital Limited Partnership and that the terms 'Lender', 'Mortgagee' or 'Chargee' when used in this Charge and other security documents shall include Trez Capital Limited Partnership. Where the consent of the Lender is required to any matter, the consent of Trez Capital Limited Partnership shall be sufficient to meet that requirement.

ARTICLE 25 – CONDOMINIUM PROVISIONS

- 25.1 The Borrower covenants and agrees that in the event that the security for the within Charge shall be or shall become a condominium unit(s) the following provisions shall apply.
- (i) the Borrower does hereby assign to the Lender all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Lender, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.
 - (ii) the Borrower shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.
 - (iii) the Borrower shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the *Condominium Act* (Ontario), all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.
 - (iv) Where the Borrower defaults in the Borrower's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Lender, at its option and without notice to the Borrower, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Lender shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

ARTICLE 26 – CONSTRUCTION LOAN PROVISIONS

In the event that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Charged Premises, the parties hereto covenant and agree that the following conditions shall apply:

- 26.1 All construction on the Charged Premises shall be carried out by reputable contractors having experience which is commensurate to nature and size of the project to be constructed, which contractors must be prior approved by the Lender in writing, such approval not to be unreasonably withheld.
- 26.2 The construction of the building and structures located on the Charged Premises have been commenced and shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Lender and to the satisfaction of all governmental and regulatory authorities having jurisdiction.
- 26.3 Provided that should construction of the project on the Charged Premises cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Borrower excepted), for a period of ten (10) consecutive days (Saturdays, Sundays and Statutory holidays excepted), then, at the option of the Lender, this Charge shall immediately become due and payable. In the event that construction does cease, then the Lender shall have the right, at its sole option, to assume complete control of the construction of the said project in such manner and on such terms as it deems advisable. The cost of completion of the said project by the Lender and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Lender. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Lender shall have the same rights and remedies to collection of principal and interest hereunder or at law.
- 26.4 At all times there shall be sufficient funds unadvanced under this Charge and retained by the Lender to complete the construction and/or renovation of the project on the Charged Premises and as may be necessary to retain the Lender's priority with respect to any deficiency in the holdbacks required to be retained by the Borrower under the *Construction Act* (Ontario).
- 26.5 This Charge will be advanced in stages as construction upon the Charged Premises proceeds or as the conditions as enumerated by the Commitment are complied with.
- 26.6 All advances which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Lender with

respect to the said project and the progress thereof, whose fees and costs shall be for the account of the Borrower regardless of by whom such person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other governmental requirements of all authorities having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Charged Premises. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the building.

- 26.7 The Borrower shall pay to the Lender on each occasion when an inspection of the Charged Premises is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee in such reasonable amount as the Lender may charge from time to time for each such inspection and the Lender's solicitors shall be paid their reasonable fees and disbursements for each sub-search and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Lender shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.
- 26.8 The Borrower agrees to indemnify and hold the Lender harmless from any and all claims, demands, sums of money, debts, covenants, bonds, accounts, actions, causes of action, rights, obligations and liability of every kind whatsoever which arise out of claims against the property under the *Construction Act* (Ontario) and that any liens for work and/or supplies that are registered against the Borrower's interest in the property will be promptly discharged within seven (7) days from the date of registration of the lien. The Lender may, but is not required to, deal with the lien claimant and pay the lien claim into court pursuant to the provision of the *Construction Act* (Ontario) for the purpose of vacating the lien from title to the property. The Borrower agrees to be liable for all costs, claims, amounts and fees including, without limitation, all legal fees (on a solicitor and his client basis) incurred by the Lender arising from or in connection with the Borrower or the Lender obtaining and registering either a release of the lien or an order vacating the lien.

ARTICLE 27 - ASSIGNMENT AND SALE

- 27.1 The Loan and all other amounts secured hereby, this Charge, the Security and all documents ancillary or collateral thereto may, in the Lender's sole discretion and without the consent of the Borrower, in whole or in part, be participated, sold, securitized, syndicated or assigned by the Lender from time to time to one or more Persons.
- 27.2 The Lender may disclose to participants, transferees or assignees or to potential participants, transferees or assignees or others in connection with any sale, assignment, participation, securitization, transfer or syndication, such information concerning the Borrower or the Charged Premises as the Lender may consider to be appropriate in connection therewith.
- 27.3 No grant, assignment or transfer pursuant to this Article 27 shall constitute a repayment by the Borrower to the Lender of the Loan or any other amounts owing hereunder and included in such assignment or transfer and the Borrower acknowledges that all obligations under this Charge and the Security with respect to such assignment or transfer will continue and not constitute new obligations.
- 27.4 The Borrower agrees to be bound by and do all things necessary or appropriate to assist and give effect to any transfer, participation, securitization, sale, syndication or assignment, but shall incur no increased liabilities as a result thereof.

ARTICLE 28 –CROSS DEFAULT

- 28.1 This Charge is given as security for a loan to the Borrower in connection with the Commitment and for all other loans, present and future, between Trez Capital Limited Partnership, as lender, and the Borrower and/or 2633501 Ontario Inc. and/or Allen Toma and/or Emil Toma, as borrower(s), either individually or collectively, and with all other loans, present and future, between Trez Capital Limited Partnership and entities owned or controlled by the principals of the Borrower (collectively the "Collateral Loans").
- 28.2 In the Lender's sole discretion, a default under any of the Collateral Loans shall be considered a default hereunder and conversely a default hereunder shall be considered a default under the Collateral Loans.

Properties

PIN 21178 - 0320 LT
Description PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO
Address 73 - 75 ELDERWOOD DRIVE
TORONTO

PIN 21178 - 0321 LT
Description LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN 66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO
Address 1679 BATHURST STREET
TORONTO

PIN 21178 - 0322 LT
Description LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO
Address 1677 BATHURST STREET
TORONTO

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name ELDERWOOD HOLDINGS INC.
Acting as a company
Address for Service 1-90 Wingold Avenue
Toronto, Ontario, M6B 1P5

I, Allen Toma (Vice-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 COMPUTERSHARE TRUST COMPANY OF CANADA
Acting as a company
Address for Service c/o Trez Capital Limited Partnership
Suite 1404, 401 Bay Street
Toronto, Ontario M5H 2Y4

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 1 to which this notice relates is deleted Schedule:

File Number

Party To Client File Number : 43133 DM

GENERAL ASSIGNMENT OF RENTS

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

1. RECITALS

1.1 The Mortgage

Pursuant to the Facility Letter, as security for a loan to the Borrower, the Borrower (the "Assignor") has agreed to grant a mortgage to the Lender (the "Assignee") in the face amount of NINE MILLION THREE HUNDRED THOUSAND DOLLARS (\$9,300,000.00) (the "Mortgage") given by the Assignor to the Assignee registered or to be registered in the Registry Office for the Land Titles Division of the City of Toronto and affecting the Property (the "Mortgaged Premises"), and has covenanted to perform the terms, covenants and provisions contained in the Mortgage.

2. GRANTING CLAUSES

2.1 The Assignment

To secure the payment of the Mortgage and to assure performance of the agreements contained herein and in the Mortgage, the Assignor assigns to Assignee, the Assignor's right, title and interest in:

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, the Assignor and Assignee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Property, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "Leases");
- (b) The rents, issues and profits (collectively the "Rents") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Property;
- (c) All rights, powers, privileges, options and other benefits (collectively the "Rights") of the Assignor under the Leases, including without limitation the following:
 - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
 - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
 - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
 - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
 - (v) The right to do any and all other things whatsoever which the Assignor, as lessor, is or may become entitled to under the Leases; and
 - (vi) The right to exercise any option;

- (d) Any and all guarantees (the "Guarantees") of any of the Leases, and the rights, powers, privileges and other benefits of the Assignor under the Guarantees; and
- (e) Any and all deposits (last month's rent, security or otherwise) made pursuant to any Lease, and the Assignor authorizes the Assignee in the event of the Assignor's Default:
 - (i) To manage the Property and let and re-let the Property, or any part thereof according to the Assignee's own discretion;
 - (ii) To prosecute or defend any suits in connection with the Property in the name of either or both of the Assignee or the Assignor as it may consider desirable;
 - (iii) To enforce or take any other action in connection with the Leases in the name of either or both of the Assignee or the Assignor;
 - (iv) To make such repairs to the Property as the Assignee may deem advisable; and
 - (v) To do anything in or about the Property that the Assignee may reasonably deem advisable and that the Assignor has the right or power to do.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Power Coupled with Interest

This Assignment (including without limitation the appointment in section 3.5) confers upon the Assignee a power coupled with an interest and cannot be revoked by the Assignor.

3.2 Title

The Assignor warrants that during the term of the Mortgage the Assignor will be the sole owner of the entire lessor's interest in the Leases and will have full right to assign such Leases and the Rents due or to become due thereunder; that there will be no previous assignments thereof; that said Leases will be valid and enforceable and will not have been altered, modified or amended in any manner whatsoever; that the lessees are not in default under any of the terms, covenants or conditions thereof and that such lessees will have no defences, set-offs or counterclaims against the lessor; that no rent reserved in said Leases will have been assigned in priority to this assignment and that no rent for any period subsequent to the date of this assignment will have been collected in advance of the time when the said rent became payable under the terms of the said Leases, save and except for prepaid rent, which shall not exceed one month, and security deposits set out in the Leases.

3.3 Management

The Assignor covenants to observe and perform all the obligations imposed upon the lessor under the Leases and not to do or permit to be done anything to impair the security thereof; to cause the Property to be maintained and managed in accordance with sound business practices as would a prudent owner of a project of similar class or category; not to collect any of the rent, income and profits arising or accruing under the said Leases or from the Property in advance of the time when the same shall become due, save and except for prepaid rent which shall not exceed one month and security deposits set out in the Leases; not to subordinate said Leases to any mortgage or such other encumbrance or permit, consent or agree to such subordination in priority or pari passu to executed security in favour of the Assignee, not to alter, modify, amend or change, other than in the ordinary course of business, or waive a default under the terms of said Leases or, other than in the ordinary course of business, give any consent, concession or waiver or exercise any option of the lessor permitted by such terms or, other than in the ordinary course of business, cancel or terminate said Leases or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the premises demised thereby or of any interest therein so as to effect directly or indirectly, promptly or remotely a merger of the estates and rights of, or a termination or elimination of the obligations of lessees thereunder in priority or pari passu to executed security in favour of the Assignee; not to waive, alter, modify or change the terms of any Guarantees of said Leases or cancel or terminate such Guarantees, in each case, other than in the ordinary course of business; not to consent to any assignment of or subletting under said Leases by the lessee in priority or pari passu to executed security in favour of the Assignee, except to the extent that any such lease provides that the consent of the lessor shall not be unreasonably withheld; at the Assignee's request, to execute and deliver all such further assurances and assignments as the Assignee shall from time to time reasonably require; to cause prompt action, including legal proceedings for enforcement of any of the Leases and all other remedies available to lessor thereunder, to be commenced against any delinquent lessee as soon as reasonably necessary to protect such lessor's interest.

3.4 Notice of Lessor's Default

The Assignor shall cause notice to be given to the Assignee of any default by the lessor known to the lessor under any of the Leases promptly upon the occurrence of such default, but in all events in sufficient time to afford to the Assignee an opportunity to cure any such default prior to the lessee under the subject lease having any right to terminate the lease by reason of such default.

3.5 Assignee to be Creditor of Lessee

The Assignee shall be and be deemed to be the creditor of each lessee in the Leases in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such lessee (without obligation on the part of the Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein) and the Assignor hereby assigns as further security to the Assignee any such money or award and any and all payments made or payable by lessees in lieu of rent with option to the Assignee to apply any such money or award or payments received by the Assignee in reduction of the indebtedness secured by or to be paid under the Mortgage. The Assignor hereby appoints the Assignee as its irrevocable attorney-in-fact to appear after a default in any action and/or collect any such money, award or payment.

4. DEFAULTS AND REMEDIES

4.1 Defaults

Each of the following shall constitute a default ("Default") under this Assignment:

- (a) The untruth or inaccuracy of any representation or warranty made by the Assignor herein, the failure by the Assignor to perform in a full and timely manner any of Assignor's obligations of whatever nature under this Assignment or the Mortgage or the breach of any of the Assignor's covenants contained in this Assignment;
- (b) The default by the Assignor under any of the Leases; and
- (c) The default by the Assignor under the Mortgage.

4.2 Exercise of the Assignment

- (a) Until Default shall have been made in payment of any sum as provided in the Mortgage or until the breach of any covenant, representation or agreement contained in the Mortgage, the Assignor shall be entitled to receive all Rents and other amounts payable, and to exercise all of the lessor's rights, under the Leases and Guarantees;
- (b) In the event of Default then in addition to the rights hereby assigned to the Assignee the Assignee may collect the Rents and/or manage the Property without regard to the adequacy of the security and without waiving such Default;
- (c) In the event the Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor such rights, this Assignment shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Mortgage is paid in full, it being the intent of the parties that Assignee shall, from time to time upon the occurrence of any Default, have all the rights granted hereby.

4.3 Nature of Remedies

No delay or omission on the part of the Assignee in the exercise of any remedy for a Default shall operate as a waiver hereof. The remedies available to the Assignee under this Assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Mortgage. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Property or any of them at sole discretion of Assignee and may be exercised as often as occasion therefor shall arise.

4.4 Application of Rents

The Assignee shall have the power to apply the Rents, in such order as the Assignee may determine, to the payment of the indebtedness represented by the Mortgage and also toward the payment of

any and all sums, monies, costs, charges and expenses incurred by the Assignee in exercise of any of its rights under the Mortgage and all reasonable expenses for the care and management of the Property, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all attorneys, solicitors, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Assignee hereunder. The receipt by Assignee of any Rents pursuant to this Assignment after a Default hereunder and the exercise of any remedies provided for in the Mortgage or hereunder shall not cure such Default or affect or prejudice the exercise of such remedies.

4.5 Limitation of Assignee's Obligations

The Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents for any of the purposes described in this Assignment. The Assignee shall not be liable for uncollected rents or for any claim for damages or set-off arising out of the Assignee's management of the Property. The Assignee shall not be liable to any lessee for the return of any security deposit made under any lease of any portion of the Property unless the Assignee shall have received such security deposit from the lessor or such lessee. The Assignee shall not by reason of this Assignment or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall the Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making the Assignee a Assignee in possession of the Property or any part thereof.

4.6 Reimbursement

The Assignor shall reimburse, indemnify and hold harmless the Assignee for and from any and all expenses, losses, damages and liabilities which the Assignee may reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to the Assignee upon written demand from Assignee stating that a Default has occurred under this Assignment or the Mortgage without inquiry as to whether any such Default has occurred or whether Assignee is rightfully entitled to such rent.

4.8 Discharge

The registration of a Discharge of the Mortgage shall constitute a deemed reassignment of the Leases, Rents and other matters assigned hereunder.

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

If the time of payment of all indebtedness secured under the Mortgage or any part thereof is extended at any time or times, if the Mortgage is renewed, modified or replaced or if any security for the Mortgage is released, the Assignor and any other parties now or hereafter liable therefor or interested in the Mortgaged Premises shall be held to consent to such extensions, renewals, modifications, replacements and releases and their liability and the lien hereof shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by the Assignee.

5.2 Successors and Assigns

This Assignment shall ensure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee and all persons and entities (including owners and lessees) which may hereafter obtain any interest in the Property.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Property to any lessee under any of the Leases, the lessee's leasehold estate under such lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

5.4 Notices

Whenever the Assignee or the Assignor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the last address theretofore specified by the addressee in a written notice given to the sender. In case no other address has been so specified, notices hereunder shall be delivered or mailed to the following addresses:

Assignor:

Elderwood Holdings Inc.
1-90 Wingold Avenue
Toronto, Ontario, M6B 1P5

Assignee:

Computershare Trust Company of Canada
c/o Trez Capital Limited Partnership
Suite 1404, 401 Bay Street

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or two business days after it is deposited in the mail.

5.5 Governing Law

This Assignment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.6 Severability

If any term or provision contained in this Assignment or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

5.7 Captions

The captions preceding the text of the paragraphs or sub-paragraphs of this Assignment are inserted only for convenience of reference and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

5.8 Time of the Essence

Time shall be of the essence in this Assignment in all respects.

[signature page follows]

DATED this _____ day of _____, 2021.

ELDERWOOD HOLDINGS INC.

DocuSigned by:

Per:

Allen Toma

Name:

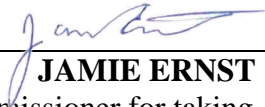
Allen Toma

Title:

Vice-President

I have the authority to bind the corporation

THIS IS **EXHIBIT "J"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)

GENERAL SECURITY AGREEMENT

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

1. SECURITY INTEREST

- (a) For value received, the undersigned (the "**Debtor**") hereby grants to the Lender a security interest (the "**Security Interest**") in the undertakings of the Debtor, and in all of the Debtor's present and after acquired personal property including, without limitation, in all Goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, Money and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore, limited to those relating to the Property (hereinafter collectively called "**Collateral**"), and including, without limitation, all of the following, now owned or hereafter owned or acquired by or on behalf of the Debtor:
- (i) all inventory of whatever kind and wherever situate;
 - (ii) all equipment (other than Inventory) of whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
 - (iii) all Accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (the "**Debts**");
 - (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of the Debts, Chattel Paper or Documents of Title by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
 - (v) all contractual rights and insurance claims;
 - (vi) all patents, industrial designs, trade-marks, trade secrets and know-how, including without limitation environmental technology and biotechnology, confidential information, trade-names, goodwill, copyrights, personality rights, plant breeders' rights, integrated circuit topographies, software and all other forms of intellectual and industrial property, and any registrations and applications for registration of any of the foregoing (collectively, "**Intellectual Property**"); and
 - (vii) without in any way limiting the foregoing, all cash and reserve accounts of the Debtor.
- (b) The Security Interest granted hereby shall not extend or apply to, and Collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, the Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.
- (c) The terms "Goods", "Chattel Paper", "Document of Title", "Instrument", "Intangible", "Security", "proceed", "Inventory", "accession", "Money", "Account", "financing statement" and "financing change statement" whenever used herein

shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of the Province of Ontario, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "**Collateral**" shall, unless the context otherwise requires, be deemed a reference to "**Collateral or any part thereof**".

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and performance of any and all obligations, indebtedness and liability of the Debtor to the Lender (including interest thereon) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof, and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, and whether the Debtor be bound alone or with another or others and whether as principal or surety (hereinafter collectively called the "Indebtedness"). If the Security Interest in the Collateral is not sufficient, in the event of default, to satisfy all Indebtedness of the Debtor, the Debtor acknowledges and agrees that the Debtor shall continue to be liable for any Indebtedness remaining outstanding and the Lender shall be entitled to pursue full payment thereof.

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

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

- (a) the Collateral is genuine and owned by the Debtor free of all prior security interests, mortgages, liens, claims, charges, licences, leases, infringements by third parties, encumbrances or other adverse claims or interests (hereinafter collectively called "**Encumbrances**"), save for the Security Interest and those Encumbrances shown on Schedule "A";
- (b) all Intellectual Property applications and registrations are valid and in good standing, and the Debtor is the owner of the applications and registrations;
- (c) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "**Account Debtor**"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender, whether in any proceeding to enforce Collateral or otherwise;
- (d) the locations specified in Schedule "B" are accurate and complete; and
- (e) the execution, delivery and performance of the obligations under this Security Agreement and the creation of any security interest in or assignment hereunder of the Debtor's rights in the Collateral to the Lender will not result in a breach of any agreement to which the Debtor is a party.

4. COVENANTS OF THE DEBTOR

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

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to diligently initiate and prosecute legal action against all infringers of the Debtor's rights in Intellectual Property; to take all reasonable action to keep the Collateral free from all prior Encumbrances, except for the Security Interest, licences which are compulsory under federal or provincial legislation and those shown on Schedule "A", and not to sell, exchange, transfer, assign, lease license or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender or as may be required by law or contract; provided always that, until default, Debtor may, in the

ordinary course of the Debtor's business, sell or lease inventory and, subject to Clause 7 hereof, use Money available to the Debtor;

- (b) to notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or Collateral, (iv) any loss or damage to Collateral;
 - (iv) any default by any Account Debtor in payment or other performance of his /her obligations with respect to Collateral; and
 - (v) the return to or repossession by the Debtor of Collateral.
- (c) to keep Collateral in good order, condition and repair and not to use Collateral in violations of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance; to keep all agreements, registrations and applications relating to Intellectual Property and intellectual property used by the Debtor in its business in good standing and to renew all agreements and registrations as may be necessary or desirable to protect Intellectual Property, unless otherwise agreed in writing by the Lender; to apply to register all existing and future copyrights, trademarks, patents, integrated circuit topographies and industrial designs whenever it is commercially reasonable to do so;
- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignment, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral all in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or Collateral as and when the same become due and payable;
- (f) to insure Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct, with loss payable to the Lender and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent Collateral, save Inventory sold or leased as permitted hereby or intended to be affixed to real property, from being or becoming an accession to other property not covered by this Security Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner, so as to protect and preserve Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) to deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to Collateral: and

- (v) such information concerning Collateral, the Debtor and the Debtor's business and affairs as the Lender may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to any compliance with the Debtor's covenants contained herein and Clause 7 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

If Collateral at any time includes Securities, the Debtor authorizes the Lender to transfer the same or any part thereof into its own name or that of its nominee(s) so that the Lender or its nominee(s) may appear on record as the sole owner thereof; provided that, until default, the Lender shall deliver promptly to the Debtor all notices or other communications received by it or its nominee(s) as such registered owner and, upon demand and receipt of payment of any necessary expenses thereof, shall issue to the Debtor or its proxy to vote and take all actions with respect to such Securities. After default, the Debtor waives all rights to receive any notices or communications received by the Lender or its nominee(s) as such registered owner, and agrees that no proxy issued by the Lender to the Debtor or its order as aforesaid shall thereafter be effective.

7. COLLECTION OF DEBTS

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

8. INCOME FROM AND INTEREST ON COLLATERAL

- (a) Until default, Debtor reserves the right to receive any Money constituting income from or interest on Collateral, except as required by law or contract and if The Lender receives any such Money prior to default, The Lender shall either credit the same against the Indebtedness or pay the same promptly to Debtor.
- (b) After default the Debtor will not request or receive any Money constituting income from or interest on Collateral except as required by law or contract, and if the Debtor receives any such Money without any request by it, the Debtor will pay the same promptly to the Lender.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- (a) Whether or not default has occurred, the Debtor authorizes the Lender:
 - (i) to receive any increase in or profits on Collateral (other than Money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause 8 hereof and deal with accordingly;
 - (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor and to hold any such payment or distribution as part of Collateral.
- (b) If the Debtor receives any such increase or profits (other than Money) or payments or distributions, the Debtor will deliver the same promptly to the Lender to be held by the Lender as herein provided.

10. DISPOSITION OF MONEY

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

11. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder which is herein referred to as "default":

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between the Debtor and the Lender;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to the Debtor, if an individual;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy which is not being defended by the Debtor; the making of an assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor of any assets of the Debtor or the institution by or against or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise which is not being defended by the Debtor;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding-up of affairs of the Debtor which is not being defended by the Debtor;
- (e) if any prior Encumbrance affecting Collateral becomes enforceable against Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law;
- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if distress or analogous process is levied upon the assets of the Debtor or any part thereof; and
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Security Agreement, or otherwise (including, without limitation, the representations and warranties contained herein) or as an inducement to the Lender to extend any credit to or to enter into this or any other agreement with the Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Lender at or prior to the time of such execution.

12. ACCELERATION

The Lender, in its sole discretion, may declare all or any part of Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind, in the event of default, or if the Lender considers itself insecure or that the Collateral is in jeopardy. The provisions of this clause are not intended in any way to affect any rights of the Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- (a) Upon default, the Lender may appoint or re-appoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of

the Lender or not, to be a receiver or receivers (hereinafter called a "**Receiver**", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his/her stead. Any such Receiver shall, so far as concerns responsibility for his/her acts, be deemed the agent of Debtor and not the Lender, and the Lender shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his/her servants, agents or employees. Subject to the provisions of the instrument appointing him/her, any such Receiver shall have power to take possession of Collateral to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease, license or otherwise dispose of or concur in selling, leasing, licensing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including the Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable the Receiver to carry on Debtor's business or otherwise, as such Receiver shall, in its discretion, determine. Except as may be otherwise directed by the Lender, all Money received from time to time by such Receiver in carrying out his/her appointment shall be received in trust for and paid over to the Lender. Every such Receiver may, in the discretion of the Lender, be vested with all or any of the rights and powers of the Lender.

- (b) Upon default, the Lender may, either directly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, license, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and the Lender, and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of; collect, enforce, realize, sell, lease, license or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper, whether Collateral or proceeds, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law, and Debtor agrees upon request from The Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to be liable for and to pay all costs, charges and expenses reasonably incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking and maintaining custody of; preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any amounts owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made as maybe required by the P.P.S.A.

- (h) Upon default and receiving written demand from the Lender, the Debtor shall take such further action as may be necessary to evidence and effect any assignment or licensing of Intellectual Property to whomever the Lender directs, including to the Lender. The Debtor appoints any officer or director of the Lender upon default to be its attorney in accordance with applicable legislation with full power of substitution and to do on the Debtor's behalf anything that is required to assign, license or transfer, and to record any assignment, licence or transfer of the Collateral. This power of attorney, which is coupled with an interest, is irrevocable until the release or discharge of the Security Interest.

14. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral or identifying the locations at which the Debtor's business is carried on and Collateral and records relating thereto are situate) as the Lender may deem appropriate to perfect on any ongoing basis and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest, and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- (b) Without limiting any other right of the Lender, whenever Indebtedness is immediately due and payable or the Lender has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Lender may, in its sole discretion, set off against Indebtedness any and all amounts then owned to the Debtor by the Lender in any capacity, whether or not due, and the Lender shall be deemed to have exercised such right to set off immediately at the time of making its decision to do so even though any charge therefor is made or entered on the Lender's records subsequent thereto.
- (c) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to, perform any or all of such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefor, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate accruing on the indebtedness, obligations and liabilities of the Debtor to the Lender.
- (d) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name, at the Lender's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other Instruments pertaining to or constituting Collateral.
- (e) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (f) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by the Lender.
- (g) This Security Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns. In any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder,

Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against the Lender. If more than one the Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

- (h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (i) Subject to the requirements of Clauses 13(g) and 14(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given, in the case of the Lender, if delivered to it or sent by prepaid registered mail addressed to it at its address herein set forth or as changed pursuant hereto, and, in the case of the Debtor, if delivered to it or if sent by prepaid registered mail addressed to it at its last address known to the Lender. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.
- (j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Lender, and is intended to be a continuing Security Agreement, and shall remain in full force and effect until the Lender shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all Indebtedness contracted for or created before the receipt of such notice by the Lender, and any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.
- (k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.
- (l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with and grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.
- (n) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (o) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.
- (p) The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term the "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of the amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company, and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Lender at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Lender thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of the amalgamation, and shall attach to any "Collateral" thereafter

owned or acquired by the amalgamated company when such becomes owned or is acquired.

- (q) This security agreement and the transactions evidenced hereby shall be governed by and construed in accordance with the laws of the Province of Ontario, as the same may from time to time be in effect, including, where applicable, the P.P.S.A.

15. COPY OF AGREEMENT

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

[signing page follows]

[General Security Agreement]

DATED this 4th day of November, 2021.

ELDERWOOD HOLDINGS INC.

DocuSigned by:

Per:

Allen Toma

Name: Allen Toma

Title: Vice-President

I have the authority to bind the corporation

SCHEDULE "A"

N/A

SCHEDULE “B”

1. **Location of Debtor’s Business Operations:**

1-90 Wingold Avenue, Toronto, Ontario, M6B 1P5

1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

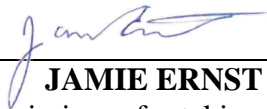
2. **Locations of Records relating to Collateral:**

1-90 Wingold Avenue, Toronto, Ontario, M6B 1P5

3. **Locations of Collateral:**

1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

THIS IS **EXHIBIT "K"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

Properties

PIN 21178 - 0320 LT
Description PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO
Address 73 - 75 ELDERWOOD DRIVE
TORONTO

PIN 21178 - 0321 LT
Description LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN 66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO
Address 1679 BATHURST STREET
TORONTO

PIN 21178 - 0322 LT
Description LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO
Address 1677 BATHURST STREET
TORONTO

Applicant(s)

The assignor(s) hereby assigns their interest in the rents of the above described land. The notice is based on or affects a valid and existing estate, right, interest or equity in land.

Name ELDERWOOD HOLDINGS INC.
Address for Service 1-90 Wingold Avenue
Toronto, Ontario, M6B 1P5
I, Allen Toma (Vice-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 COMPUTERSHARE TRUST COMPANY OF CANADA
Address for Service c/o Trez Capital Limited Partnership
Suite 1404, 401 Bay Street
Toronto, Ontario M5H 2Y4

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, AT5903063 registered on 2021/11/04 to which this notice relates is deleted

Schedule: See Schedules

Signed By

David Mathew Markowitz 1000-120 Adelaide St. W. acting for Signed 2021 11 04
Toronto Applicant(s)
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

David Mathew Markowitz 1000-120 Adelaide St. W. acting for Signed 2021 11 04
Toronto Party To(s)
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

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

Submitted By

Schneider Ruggiero Spencer Milburn LLP

1000-120 Adelaide St. W.
Toronto
M5H 3V1

2021 11 04

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee \$66.30

Total Paid \$66.30

File Number

Party To Client File Number : 43133 DM

GENERAL ASSIGNMENT OF RENTS

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

1. RECITALS

1.1 The Mortgage

Pursuant to the Facility Letter, as security for a loan to the Borrower, the Borrower (the "Assignor") has agreed to grant a mortgage to the Lender (the "Assignee") in the face amount of NINE MILLION THREE HUNDRED THOUSAND DOLLARS (\$9,300,000.00) (the "Mortgage") given by the Assignor to the Assignee registered or to be registered in the Registry Office for the Land Titles Division of the City of Toronto and affecting the Property (the "Mortgaged Premises"), and has covenanted to perform the terms, covenants and provisions contained in the Mortgage.

2. GRANTING CLAUSES

2.1 The Assignment

To secure the payment of the Mortgage and to assure performance of the agreements contained herein and in the Mortgage, the Assignor assigns to Assignee, the Assignor's right, title and interest in:

- (a) All oral and written leases, offers to lease with, or other agreements for use or occupancy made to or agreed to by any person or entity (including without limitation of the foregoing, the Assignor and Assignee under the powers granted herein), and any and all amendments, extensions, renewals, modifications and replacements thereof pertaining to all or any part of the Property, whether such leases or other agreements have heretofore been made or as are in the future made or agreed to (such leases, offers to lease and other use or occupancy agreements being referred to as the "Leases");
- (b) The rents, issues and profits (collectively the "Rents") which may hereafter become due pursuant to any of the Leases pertaining to all or any part of the Property;
- (c) All rights, powers, privileges, options and other benefits (collectively the "Rights") of the Assignor under the Leases, including without limitation the following:
 - (i) The immediate and continuing right to receive and collect all Rents, income, revenues, insurance proceeds, condemnation awards, moneys and security deposits or the like pursuant to any of the provisions thereof, whether as Rents or otherwise (except sums payable directly to any person other than the lessor thereunder);
 - (ii) The right to make all waivers and agreements, including waivers of obligations of lessees;
 - (iii) The right to give all notices, permissions, consents and releases, including consent to the subordination of the interest of a lessee;
 - (iv) The right to take such action upon the happening of a default under the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;
 - (v) The right to do any and all other things whatsoever which the Assignor, as lessor, is or may become entitled to under the Leases; and
 - (vi) The right to exercise any option;

- (d) Any and all guarantees (the "Guarantees") of any of the Leases, and the rights, powers, privileges and other benefits of the Assignor under the Guarantees; and
- (e) Any and all deposits (last month's rent, security or otherwise) made pursuant to any Lease, and the Assignor authorizes the Assignee in the event of the Assignor's Default:
 - (i) To manage the Property and let and re-let the Property, or any part thereof according to the Assignee's own discretion;
 - (ii) To prosecute or defend any suits in connection with the Property in the name of either or both of the Assignee or the Assignor as it may consider desirable;
 - (iii) To enforce or take any other action in connection with the Leases in the name of either or both of the Assignee or the Assignor;
 - (iv) To make such repairs to the Property as the Assignee may deem advisable; and
 - (v) To do anything in or about the Property that the Assignee may reasonably deem advisable and that the Assignor has the right or power to do.

3. COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Power Coupled with Interest

This Assignment (including without limitation the appointment in section 3.5) confers upon the Assignee a power coupled with an interest and cannot be revoked by the Assignor.

3.2 Title

The Assignor warrants that during the term of the Mortgage the Assignor will be the sole owner of the entire lessor's interest in the Leases and will have full right to assign such Leases and the Rents due or to become due thereunder; that there will be no previous assignments thereof; that said Leases will be valid and enforceable and will not have been altered, modified or amended in any manner whatsoever; that the lessees are not in default under any of the terms, covenants or conditions thereof and that such lessees will have no defences, set-offs or counterclaims against the lessor; that no rent reserved in said Leases will have been assigned in priority to this assignment and that no rent for any period subsequent to the date of this assignment will have been collected in advance of the time when the said rent became payable under the terms of the said Leases, save and except for prepaid rent, which shall not exceed one month, and security deposits set out in the Leases.

3.3 Management

The Assignor covenants to observe and perform all the obligations imposed upon the lessor under the Leases and not to do or permit to be done anything to impair the security thereof; to cause the Property to be maintained and managed in accordance with sound business practices as would a prudent owner of a project of similar class or category; not to collect any of the rent, income and profits arising or accruing under the said Leases or from the Property in advance of the time when the same shall become due, save and except for prepaid rent which shall not exceed one month and security deposits set out in the Leases; not to subordinate said Leases to any mortgage or such other encumbrance or permit, consent or agree to such subordination in priority or pari passu to executed security in favour of the Assignee, not to alter, modify, amend or change, other than in the ordinary course of business, or waive a default under the terms of said Leases or, other than in the ordinary course of business, give any consent, concession or waiver or exercise any option of the lessor permitted by such terms or, other than in the ordinary course of business, cancel or terminate said Leases or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the premises demised thereby or of any interest therein so as to effect directly or indirectly, promptly or remotely a merger of the estates and rights of, or a termination or elimination of the obligations of lessees thereunder in priority or pari passu to executed security in favour of the Assignee; not to waive, alter, modify or change the terms of any Guarantees of said Leases or cancel or terminate such Guarantees, in each case, other than in the ordinary course of business; not to consent to any assignment of or subletting under said Leases by the lessee in priority or pari passu to executed security in favour of the Assignee, except to the extent that any such lease provides that the consent of the lessor shall not be unreasonably withheld; at the Assignee's request, to execute and deliver all such further assurances and assignments as the Assignee shall from time to time reasonably require; to cause prompt action, including legal proceedings for enforcement of any of the Leases and all other remedies available to lessor thereunder, to be commenced against any delinquent lessee as soon as reasonably necessary to protect such lessor's interest.

3.4 Notice of Lessor's Default

The Assignor shall cause notice to be given to the Assignee of any default by the lessor known to the lessor under any of the Leases promptly upon the occurrence of such default, but in all events in sufficient time to afford to the Assignee an opportunity to cure any such default prior to the lessee under the subject lease having any right to terminate the lease by reason of such default.

3.5 Assignee to be Creditor of Lessee

The Assignee shall be and be deemed to be the creditor of each lessee in the Leases in respect of assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, or receivership proceedings affecting such lessee (without obligation on the part of the Assignee, however, to file or make timely filings of claims in such proceedings or otherwise to pursue creditor's rights therein) and the Assignor hereby assigns as further security to the Assignee any such money or award and any and all payments made or payable by lessees in lieu of rent with option to the Assignee to apply any such money or award or payments received by the Assignee in reduction of the indebtedness secured by or to be paid under the Mortgage. The Assignor hereby appoints the Assignee as its irrevocable attorney-in-fact to appear after a default in any action and/or collect any such money, award or payment.

4. DEFAULTS AND REMEDIES

4.1 Defaults

Each of the following shall constitute a default ("Default") under this Assignment:

- (a) The untruth or inaccuracy of any representation or warranty made by the Assignor herein, the failure by the Assignor to perform in a full and timely manner any of Assignor's obligations of whatever nature under this Assignment or the Mortgage or the breach of any of the Assignor's covenants contained in this Assignment;
- (b) The default by the Assignor under any of the Leases; and
- (c) The default by the Assignor under the Mortgage.

4.2 Exercise of the Assignment

- (a) Until Default shall have been made in payment of any sum as provided in the Mortgage or until the breach of any covenant, representation or agreement contained in the Mortgage, the Assignor shall be entitled to receive all Rents and other amounts payable, and to exercise all of the lessor's rights, under the Leases and Guarantees;
- (b) In the event of Default then in addition to the rights hereby assigned to the Assignee the Assignee may collect the Rents and/or manage the Property without regard to the adequacy of the security and without waiving such Default;
- (c) In the event the Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor such rights, this Assignment shall in no respect be terminated but instead remain in full force and effect until the indebtedness represented by the Mortgage is paid in full, it being the intent of the parties that Assignee shall, from time to time upon the occurrence of any Default, have all the rights granted hereby.

4.3 Nature of Remedies

No delay or omission on the part of the Assignee in the exercise of any remedy for a Default shall operate as a waiver hereof. The remedies available to the Assignee under this Assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Mortgage. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Property or any of them at sole discretion of Assignee and may be exercised as often as occasion therefor shall arise.

4.4 Application of Rents

The Assignee shall have the power to apply the Rents, in such order as the Assignee may determine, to the payment of the indebtedness represented by the Mortgage and also toward the payment of

any and all sums, monies, costs, charges and expenses incurred by the Assignee in exercise of any of its rights under the Mortgage and all reasonable expenses for the care and management of the Property, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all attorneys, solicitors, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Assignee hereunder. The receipt by Assignee of any Rents pursuant to this Assignment after a Default hereunder and the exercise of any remedies provided for in the Mortgage or hereunder shall not cure such Default or affect or prejudice the exercise of such remedies.

4.5 Limitation of Assignee's Obligations

The Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents for any of the purposes described in this Assignment. The Assignee shall not be liable for uncollected rents or for any claim for damages or set-off arising out of the Assignee's management of the Property. The Assignee shall not be liable to any lessee for the return of any security deposit made under any lease of any portion of the Property unless the Assignee shall have received such security deposit from the lessor or such lessee. The Assignee shall not by reason of this Assignment or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall the Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making the Assignee a Assignee in possession of the Property or any part thereof.

4.6 Reimbursement

The Assignor shall reimburse, indemnify and hold harmless the Assignee for and from any and all expenses, losses, damages and liabilities which the Assignee may reasonably incur by reason of this Assignment, any of the Leases or expenses, losses, damages and liabilities incurred in exercising any of the rights granted in this Assignment.

4.7 Authorization to Lessees

Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to the Assignee upon written demand from Assignee stating that a Default has occurred under this Assignment or the Mortgage without inquiry as to whether any such Default has occurred or whether Assignee is rightfully entitled to such rent.

4.8 Discharge

The registration of a Discharge of the Mortgage shall constitute a deemed reassignment of the Leases, Rents and other matters assigned hereunder.

5. **MISCELLANEOUS**

5.1 Modification of Loan Terms

If the time of payment of all indebtedness secured under the Mortgage or any part thereof is extended at any time or times, if the Mortgage is renewed, modified or replaced or if any security for the Mortgage is released, the Assignor and any other parties now or hereafter liable therefor or interested in the Mortgaged Premises shall be held to consent to such extensions, renewals, modifications, replacements and releases and their liability and the lien hereof shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by the Assignee.

5.2 Successors and Assigns

This Assignment shall ensure to the benefit of and be binding upon the successors and assigns of the Assignor and the Assignee and all persons and entities (including owners and lessees) which may hereafter obtain any interest in the Property.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Property to any lessee under any of the Leases, the lessee's leasehold estate under such lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

5.4 Notices

Whenever the Assignee or the Assignor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the last address theretofore specified by the addressee in a written notice given to the sender. In case no other address has been so specified, notices hereunder shall be delivered or mailed to the following addresses:

Assignor:

Elderwood Holdings Inc.
1-90 Wingold Avenue
Toronto, Ontario, M6B 1P5

Assignee:

Computershare Trust Company of Canada
c/o Trez Capital Limited Partnership
Suite 1404, 401 Bay Street

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or two business days after it is deposited in the mail.

5.5 Governing Law

This Assignment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.6 Severability

If any term or provision contained in this Assignment or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

5.7 Captions

The captions preceding the text of the paragraphs or sub-paragraphs of this Assignment are inserted only for convenience of reference and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

5.8 Time of the Essence

Time shall be of the essence in this Assignment in all respects.

THIS IS **EXHIBIT "L"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

ASSIGNMENT OF CONTRACTS

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

1. DEFINITIONS

- 1.1 "**Assignor**" means the Borrower.
- 1.2 "**Commitment**" means the Facility Letter.
- 1.3 "**Contracts**" means all contracts, plans, specifications, permits, management agreements, architectural, engineering, servicing and construction contracts and offers to purchase relating to the Property.
- 1.4 "**Default**" and "**Events of Default**" are defined in Section 5.1.
- 1.5 "**Indebtedness**" means all indebtedness, obligations and liabilities of any kind now or hereafter existing, direct or indirect, absolute or contingent, joint or several, of the Borrower to the Lender, whether as principal or surety, together with all expenses (including legal fees on a solicitor and client basis) incurred by the Lender, its receivers or agents, in the preparation, perfection and enforcement of security or other agreements held by the Lender in respect of such indebtedness, obligations or liabilities, together with interest thereon, and including without limitation the due performance by the Borrower of all covenants contained in the Loan Documents.
- 1.6 "**Loan Documents**" means the Commitment, the Mortgage, and all other security documents at any time executed and delivered by the Borrower and the Guarantors in favour of the Lender under and pursuant to the provisions of the Commitment or otherwise.
- 1.7 "**Mortgage**" means the above-noted mortgage securing \$9,300,000.00, granted by the Borrower, in favour of the Lender, creating *inter alia* a first charge over the Property.
- 1.8 "**Permits**" means all present and future agreements, approvals, licenses, building permits, demolition permits, excavation permits, construction permits and other permits now or hereafter issued or required to be issued by any public authority in order to permit construction of the residential project to be developed on the Property in accordance with the Plans, and any and all right thereto.
- 1.9 "**Plans**" means the project plans and drawings of any proposed project to be constructed on the Property.

2. PRIOR AND OTHER AGREEMENTS

- 2.1 The Borrower hereto acknowledges that they have heretofore entered into the Commitment which provides for the execution and delivery of this assignment by the Assignor.

3. ASSIGNMENT

- 3.1 Assignment - The Assignor hereby assigns, transfers and sets over to the Lender and grant to the Lender a security interest in and to the full benefit of:

(a) the Contracts;

(b) the Permits; and

(c) the Plans,

and each and everyone of them, all of which are sometimes hereinafter collectively referred to as the "**Assigned Rights**" and individually as an "**Assigned Right**".

- 3.2 Separate Assignments - Each of the rights, privileges, benefits, contracts, permits, policies or other documents or interest comprised in the Assigned Rights will be deemed to be the subject of a separate and individual assignment by the provisions hereof. The Lender may exercise all rights hereunder in respect of each Assigned Right separately and whether or not the Lender in its discretion exercises its rights in respect of any or all of the other Assigned Rights.
- 3.3 Performance by Lender - Nothing herein will obligate the Lender to assume or perform any obligation of the Assignor to any third party in respect or arising out of the Assigned Rights or any of them and the Assignor hereby agrees to indemnify and save harmless the Lender from any and all claims of such third parties. Upon Default, the Lender may however at its option assume or perform any such obligations which the Lender considers necessary or desirable to obtain the benefit of any Assigned Right free of any set-off, deduction or abatement and any money so expended by the Lender will form part of the Indebtedness and bear interest at the rate from time to time applicable to the outstanding balance of the Indebtedness.
- 3.4 Where Consent Required - Nothing herein will constitute an assignment or attempted assignment of any right, privilege, benefit, contract, permit, policy or other document or instrument which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment. In each such case the Assignor will, unless the Lender otherwise agrees in writing, forthwith attempt to obtain the consent of any necessary third party to its assignment hereby and to its further assignment by the Lender to any third party who may acquire same as a result of the Lender's exercise of remedies after Default and upon such consents being obtained or waived, this assignment will apply thereto without regard to this Section 3.4 and without the necessity of any further assurance to effect the assignment thereof.
- 3.5 Pending Consent - In any case to which Section 3.4 applies, unless and until consent to assignment is obtained as therein provided, the Assignor will, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived therefrom in trust for the Lender as additional security for payment and performance of the indebtedness and will deliver up all such benefit to the Lender forthwith upon demand by the Lender.
- 3.6 Need for Consent - Without limiting the effect of Sections 3.4 or 3.5 hereof in any case to which they now or hereafter apply, the Assignor represents to the Lender that none of the Assigned Rights in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this assignment, nor are any of the Assigned Rights incapable of further assignment by the Lender or by any receiver or receiver and manager after Default, nor is the consent of any third party required for any such assignment; and the Assignor covenants with the Lender that it will use commercially reasonable best efforts to ensure that no Assigned Right will be hereafter acquired, obtained or agreed to by the Assignor which is not assignable and assigned to the Lender in accordance with the provisions hereof or which is incapable of further assignment by the Lender or any receiver or receiver and manager after Default, or which requires the consent of any third party to any such assignment, which has not been obtained.
- 3.7 Reassignment at Lender's Option - The Lender may at any time, in its sole discretion, and whether or not Default has occurred, without further request or agreement by the Assignor, reassign to the Assignor, its successors or assigns, any or all of the Assigned Rights, by an instrument of reassignment in writing executed by the Lender and delivered to the Assignor, or such successor or assign, at the address for notices hereunder. Such instrument will, upon delivery, constitute a good and sufficient reassignment of all the Lender's right, title and interest in and benefit of the Assigned Right or Assigned Rights to which it pertains and a release and termination of all obligations (if any) of the Lender with respect thereto. The Lender may, but will not be obligated to notify any Other Party (as defined by Section 6.1) of the reassignment. The Lender will not by such

reassignment give any express or implied representation or warranty to the Assignor with respect to the Assigned Right or Assigned Rights or anything related thereto.

- 3.8 Security - This Assignment, although absolute and intended so to be, will be held by the Lender as continuing security for the payment and performance of the Indebtedness, and upon performance and satisfaction of the ultimate balance of the Indebtedness will, at the Assignor's expense, be reassigned to the Assignor.

4. **COVENANTS, REPRESENTATIONS AND WARRANTIES**

- 4.1 Title - The Assignor covenants that subject only to this assignment, and the right, title and interest of the Lender in the Assigned Rights, so long as any Indebtedness is outstanding, the Assignor will be the sole legal owner of the entire interest in the Assigned Rights conferred on it by the existence or provisions thereof and will have full right to assign them and each of them to the Lender; that there will be no previous or other assignment thereof; that the Assigned Rights will be valid and enforceable in accordance with their terms; that the other parties named therein are not in default pursuant to any of the provisions thereof as of the date hereof, and that, as of the date hereof, such other parties have no defences, set-offs or counterclaims against the Assignor.

- 4.2 Management - The Assignor covenants to observe and perform all the obligations imposed upon the Assignor by the Assigned Rights, to maintain the Assigned Rights in good standing and not to do or permit to be done anything to impair and not to omit to do anything that would impair the security or enforceability thereof; to cause the Property to be maintained and managed in accordance with sound business practices; not to execute any other assignment of the Assignor's interest in the Assigned Rights; not, without the prior written consent of the Lender, to amend any provision of any of the Assigned Rights or give any consent, concession or waiver or exercise any option of the Assignor permitted by such terms, or cancel or terminate the Assigned Rights or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Property or of any interest therein, so as to effect directly or indirectly, promptly or remotely, a merger of the estates and rights of, or a termination, elimination or material diminution of the obligations of other parties thereunder at the Lender's request, to execute and deliver all such further assurances and assignments as the Lender will from time to time reasonably require; and to cause prompt action, including legal proceedings for enforcement of any of the Assigned Rights and all other remedies available to the Assignor thereunder, to be commenced against any delinquent party as soon as reasonably necessary to protect the Assignor's interest.

- 4.3 Notice of Assignor's Default - The Assignor will cause notice to be given to the Lender of any default by the Assignor pursuant to any of the Assigned Rights promptly upon becoming aware of the occurrence of such default, but in all events, if the Assignor is aware of the Default, in sufficient time to afford to the Lender an opportunity to cure any such default prior to the other parties to the Assigned Right having any right to terminate the Assigned Right by reason of default.

5. **DEFAULT**

- 5.1 Definition - In this assignment, "**Default**" means the occurrence of any default in the payment or performance of the Indebtedness.

- 5.2 Until Default - Until Default, the Assignor will, except as provided by the Loan Documents, be entitled to receive all amounts payable pursuant to any of the Assigned Rights and to exercise its rights with respect thereto.

- 5.3 Remedies - Upon Default, the Lender, any receiver, and any receiver and manager appointed by the Lender or any of them, will have, in addition to any other remedy, all the remedies provided herein in respect of the Assigned Rights.

- 5.4 Collection - In the event of Default, then in addition to the rights hereby assigned to the Lender, the Lender may but will not be obligated to collect the Assigned Rights or any proceeds thereof or therefrom and secure the payment thereof without regard to the adequacy of the security and without waiving such Default.

- 5.5 Forbearance - If the Lender elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor any such right, this assignment will not be terminated but will remain in full force and effect until the ultimate balance of the

Indebtedness is paid in full, it being the intent of the parties that the Lender will, from time to time upon the occurrence of any Default pursuant to this assignment, have all the rights granted hereby.

- 5.6 Exercise of Remedies - No delay or omission on the part of the Lender in the exercise of any remedy will operate as a waiver thereof. The remedies available to the Lender pursuant to this assignment will be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and pursuant to the Loan Documents. The said remedies will be cumulative and not alternative, may be pursued separately or jointly and successively or together against the Assignor and the Assigned Rights or any or all of them at the sole discretion of the Lender and may be exercised as often as occasion therefor shall arise.
- 5.7 Application of Proceeds - The Lender will be entitled to apply all moneys received pursuant to the Assigned Rights in such order as the Lender may reasonably determine to reduce or pay the Indebtedness and also to pay any and all sums, moneys, costs, charges and expenses incurred by the Lender in the exercise of any of its rights pursuant to the Loan Documents and all reasonable expenses for the case and management of the project to be developed on the Property, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all solicitors and agents reasonably necessary to exercise the powers granted to the Lender hereunder. The receipt by the Lender of any amount pursuant to this assignment after a Default and the exercise of any remedies provided by the Loan Documents will not cure Default or affect or prejudice the exercise of such remedies.
- 5.8 Limitation of Lender's Obligations - The Lender's obligations as to amounts actually collected will be discharged by the application of such amounts for any of the purposes described in this assignment. The Lender will not be liable for uncollected amounts or for any claim for damages or set-off arising from the Lender's management of the project. The Lender will not by reason of this assignment or the exercise of any right granted herein be responsible for any act committed by the Assignor, or any breach or failure to perform by the Assignor with respect to any of the Assigned Rights. Nothing contained herein will be deemed to have the effect of making the Lender a mortgagee in possession of the Property or any part thereof.

6. NOTIFICATION OF OTHER PARTIES

- 6.1 After Default - The Lender may at any time after Default, with respect to any or all Assigned Rights, give to the tenant, debtor, trustee or other person, if any, from whom the Assignor would have been entitled to receive or claim any benefit pursuant to such Assigned Rights (herein called the "**Other Party**" or collectively, the "**Other Parties**") express notice in writing of this assignment. The Lender may, after giving such notice, deal with the Other Party in respect of the Assigned Right without reference to or the consent of the Assignor, as if the Lender were the absolute owner of the Assigned Right.
- 6.2 Before Default - The Lender may at any time before Default, with respect to any or all Assigned Rights, give to the Other Party express notice in writing of this assignment, but such notice will direct the Other Party to continue to pay any amount payable pursuant to the Assigned Right to the Assignor, as permitted by and subject to Section 5.2 until a notice of Default is given to the Other Party. After such notice, the provisions of Sections 6.1 will apply, mutatis mutandis.
- 6.3 Acknowledgements - The Assignor will at the request of the Lender attempt to obtain from the Other Parties, acknowledgements of good standing of the Assigned Rights and acknowledgements of notice of this assignment, in form, substance and content satisfactory to the Lender.
- 6.4 Authority - The Assignor hereby appoints the Lender to be the true and lawful attorney of the Assignor for and in the name of the Assignor, but for the use and benefit of the Lender, to give notice of this assignment and of the assignment or reassignment of any or all Assigned Rights to any person and, upon Default, to demand, recover and enforce payment of all amounts payable in respect of the Assigned Rights, and to enforce observance by any Other Party of its obligations pursuant to any Assigned Right and for the purposes aforesaid, or any of them, to institute such actions at law or in equity or to take such proceedings by distress or otherwise as the Lender may from time to time deem fit or proper, and for the purposes aforesaid or any of them, to make, sign and execute any and all documents in the name of the Assignor as the Lender may deem fit

or proper and to accept in the name of the Assignor any reassignment of any Assigned Rights pursuant to Section 3.7. All such expenses will be payable by the Assignor to the Lender upon demand, constitute part of the Indebtedness and bear interest at the highest rate applicable from time to time to the outstanding balance of the Indebtedness. This power of attorney will be irrevocable so long as any portion of the Indebtedness remains outstanding. The Assignor further hereby appoints the Lender as the Assignor's agent to do or undertake any of the things which the Lender may do pursuant to the foregoing power of attorney without any liability to the Assignor.

- 6.5 Third Parties - No person will be concerned to inquire into the state of the account between the Lender and the Assignor, or whether any indebtedness remains secured hereby. The Assignor agrees that any Other Party may rely upon any notice given or purporting to be given by the Lender or on its behalf pursuant to Sections 6.1 and 6.2 and no deficiency in form or substance thereof will affect the validity of such notice. The Assignor hereby waives as against any Other Party any claims it may otherwise have by reason of the Other Party's acting on such notice. The Assignor further agrees that no Other Party will be required to honour any reassignment or purported reassignment or claim to be entitled to a reassignment of any Assigned Right unless the notice to the Other Party thereof is duly executed by the Lender. The Lender agrees to provide such reassignment and notice thereof at the Assignor's expense upon payment in full of the Indebtedness.

7. GENERAL

- 7.1 Assigns - This assignment will enure to the benefit of the Lender and its successors and assigns and will be binding upon the Assignor and its successors and assigns.
- 7.2 Power Coupled with Interest - This assignment confers upon the Lender a power coupled with an interest and cannot be revoked by the Assignor.
- 7.3 After Acquired Property - The Assignor agrees that if and to the extent the Assignor's right, title and interest in any Assigned Right is not acquired until after the delivery of this assignment, this assignment will nonetheless apply thereto and the security interest of the Lender hereby created will attach to any such Assigned Right at the same time as the Assignor acquires rights therein, without the necessity of any further assignment or other assurance.
- 7.4 Security Additional - This assignment is given in addition to and not in substitution for any other security heretofore or at any time given to the Lender for, and is taken by the Lender as additional security for, the fulfillment of the obligations of the Assignor to the Lender and shall not operate as a merger of any simple contract debt or in any way suspend the fulfillment of, or prejudice or affect the rights, remedies and powers of the Lender in respect of the said obligations or any security held by the Lender for the fulfillment thereof.
- 7.5 Notices - Any notice required or permitted to be given under this assignment will be in writing and may be given by personal service or by courier, and addressed to the proper party at the address stated below:

(a) if to the Assignor, at:

Elderwood Holdings Inc.
1-90 Wingold Avenue
Toronto, Ontario, M6B 1P5

(b) if to the Lender, at:

Computershare Trust Company of Canada
c/o Trez Capital Limited Partnership
Suite 1404, 401 Bay Street
Toronto, Ontario M5H 2Y4

or to such other address as either party may specify by notice. Any notice delivered in such manner will be deemed received on the date of delivery.

- 7.6 Governing Law - This assignment will be governed by and construed in accordance with the laws of the Province of Ontario.

- 7.7 Severability - If any provision contained in this assignment or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this assignment or the application of such provision to persons or circumstances other than those as to which it is held to be invalid or unenforceable, will not be affected thereby and each provision of this assignment will be valid and enforceable to the fullest extent permitted by law.
- 7.8 Captions - The captions preceding the text of the sections of this assignment are inserted only for convenience of reference and will not constitute a part of this assignment or affect its meaning, construction or effect in any manner.
- 7.9 Time of the Essence - Time will be of the essence in this assignment in all respects.
- 7.10 Consideration - The Assignor acknowledges that this assignment is given for valuable consideration, receipt of which is acknowledged by the Assignor.
- 7.11 Conflict - In the event of conflict between the Facility Letter and the terms hereinbefore set forth, the Lender shall determine which provisions shall prevail; provided that any provision hereinbefore contained that is not contained in the Facility Letter and vice versa shall not in and of itself be considered to be inconsistent or in conflict.
- 7.12 Subject to any rights which specifically accrue to the Lender before default under this Agreement, it is the intention of the parties that although this instrument shall be a present assignment, it is expressly understood and agreed that the Assignee shall not exercise any of the other rights or powers herein conferred upon it until default has occurred under the terms and provisions of this Agreement or a default has occurred under the terms and provisions of the Commitment or a default has occurred in the repayment of the aforesaid indebtedness, but upon the occurrence of any such default, the Assignee shall immediately be entitled to exercise any of the rights and privileges afforded it pursuant to this Agreement.

[signing page follows]

[Assignment of Contracts]

DATED this 4th day of November, 2021.

ELDERWOOD HOLDINGS INC.

DocuSigned by:

Per:

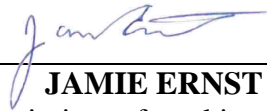
Allen Toma

Name: Allen Toma

Title: Vice-President

I have the authority to bind the corporation

THIS IS **EXHIBIT "M"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

**ASSIGNMENT
OF
INSURANCE PROCEEDS**

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

IN CONSIDERATION OF the sum of \$2.00 and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the undersigned, each of the undersigned hereby transfers, assigns and sets over to the Lender all of its right, title and interest in any present and future insurance policies affecting the Property, including without limitation, any proceeds therefrom all benefits to be derived therefrom or included therein, and all documents and papers, evidencing or relating to such insurance policies.

[signing page follows]

[Assignment of Insurance Proceeds]

DATED this 4th day of November, 2021.

ELDERWOOD HOLDINGS INC.

DocuSigned by:

Per:

Allen Toma

Name:

Allen Toma

Title:

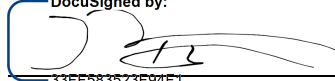
Vice-President

I have the authority to bind the corporation

ELDERWOOD TOWNHOMES INC.

DocuSigned by:

Per:



Name:

Raffi Tokmakjian

Title:

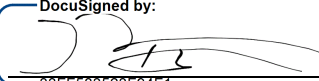
President

I have the authority to bind the corporation

ELDERWOOD TOWNHOMES II INC.

DocuSigned by:

Per:



Name:

Raffi Tokmakjian

Title:

President

I have the authority to bind the corporation

2633501 ONTARIO INC.

DocuSigned by:

Per:

Allen Toma

Name:

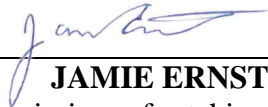
Allen Toma

Title:

Secretary

I have the authority to bind the corporation

THIS IS **EXHIBIT "N"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

ASSIGNMENT AND PLEDGE OF INTEREST RESERVE ACCOUNT

THIS AGREEMENT dated the 4th day of November, 2021.

FROM:

ELDERWOOD HOLDINGS INC.
(hereinafter collectively referred to as the "Assignor")

TO:

COMPUTERSHARE TRUST COMPANY OF CANADA
(hereinafter referred to as the "Assignee")

WHEREAS the Assignor agreed to borrow from the Assignee and the Assignee agreed to lend to the Assignor the sum of NINE MILLION THREE HUNDRED THOUSAND DOLLARS (\$9,300,000.00) (the "Loan") secured by, *inter alia*, a Charge/Mortgage on the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "Project");

AND WHEREAS pursuant to a commitment letter issued by Trez Capital Limited Partnership dated August 9, 2021, as it may be amended (the "Commitment Letter") the Assignee and Assignor agreed that the Assignee shall advance as part of the advance of the Loan the sum of EIGHT HUNDRED AND THIRTY THOUSAND AND TWENTY FIVE DOLLARS (\$830,025.00) into an interest reserve account to be administered by the Assignee (the "Interest Reserve Account"), which account shall be for the purposes set in the Commitment Letter;

AND WHEREAS the parties have agreed that the Interest Reserve Account and the funds therein from time to time, shall be pledged to the Assignee as security for the Assignor's obligations under the Loan;

AND WHEREAS the Interest Reserve Account is or will be held in trust in the name of the Assignee in one or more non-interest bearing accounts at the Assignee's bank as determined by the Assignee (the "Account") pending repayment of the Loan.

NOW THEREFORE this Agreement witnesseth that in consideration of the first advance of the Loan by the Assignee and other good and valuable consideration, the receipt and sufficiency of which are hereby by the Assignor acknowledged, the Assignor covenants and agrees as follows:

1. The recitals herein are true and correct.
2. Provided the Loan is not in default, the Assignee will release funds from the Interest Reserve Account to pay the Assignor's regular interest installments due under the Loan on the 1st day of each month or such other date agreed to by the Assignee.
3. In the event of any default by the Assignor under the Loan, the Assignee shall be entitled, but not obliged, to apply all or any part of the Interest Reserve Account to fund any obligations of the Assignor under the Loan.
4. In the event the Interest Reserve Account is reduced to zero the Assignor shall pay interest on the Loan forthwith as and when due.
5. The Assignor hereby assigns, transfers and sets over the Interest Reserve Account to and in favour of the Assignee and hereby pledges and grants a security interest in all monies in the Interest Reserve Account and the Account from time to time to and in favour of the Assignee. The Interest Reserve Account and the Account shall be held by the Assignee together with any and all additions and accretions thereto, as general and continuing collateral security for the payment and fulfillment of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, of the Assignor to the Assignee arising out of or in respect of the Loan.
6. The Assignee shall not be bound to exercise any of its rights or remedies against any party or in respect of any securities that it may at any time hold before being entitled to apply all or any portion or portions of the Interest Reserve Account and the Account for the purpose and in the manner provided for herein.
7. Any interest earned on the Interest Reserve Account shall not be credited to the Account.

8. This Agreement and the security afforded hereby are in addition to and not in substitution for any other security now or hereafter held by the Assignee and are continuing security.
9. The Assignor agrees to pay all costs, charges and expenses reasonably incurred by the Assignee whether directly or for services rendered (including reasonable solicitors' costs, registration costs and other legal expenses) in operating the Account and in preparing or enforcing this agreement.
10. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.
11. This Agreement shall extend to and enure to the benefit of the Assignee and its successors and assigns, and shall be binding upon the Assignor and its successors and assigns.
12. In the event of a conflict between the Commitment Letter and the terms of this agreement, the provisions of the Commitment Letter shall prevail; provided that a provision contained in this agreement that is not contained in the Commitment Letter and *vice versa* shall not in and of itself be considered to be inconsistent or in conflict.

[Signature Page Follows]

[Assignment and Pledge of Interest Reserve Account]

DATED this 4th day of November, 2021.

ELDERWOOD HOLDINGS INC.

DocuSigned by:

Allen Toma

Per:

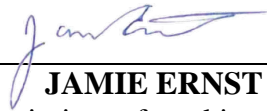
72685C01A4C04D3...

Name: Allen Toma

Title: Vice-President

I have the authority to bind the corporation

THIS IS **EXHIBIT "O"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

BENEFICIAL OWNERS' AGREEMENT

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Trustee**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Commitment Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Lands**")

AND RE: Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and 2633501 Ontario Inc. (collectively the "**Beneficial Owners**")

AND RE: Security granted by the Trustee in favour of the Lender

WHEREAS:

1. Pursuant to a Transfer registered in the Land Registry Office for the Land Titles Division of City of Toronto (No. 80), the Trustee is the registered owner of the Lands and improvements thereon and all other rights pertaining to the Lands (all of which, together with the Lands, collectively, the "Assets") as Trustee for and on behalf of the Beneficial Owners and receives all income from the Assets (the "Income") in trust for the Beneficial Owners (the Income and the Assets, collectively, the "Property").
2. The Beneficial Owners hereby direct and authorize the Trustee to execute and deliver to the Lender, *inter alia*, the following security documents (collectively, the "Trustee Security") as security for the credit facilities stated in the Commitment Letter as such facilities may be amended, restated or supplemented from time to time (the "Facilities") being provided to the Trustee by the Lender, pursuant to the Commitment Letter issued by the Lender to the Trustee:
 - (a) Charge/Mortgage of the Lands in the principal amount of \$9,300,000.00;
 - (b) General Assignment of Rents;
 - (c) General Security Agreement;
 - (d) Assignment of Insurance Proceeds;
 - (e) Assignment of Contracts;
 - (f) Assignment and Pledge of Interest Reserve Account;
 - (g) Environmental Representation, Warranty & Indemnity; and
 - (h) Such further and other documentation as the Lender may reasonably require in connection with the provision of the Facilities.
3. As a condition of its making the Facilities available to the Trustee, the Lender requires that the Trustee and the Beneficial Owners execute and deliver this Agreement.

NOW THEREFORE, in consideration of the premises and for the sum of **TWO (\$2.00) DOLLARS** paid by the Lender to the Trustee, on behalf of the Beneficial Owners, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the Beneficial Owners hereby represent, warrant, covenant and agree to and in favour of the Lender as follows:

1. Representations and Warranties
 - (a) The Beneficial Owners represent and warrant that, as of the date hereof:
 - (i) the Trustee has full power and capacity, and has been duly and irrevocably authorized and directed by the Beneficial Owners to hold registered title to the Lands, and the remainder of the Assets, as nominee for the Beneficial Owners and to hold the Income which it receives as trustee for the Beneficial Owners; to enter into, execute and deliver to the Lender the Trustee Security to secure repayment of the Facilities and thereby to charge the registered title to the Lands and the rights of the Beneficial Owners in the Property to and in favour of the Lender; and to carry out, observe and perform the covenants, agreements and obligations on

its part required to be performed under or by virtue of the Commitment Letter and the Trustee Security;

- (ii) neither the Trustee nor the Beneficial Owners has mortgaged, assigned, pledged, hypothecated, charged or otherwise encumbered the Property or any interest therein as security for repayment of any indebtedness or obligation to any Person other than the Lender or other than as disclosed by the registered title to the Lands;
- (iii) the Beneficial Owners are the only beneficial owners of the Property; and
- (iv) the Co-Ownership Agreement between the Trustee, as trustee, and the Beneficial Owners, as beneficial owners made as of May 25, 2018 (the "Trust Agreement") is in full force and effect, unamended.

2. Direction to Lender

The Trustee and the Beneficial Owners hereby irrevocably authorize and direct the Lender to pay the proceeds of the Facilities to the Trustee or to such other Person as from time to time the Trustee may direct and the Lender may approve acting reasonably.

3. Mortgage of Beneficial Interests

As security for repayment of the Facilities and for payment of interest thereon and any other moneys which may now or hereafter be owing to the Lender in connection with the Facilities and the Trustee Security (collectively, the "Security"), the Beneficial Owners do hereby grant, mortgage, charge and assign unto the Lender and grant a security interest in favour of the Lender over their entire right, title and interest, including their beneficial right, title and interest, in and to the Property (including, without limitation, any proceeds realized from the sale or other disposition of the Property or any part thereof). It is hereby understood and agreed that this Beneficial Owners' Agreement is being granted on the express understanding that the Lender's recourse hereunder shall be limited to the Beneficial Owners' interest in the Property.

4. Subordination

- (a) All of the right, title and interest whatsoever of the Beneficial Owners in and to the Property (including, without limitation, the right to any monies or other proceeds derived directly or indirectly from the Property or any sale or disposition thereof) are hereby and shall at all times be postponed, subordinated and subject to the Security in favour of the Lender and to all indebtedness of the Trustee and the Beneficial Owners, or either of them, to the Lender in respect of the Facilities, all to the same extent as if the Beneficial Owners were the registered owner of the Property in place of the Trustee and held the beneficial interest directly, and in that capacity, the Beneficial Owners have granted the Security in favour of the Lender as security for repayment of the Facilities.
- (b) All indebtedness, present and future, of the Beneficial Owners to the Trustee is hereby assigned to you and postponed to the present and future Indebtedness of the Beneficial Owners to you and all moneys received from the Beneficial Owners or for its account by the Trustee shall be received in trust for you, and forthwith upon receipt, paid over to you until the Beneficial Owners' Indebtedness to you is fully paid and satisfied.

5. Covenants

So long as any part of the principal, interest or other monies now or hereafter owing to the Lender in respect of the Facilities remains outstanding:

- (a) the Trustee and the Beneficial Owners will not amend the terms of the Trust Agreement or change or alter the nominee and trustee or the beneficiary under the Trust Agreement without the prior written consent of the Lender, such consent not to be unreasonably withheld, delayed or conditioned;
- (b) the Beneficial Owners will not revoke or amend the terms of this agreement;
- (c) neither the Trustee nor the Beneficial Owners will sell, transfer, mortgage, charge or otherwise dispose of or encumber their respective interests in the Property without the prior written consent of the Lender, such consent not to be unreasonably withheld, delayed or conditioned; and
- (d) after the occurrence of an event of default, as advised by the Lender, the Trustee will not make, and the Beneficial Owners will not permit the Trustee to make, any payment or

distribution to the Beneficial Owners or to any other Person in respect of the Property except as permitted under the terms of the Commitment Letter and the Security or consented to in writing by the Lender, such consent not to be unreasonably withheld, delayed or conditioned.

6. General

The Trustee and the Beneficial Owners will execute and deliver all such further and other documents and instruments and will take all such action as may be required in order to give effect to the provisions and intent of this Agreement.

This Agreement will be construed in accordance with the laws of the Province of Ontario.

All the rights, powers and remedies of the Lender hereunder and under the Commitment Letter and the Trustee Security and any other agreement now or at any time hereafter in force between the Lender, the Trustee and the Beneficial Owners, or either of them, are cumulative and will be in addition to and not in substitution for all rights, powers and remedies of the Lender at law or in equity.

In this Agreement:

- (a) headings have been inserted for convenience of reference only, and will not define, alter, limit or enlarge the meaning of any provision of this Agreement;
- (b) when the context so requires, the singular will be read as if the plural were expressed and vice versa, and provisions of this Agreement will be read with all grammatical changes necessary, dependent upon the Person referred to being a male, female, firm or corporation; and
- (c) when the context makes it possible, the word "Person" includes in its meaning a firm, a limited partnership and a corporation.

Each of the Trustee and the Beneficial Owner hereby acknowledges receiving a copy of this Agreement.

This Agreement and all security documents provided pursuant to the Commitment Letter may be executed in counterparts and delivered by facsimile or other electronic transmission and a copy of this Agreement and all security documents shall be deemed to be original copies and shall be fully enforceable against any signatory thereto, notwithstanding that the copy of any such document executed by any signatory has not been executed by any other signatory.

In the event of conflict between the Commitment Letter and the terms hereinbefore set forth, the provisions of the Commitment Letter shall prevail; provided that any provision hereinbefore contained that is not contained in the Commitment Letter and vice versa shall not in and of itself be considered to be inconsistent or in conflict.

This Agreement will ensure to the benefit of the Lender, its successors and assigns, and will be binding upon the Trustee and the Beneficial Owner and their respective successors and permitted assigns.

[signing page follows]

[Beneficial Owners' Agreement]

IN WITNESS WHEREOF the Trustee and the Beneficial Owners have executed this Agreement this
4th day of November, 2021.

ELDERWOOD HOLDINGS INC.

DocuSigned by:
Per: Allen Toma
Name: Allen Toma
Title: Vice-President
I have the authority to bind the corporation

ELDERWOOD TOWNHOMES INC.

DocuSigned by:
Per: [Signature]
Name: Rafi Tokmakjian
Title: President
I have the authority to bind the corporation

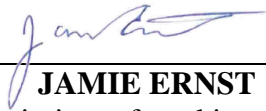
ELDERWOOD TOWNHOMES II INC.

DocuSigned by:
Per: [Signature]
Name: Rafi Tokmakjian
Title: President
I have the authority to bind the corporation

2633501 ONTARIO INC.

DocuSigned by:
Per: Allen Toma
Name: Allen Toma
Title: Secretary
I have the authority to bind the corporation

THIS IS **EXHIBIT "P"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

ENVIRONMENTAL REPRESENTATION WARRANTY & INDEMNITY

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

RE: Computershare Trust Company of Canada (the "**Lender**") loan/first mortgage to Elderwood Holdings Inc. (the "**Borrower**"), guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (the "**Guarantors**"), pursuant to a facility letter issued by Trez Capital Limited Partnership dated August 9, 2021, as amended by an amendment letter dated October 19, 2021, and as it may be further amended from time to time (collectively the "**Facility Letter**"), relating to the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario and legally described in PINs 21178-0320(LT), 21178-0321(LT) and 21178-0322(LT) (collectively the "**Property**")

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

2. The undersigned hereby jointly and severally represent and warrant that:
 - (a) the current uses of the Property and, to the best knowledge and belief of the undersigned, its prior uses, comply and have at all times complied with all Applicable Environmental Laws with respect to ownership, use maintenance and operation;
 - (b) the Property have never been used as a land fill site to store Hazardous Material either above or below ground, in storage tanks or otherwise;
 - (c) all Hazardous Material used in connection with the business conducted on the Property have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Applicable Environmental Laws;
 - (d) no hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on or near the Property as a result of the conduct of the business of the Property;
 - (e) to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Property or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Property;
 - (f) the business and assets of the Borrower are in compliance with all Applicable Environmental Laws;
 - (g) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Property and Applicable Environmental Laws;
 - (h) it has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Property or on the property adjoining the Property of, or the spilling, discharge or emission on or from the Property or any such adjoining property of, any Hazardous Material; and

- (i) it has received no notice of any violation of any matter referred to above relating to the Property, or its use, and there are no directions, writs, injunctions, orders or judgments outstanding, and there are no law suits, claims, proceedings or investigations being instituted or filed.

3. The undersigned jointly and severally covenant that:

- (a) they will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Property or any contiguous real estate or any body or water on or flowing through or contiguous to the Property;
- (b) they shall, and shall cause any person permitted by the Borrower to use or occupy the Property or any part thereof, to continue to operate its business and assets located on the Property in compliance with the Applicable Environmental Laws and shall permit the Lender to review and copy any records of the Borrower insofar as they relate to the Property at any time and from time to time to ensure such compliance;
- (c) they will not be involved in operations at or in the Property which could lead to the imposition on the Borrower of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Property under any of the Applicable Environmental Laws;
- (d) they will not knowingly permit any tenant or occupant of the Property to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Borrower of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Property under any applicable Environmental Laws;
- (e) they shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Property or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Lender promptly in the event of any spill or location of Hazardous Material upon the Property, and shall promptly forward to the Lender copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Property;
- (f) they shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (g) they will not install on the Property, nor knowingly permit to be installed on the Property, asbestos or any substance containing asbestos deemed hazardous by any applicable Environmental Law; and
- (h) they will at their own expense carry out such investigations and tests as the Lender may reasonably require from time to time in connection with environmental matters.

4. The undersigned hereby jointly and severally agree to indemnify and hold harmless the Lender, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Lender (the "**Indemnified Persons**") from and against and shall reimburse the Lender for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the Charge, as mortgagee in possession, as successor in interest to the Borrower as owner of the Property by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:

- (a) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (b) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Property or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous

Material where a source of the Hazardous Material is the Property including, without limitation;

- (i) the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - (ii) any costs, liability or damage arising out of a settlement of any action entered into by the Lender;
- (c) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Property of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Property of any Hazardous Material:
- (i) resulted by, through or under the undersigned; or
 - (ii) occurred with the undersigned's knowledge and consent; or
 - (iii) occurred before or after the date of the charge given by the Borrower to the Lender (the "**Charge**"), whether with or without the undersigned's knowledge.

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

5. In the event of any spill of Hazardous Material affecting the Property, whether or not the same originated or emanates from the Property, or if the Borrower fails to comply with any of the requirements of the Applicable Environmental Laws, the Lender may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Property and take any and all other actions as the Lender shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Lender shall be immediately due and payable by the Borrower to the Lender and until paid shall be added to and become a part of the amount secured hereunder.
6. The obligations of the undersigned herein shall be joint and several.
7. All representations, warranties and indemnities contained herein shall survive the repayment and discharge of the above-captioned loan.
8. Each of the undersigned hereby acknowledges and confirms that this Environmental Representation Warranty & Indemnity shall apply to and be binding upon the them with respect to any real property acquired after the date hereof through the loan facilities set forth in the Facility Letter.

[signature page follows]

[Environmental Representation, Warranty and Indemnity]

DATED this 4th day of November, 2021.

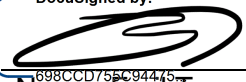
ELDERWOOD HOLDINGS INC.

DocuSigned by:
Allen Toma
Per: _____
Name: Allen Toma
Title: Vice-President
I have the authority to bind the corporation

2633501 ONTARIO INC.

DocuSigned by:
Allen Toma
Per: _____
Name: Allen Toma
Title: Secretary
I have the authority to bind the corporation

Witness: _____

DocuSigned by:
Allen Toma
Name: Allen Toma
DocuSigned by:

Name: Emil Toma

THIS IS **EXHIBIT "Q"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

PROPERTY DESCRIPTION: PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT AT2395516. PLANNING ACT CONSENT IN DOCUMENT AT2395531. PLANNING ACT CONSENT IN DOCUMENT AT2395548.

ESTATE/QUALIFIER:	RECENTLY:	PIN CREATION DATE:
FEE SIMPLE ABSOLUTE	DIVISION FROM 21178-0014	2010/06/02

OWNERS' NAMES	CAPACITY	SHARE
ELDERWOOD HOLDINGS INC.		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2010/06/02 **						
LT389996	1944/09/22	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	ELDERWOOD REALTIES LIMITED	
66BA2116	1984/01/23	PLAN BOUNDRIES ACT				C
	REMARKS: D831, C117180					
66R24675	2010/01/18	PLAN REFERENCE				C
AT2395516	2010/05/31	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** ELDERWOOD REALTIES LIMITED	ELDERWOOD REALTIES LIMITED	
AT2404359	2010/06/07	NO CHNG ADDR OWNER		*** COMPLETELY DELETED *** ELDERWOOD REALTIES LIMITED		
	REMARKS: AT2395516: DOCUMENT DELETED ON OCT 27/21 BY S.HOGAN PER AT4120832					
AT4120832	2016/01/18	TRANSFER		*** COMPLETELY DELETED *** ELDERWOOD REALTIES LIMITED	ELDERWOOD TOWNHOMES INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
AT4120833	2016/01/18	CHARGE		*** COMPLETELY DELETED *** ELDERWOOD TOWNHOMES INC.	HOME TRUST COMPANY	
AT5194609	2019/07/25	TRANSFER	\$650,000	ELDERWOOD TOWNHOMES INC.	ELDERWOOD HOLDINGS INC.	C
AT5206928	2019/08/08	CHARGE		*** COMPLETELY DELETED *** ELDERWOOD HOLDINGS INC.	MERIDIAN CREDIT UNION LIMITED	
AT5206929	2019/08/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** ELDERWOOD HOLDINGS INC.	MERIDIAN CREDIT UNION LIMITED	
	REMARKS: AT5206928					
AT5247240	2019/09/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: AT4120833.</i>				
AT5903063	2021/11/04	CHARGE	\$9,300,000	ELDERWOOD HOLDINGS INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5903064	2021/11/04	NO ASSGN RENT GEN		ELDERWOOD HOLDINGS INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
		<i>REMARKS: AT5903063</i>				
AT5904760	2021/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** MERIDIAN CREDIT UNION LIMITED		
		<i>REMARKS: AT5206928.</i>				
AT6714487	2024/12/09	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	TCC MORTGAGE HOLDINGS INC.	C
		<i>REMARKS: AT5903063.</i>				
AT6714488	2024/12/09	NO ASSGN RENT GEN		COMPUTERSHARE TRUST COMPANY OF CANADA	TCC MORTGAGE HOLDINGS INC.	C
		<i>REMARKS: AT5903064 ASSIGNMENT AT5903063 RELATES</i>				

PROPERTY DESCRIPTION: LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN 66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT AT2395516. PLANNING ACT CONSENT IN DOCUMENT AT2395531. PLANNING ACT CONSENT IN DOCUMENT AT2395548.

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE
RECENTLY: DIVISION FROM 21178-0014
PIN CREATION DATE: 2010/06/02

OWNERS' NAMES ELDERWOOD HOLDINGS INC.
CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2010/06/02 **						
66BA2116	1984/01/23	PLAN BOUNDRIES ACT				C
	REMARKS: D831, C117180					
66R24675	2010/01/18	PLAN REFERENCE				C
AT2395531	2010/05/31	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** ELDERWOOD REALTIES LIMITED	RED RIDER INVESTMENTS INC.	
AT2409269	2010/06/11	NO CHNG ADDR OWNER		*** COMPLETELY DELETED *** RED RIDER INVESTMENTS INC.		
	REMARKS: DELETED ON 2021/10/27 PURSUANT TO AT4120830 D. JOVANOVIC.					
AT4120830	2016/01/18	TRANSFER		*** COMPLETELY DELETED *** RED RIDER INVESTMENTS INC.	ELDERWOOD TOWNHOMES II INC.	
	REMARKS: PLANNING ACT STATEMENTS.					
AT4120831	2016/01/18	CHARGE		*** COMPLETELY DELETED *** ELDERWOOD TOWNHOMES II INC.	HOME TRUST COMPANY	
AT5194610	2019/07/25	TRANSFER	\$780,000	ELDERWOOD TOWNHOMES II INC.	ELDERWOOD HOLDINGS INC.	C
AT5206928	2019/08/08	CHARGE		*** COMPLETELY DELETED *** ELDERWOOD HOLDINGS INC.	MERIDIAN CREDIT UNION LIMITED	
AT5206929	2019/08/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** ELDERWOOD HOLDINGS INC.	MERIDIAN CREDIT UNION LIMITED	
	REMARKS: AT5206928					
AT5248904	2019/09/27	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		
	REMARKS: AT4120831.					

LAND
 REGISTRY
 OFFICE #66

21178-0321 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT5903063	2021/11/04	CHARGE	\$9,300,000	ELDERWOOD HOLDINGS INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5903064	2021/11/04	NO ASSGN RENT GEN <i>REMARKS: AT5903063</i>		ELDERWOOD HOLDINGS INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5904760	2021/11/05	DISCH OF CHARGE <i>REMARKS: AT5206928.</i>		*** COMPLETELY DELETED *** MERIDIAN CREDIT UNION LIMITED		
AT6714487	2024/12/09	TRANSFER OF CHARGE <i>REMARKS: AT5903063.</i>		COMPUTERSHARE TRUST COMPANY OF CANADA	TCC MORTGAGE HOLDINGS INC.	C
AT6714585	2024/12/09	NO ASSGN RENT GEN <i>REMARKS: AT5903064 ASSIGNMENT AT5903063</i>		COMPUTERSHARE TRUST COMPANY OF CANADA	TCC MORTGAGE HOLDINGS INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
 NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT AT2395516. PLANNING ACT CONSENT IN DOCUMENT AT2395531. PLANNING ACT CONSENT IN DOCUMENT AT2395548.

ESTATE/QUALIFIER:

FEE SIMPLE
ABSOLUTE

RECENTLY:

DIVISION FROM 21178-0014

PIN CREATION DATE:

2010/06/02

OWNERS' NAMES

ELDERWOOD HOLDINGS INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2010/06/02 **						
LT389996	1944/09/22	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	ELDERWOOD REALTIES LIMITED	
66BA2116	1984/01/23	PLAN BOUNDRIES ACT				C
		REMARKS: D831, C117180				
66R24675	2010/01/18	PLAN REFERENCE				C
AT2395548	2010/05/31	TRANSFER		*** DELETED AGAINST THIS PROPERTY *** ELDERWOOD REALTIES LIMITED	ELDERWOOD REALTIES LIMITED	
AT2404359	2010/06/07	NO CHNG ADDR OWNER		*** COMPLETELY DELETED *** ELDERWOOD REALTIES LIMITED		
		REMARKS: AT2395548: DOCUMENT DELETED ON OCT 27/21 BY S.HOGAN PER AT4120834				
AT4120834	2016/01/18	TRANSFER		*** COMPLETELY DELETED *** ELDERWOOD REALTIES LIMITED	ELDERWOOD TOWNHOMES INC.	
		REMARKS: PLANNING ACT STATEMENTS.				
AT4120835	2016/01/18	CHARGE		*** COMPLETELY DELETED *** ELDERWOOD TOWNHOMES INC.	HOME TRUST COMPANY	
AT5194608	2019/07/25	TRANSFER	\$650,000	ELDERWOOD TOWNHOMES INC.	ELDERWOOD HOLDINGS INC.	C
AT5206928	2019/08/08	CHARGE		*** COMPLETELY DELETED *** ELDERWOOD HOLDINGS INC.	MERIDIAN CREDIT UNION LIMITED	
AT5206929	2019/08/08	NO ASSGN RENT GEN		*** COMPLETELY DELETED *** ELDERWOOD HOLDINGS INC.	MERIDIAN CREDIT UNION LIMITED	
		REMARKS: AT5206928				
AT5247258	2019/09/26	DISCH OF CHARGE		*** COMPLETELY DELETED *** HOME TRUST COMPANY		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		<i>REMARKS: AT4120835.</i>				
AT5903063	2021/11/04	CHARGE	\$9,300,000	ELDERWOOD HOLDINGS INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
AT5903064	2021/11/04	NO ASSGN RENT GEN		ELDERWOOD HOLDINGS INC.	COMPUTERSHARE TRUST COMPANY OF CANADA	C
		<i>REMARKS: AT5903063</i>				
AT5904760	2021/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** MERIDIAN CREDIT UNION LIMITED		
		<i>REMARKS: AT5206928.</i>				
AT6714487	2024/12/09	TRANSFER OF CHARGE		COMPUTERSHARE TRUST COMPANY OF CANADA	TCC MORTGAGE HOLDINGS INC.	C
		<i>REMARKS: AT5903063.</i>				
AT6714585	2024/12/09	NO ASSGN RENT GEN		COMPUTERSHARE TRUST COMPANY OF CANADA	TCC MORTGAGE HOLDINGS INC.	C
		<i>REMARKS: AT5903064 ASSIGNMENT AT5903063</i>				

THIS IS **EXHIBIT "R"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
COMPUTERSHARE TRUST COMPANY OF CANADA	ELDERWOOD HOLDINGS INC. (Corp. No.: 2633505)		X	X	X	X	X	777899898 PPSA	20211103 0919 1590 2733 Reg. 3 year(s) Expires 11/03/2027	
		General Collateral Description: GENERAL SECURITY AGREEMENT, GENERAL ASSIGNMENT OF RENTS, ASSIGNMENT OF PLANS, PERMITS AND CONTRACTS AND OTHER SECURITY DOCUMENTS RELATING TO THE PROPERTIES MUNICIPALLY KNOWN AS 1667-1677 BATHURST ST. AND 75-79 ELDERWOOD DR., TORONTO, ONTARIO AND LEGALLY DESCRIBED IN PINS 21178-0320(LT), 21178-0321(LT) AND 21178-0322(LT)								
	ELDERWOOD HOLDINGS INC.							777899898	20240920 1048 1590 9099 B RENEWAL Renew 3 year(s)	
COMPUTERSHARE TRUST COMPANY OF CANADA (Assignor)	ELDERWOOD HOLDINGS INC							777899898	20241209 1524 9234 7817 D ASSGNMT	
TCC MORTGAGE HOLDINGS INC. (Assignee)										

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD HOLDINGS INC.

FILE CURRENCY: January 8, 2025

RESPONSE CONTAINS: APPROXIMATELY 1 FAMILIES and 4 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD HOLDINGS INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 4

SEARCH : BD : ELDERWOOD HOLDINGS INC.

00 FILE NUMBER : 777899898 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211103 0919 1590 2733 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: ELDERWOOD HOLDINGS INC.
OCN : 2633505
04 ADDRESS : 1-90 WINGOLD AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M6B 1P5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :
COMPUTERSHARE TRUST COMPANY OF CANADA
09 ADDRESS : C/O TREZ CAPITAL LIMITED PARTNERSHIP
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 GENERAL SECURITY AGREEMENT, GENERAL ASSIGNMENT OF RENTS, ASSIGNMENT
14 OF PLANS, PERMITS AND CONTRACTS AND OTHER SECURITY DOCUMENTS RELATING
15 TO THE PROPERTIES MUNICIPALLY KNOWN AS 1667-1677 BATHURST ST. AND
16 AGENT: SCHNEIDER RUGGIERO SPENCER MILBURN LLP (43133 DM/SZ)
17 ADDRESS : 1000-120 ADELAIDE STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD HOLDINGS INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 2 OF 4

SEARCH : BD : ELDERWOOD HOLDINGS INC.

00 FILE NUMBER : 777899898 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211103 0919 1590 2733 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME:
OCN :
04 ADDRESS :
CITY : PROV: POSTAL CODE:
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : SUITE 1404, 401 BAY STREET
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 75-79 ELDERWOOD DR., TORONTO, ONTARIO AND LEGALLY DESCRIBED IN PINS
14 21178-0320(LT), 21178-0321(LT) AND 21178-0322(LT)

15

16 AGENT:

17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD HOLDINGS INC.

FILE CURRENCY: January 8, 2025

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 1 ENQUIRY PAGE : 3 OF 4

SEARCH : BD : ELDERWOOD HOLDINGS INC.

FILE NUMBER 777899898

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20240920 1048 1590 9099

21 REFERENCE FILE NUMBER : 777899898

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 3 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: ELDERWOOD HOLDINGS INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13

14

15

16 NAME : BENNETT JONES LLP (NELMS/72996-436/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD HOLDINGS INC.

FILE CURRENCY: January 8, 2025

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 1 ENQUIRY PAGE : 4 OF 4

SEARCH : BD : ELDERWOOD HOLDINGS INC.

FILE NUMBER 777899898

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20241209 1524 9234 7817

21 REFERENCE FILE NUMBER : 777899898

22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: ELDERWOOD HOLDINGS INC

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

COMPUTERSHARE TRUST COMPANY OF CANADA

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

TCC MORTGAGE HOLDINGS INC.

09 ADDRESS : 1700 - 745 THURLOW STREET

CITY : VANCOUVER PROV : BC POSTAL CODE : V6E 0C5

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

11

12

13

14

15

16 NAME : BENNETT JONES LLP (VAN GENT/72996-436/OD)

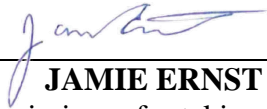
17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

LAST SCREEN

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

THIS IS **EXHIBIT "S"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
COMPUTERSHARE TRUST COMPANY OF CANADA	ELDERWOOD TOWNHOMES INC. (Corp. No.: 2492342) ELDERWOOD TOWNHOMES II INC. (Corp. No.: 2499305) 2633501 ONTARIO INC. (Corp. No.: 2633501)		X	X	X	X	X	777900006 PPSA	20211103 0921 1590 2734 Reg. 3 year(s) Expires 11/03/2027	
		General Collateral Description: BENEFICIAL CHARGE OF AND SECURITY INTEREST IN THE PROPERTIES MUNICIPALLY KNOWN AS 1667-1677 BATHURST ST. AND 75-79 ELDERWOOD DR., TORONTO, ONTARIO AND LEGALLY DESCRIBED IN PINS 21178-0320(LT), 21178-0321(LT) AND 21178-0322(LT)								
	ELDERWOOD TOWNHOMES INC.							777900006	20240920 1048 1590 9097 B RENEWAL Renew 3 year(s)	
COMPUTERSHARE TRUST COMPANY OF CANADA (Assignor) TCC MORTGAGE HOLDINGS INC. (Assignee)	ELDERWOOD TOWNHOMES INC.							777900006	20241209 1524 9234 7816 D ASSGNMT	

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY SYSTEM IN RESPECT
OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES INC.

FILE CURRENCY: January 8, 2025

RESPONSE CONTAINS: APPROXIMATELY 1 FAMILIES and 4 PAGES.

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS
WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME
IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE
OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT
ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

THE ABOVE REPORT HAS BEEN CREATED BASED ON THE DATA PROVIDED BY
THE PERSONAL PROPERTY REGISTRATION BRANCH, MINISTRY OF CONSUMER
AND BUSINESS SERVICES, GOVERNMENT OF ONTARIO. NO LIABILITY IS
UNDERTAKEN REGARDING ITS CORRECTNESS, COMPLETENESS, OR THE
INTERPRETATION AND USE THAT ARE MADE OF IT.

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 4

SEARCH : BD : ELDERWOOD TOWNHOMES INC.

00 FILE NUMBER : 777900006 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211103 0921 1590 2734 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: ELDERWOOD TOWNHOMES INC.
OCN : 2492342
04 ADDRESS : 79 TRUMAN ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M2L 2L7
05 IND DOB : IND NAME:
06 BUS NAME: ELDERWOOD TOWNHOMES II INC.
OCN : 2499305
07 ADDRESS : 79 TRUMAN ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M2L 2L7

08 SECURED PARTY/LIEN CLAIMANT :
COMPUTERSHARE TRUST COMPANY OF CANADA
09 ADDRESS : C/O TREZ CAPITAL LIMITED PARTNERSHIP
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X X X X
YEAR MAKE MODEL V.I.N.
11
12

GENERAL COLLATERAL DESCRIPTION

13 BENEFICIAL CHARGE OF AND SECURITY INTEREST IN THE PROPERTIES
14 MUNICIPALLY KNOWN AS 1667-1677 BATHURST ST. AND 75-79 ELDERWOOD DR.,
15 TORONTO, ONTARIO AND LEGALLY DESCRIBED IN PINS 21178-0320 (LT),
16 AGENT: SCHNEIDER RUGGIERO SPENCER MILBURN LLP (43133 DM/SZ)
17 ADDRESS : 1000-120 ADELAIDE STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 2 OF 4

SEARCH : BD : ELDERWOOD TOWNHOMES INC.

00 FILE NUMBER : 777900006 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211103 0921 1590 2734 REG TYP: REG PERIOD:
02 IND DOB : IND NAME:
03 BUS NAME: 2633501 ONTARIO INC.
OCN : 2633501
04 ADDRESS : 1-90 WINGOLD AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M6B 1P5
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : SUITE 1404, 401 BAY STREET
CITY : PROV: POSTAL CODE:
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YEAR MAKE MODEL V.I.N.
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12
GENERAL COLLATERAL DESCRIPTION
13 21178-0321(LT) AND 21178-0322(LT)
14
15
16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

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MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES INC.

FILE CURRENCY: January 8, 2025

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 1 ENQUIRY PAGE : 3 OF 4

SEARCH : BD : ELDERWOOD TOWNHOMES INC.

FILE NUMBER 777900006

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20240920 1048 1590 9097

21 REFERENCE FILE NUMBER : 777900006

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 3 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: ELDERWOOD TOWNHOMES INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : BENNETT JONES LLP (NELMS/72996-436/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

CONTINUED

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MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
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TYPE OF SEARCH: BUSINESS DEBTOR

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2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

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SEARCH : BD : ELDERWOOD TOWNHOMES INC.

FILE NUMBER 777900006

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20241209 1524 9234 7816

21 REFERENCE FILE NUMBER : 777900006

22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: ELDERWOOD TOWNHOMES INC.

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02/05 IND/TRANSFEE:

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OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

COMPUTERSHARE TRUST COMPANY OF CANADA

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

TCC MORTGAGE HOLDINGS INC.

09 ADDRESS : 1700 - 745 THURLOW STREET

CITY : VANCOUVER PROV : BC POSTAL CODE : V6E 0C5

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CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

LAST SCREEN

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

THIS IS **EXHIBIT "T"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

PPSA (ONTARIO) SEARCH SUMMARY
ELDERWOOD TOWNHOMES II INC.



Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
COMPUTERSHARE TRUST COMPANY OF CANADA	ELDERWOOD TOWNHOMES INC. (Corp. No.: 2492342) ELDERWOOD TOWNHOMES II INC. (Corp. No.: 2499305) 2633501 ONTARIO INC. (Corp. No.: 2633501)		X	X	X	X	X	777900006 PPSA	20211103 0921 1590 2734 Reg. 3 year(s) Expires 11/03/2027	
		General Collateral Description: BENEFICIAL CHARGE OF AND SECURITY INTEREST IN THE PROPERTIES MUNICIPALLY KNOWN AS 1667-1677 BATHURST ST. AND 75-79 ELDERWOOD DR., TORONTO, ONTARIO AND LEGALLY DESCRIBED IN PINS 21178-0320(LT), 21178-0321(LT) AND 21178-0322(LT)								
	ELDERWOOD TOWNHOMES INC.							777900006	20240920 1048 1590 9097 B RENEWAL Renew 3 year(s)	
COMPUTERSHARE TRUST COMPANY OF CANADA (Assignor) TCC MORTGAGE HOLDINGS INC. (Assignee)	ELDERWOOD TOWNHOMES INC.							777900006	20241209 1524 9234 7816 D ASSGNMT	

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE
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OF THE FOLLOWING:

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES II INC.

FILE CURRENCY: January 8, 2025

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ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES II INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 1 ENQUIRY PAGE : 1 OF 4

SEARCH : BD : ELDERWOOD TOWNHOMES II INC.

00 FILE NUMBER : 777900006 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
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CITY : TORONTO PROV: ON POSTAL CODE: M2L 2L7
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OCN : 2499305
07 ADDRESS : 79 TRUMAN ROAD
CITY : TORONTO PROV: ON POSTAL CODE: M2L 2L7

08 SECURED PARTY/LIEN CLAIMANT :
COMPUTERSHARE TRUST COMPANY OF CANADA
09 ADDRESS : C/O TREZ CAPITAL LIMITED PARTNERSHIP
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y4
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CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

CONTINUED

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CONDUCTED ON: ELDERWOOD TOWNHOMES II INC.

FILE CURRENCY: January 8, 2025

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OCN : 2633501
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CITY : TORONTO PROV: ON POSTAL CODE: M6B 1P5
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FILE NUMBER 777900006

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20240920 1048 1590 9097

21 REFERENCE FILE NUMBER : 777900006

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24 TRANSFEROR: BUS NAME: ELDERWOOD TOWNHOMES INC.

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CONS. MV DATE OF NO FIXED

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16 NAME : BENNETT JONES LLP (NELMS/72996-436/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

CONTINUED

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MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
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TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: ELDERWOOD TOWNHOMES II INC.

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SEARCH : BD : ELDERWOOD TOWNHOMES II INC.

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PAGE TOT REGISTRATION NUM REG TYPE
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24 TRANSFEROR: BUS NAME: ELDERWOOD TOWNHOMES INC.

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COMPUTERSHARE TRUST COMPANY OF CANADA

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16 NAME : BENNETT JONES LLP (VAN GENT/72996-436/OD)

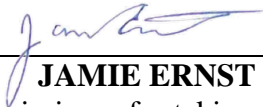
17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

LAST SCREEN

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

THIS IS **EXHIBIT "U"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
COMPUTERSHARE TRUST COMPANY OF CANADA	2633501 ONTARIO INC. (Corp. No.: 2633501) ALLEN TOMA (DOB: 28NOV1980) EMIL TOMA (DOB: 05JUN1974)				X	X		777900132 PPSA	20211103 0924 1590 2736 Reg. 3 year(s) Expires 11/03/2027	
		General Collateral Description: ASSIGNMENT AND POSTPONEMENT OF CLAIMS WITH RESPECT TO THE OBLIGATIONS OF ELDERWOOD HOLDINGS INC. TO THE SECURED PARTY								
	2633501 ONTARIO INC.							777900132	20240920 1048 1590 9098 B RENEWAL Renew 3 year(s)	
COMPUTERSHARE TRUST COMPANY OF CANADA (Assignor) TCC MORTGAGE HOLDINGS INC. (Assignee)	2633501 ONTARIO INC.							777900132	20241209 1524 9234 7818 D ASSGNMT	
Secured Party	Debtor(s)	Collateral Class.						File No.	Reg. No.	Comments
		CG	I	E	A	O	MV			
COMPUTERSHARE TRUST COMPANY OF CANADA	ELDERWOOD TOWNHOMES INC. (Corp. No.: 2492342) ELDERWOOD TOWNHOMES II INC. (Corp. No.: 2499305)		X	X	X	X	X	777900006 PPSA	20211103 0921 1590 2734 Reg. 3 year(s) Expires 11/03/2027	

	2633501 ONTARIO INC. (Corp. No.: 2633501)										
		General Collateral Description: BENEFICIAL CHARGE OF AND SECURITY INTEREST IN THE PROPERTIES MUNICIPALLY KNOWN AS 1667-1677 BATHURST ST. AND 75-79 ELDERWOOD DR., TORONTO, ONTARIO AND LEGALLY DESCRIBED IN PINS 21178-0320(LT), 21178-0321(LT) AND 21178-0322(LT)									
	ELDERWOOD TOWNHOMES INC.							777900006	20240920 1048 1590 9097		
									B RENEWAL Renew 3 year(s)		
COMPUTERSHARE TRUST COMPANY OF CANADA (Assignor)	ELDERWOOD TOWNHOMES INC.							777900006	20241209 1524 9234 7816		
TCC MORTGAGE HOLDINGS INC. (Assignee)									D ASSGNMT		

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

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TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2633501 ONTARIO INC.

FILE CURRENCY: January 8, 2025

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MINISTRY OF CONSUMER AND BUSINESS SERVICES
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CONDUCTED ON: 2633501 ONTARIO INC.

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1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 1 OF 2 ENQUIRY PAGE : 1 OF 8

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CITY : TORONTO PROV: ON POSTAL CODE: M2L 2L7

08 SECURED PARTY/LIEN CLAIMANT :
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06 BUS NAME:
OCN :
07 ADDRESS :
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2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 2 ENQUIRY PAGE : 3 OF 8

SEARCH : BD : 2633501 ONTARIO INC.

FILE NUMBER 777900006

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20240920 1048 1590 9097

21 REFERENCE FILE NUMBER : 777900006

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 3 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: ELDERWOOD TOWNHOMES INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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16 NAME : BENNETT JONES LLP (NELMS/72996-436/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2633501 ONTARIO INC.

FILE CURRENCY: January 8, 2025

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 1 OF 2 ENQUIRY PAGE : 4 OF 8

SEARCH : BD : 2633501 ONTARIO INC.

FILE NUMBER 777900006

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20241209 1524 9234 7816

21 REFERENCE FILE NUMBER : 777900006

22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: ELDERWOOD TOWNHOMES INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

COMPUTERSHARE TRUST COMPANY OF CANADA

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

TCC MORTGAGE HOLDINGS INC.

09 ADDRESS : 1700 - 745 THURLOW STREET

CITY : VANCOUVER PROV : BC POSTAL CODE : V6E 0C5

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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13

14

15

16 NAME : BENNETT JONES LLP (VAN GENT/72996-436/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

END OF FAMILY

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2633501 ONTARIO INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 5 OF 8

SEARCH : BD : 2633501 ONTARIO INC.

00 FILE NUMBER : 777900132 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 001 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211103 0924 1590 2736 REG TYP: P PPSA REG PERIOD: 3
02 IND DOB : IND NAME:
03 BUS NAME: 2633501 ONTARIO INC.
OCN : 2633501
04 ADDRESS : 1-90 WINGOLD AVENUE
CITY : TORONTO PROV: ON POSTAL CODE: M6B 1P5
05 IND DOB : 28NOV1980 IND NAME: ALLEN TOMA
06 BUS NAME:
OCN :
07 ADDRESS : 8707 DUFFERIN STREET, SUITE10
CITY : VAUGHAN PROV: ON POSTAL CODE: L4J 0A6

08 SECURED PARTY/LIEN CLAIMANT :
COMPUTERSHARE TRUST COMPANY OF CANADA
09 ADDRESS : C/O TREZ CAPITAL LIMITED PARTNERSHIP
CITY : TORONTO PROV: ON POSTAL CODE: M5H 2Y4
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10 X X
YEAR MAKE MODEL V.I.N.

11
12

GENERAL COLLATERAL DESCRIPTION

13 ASSIGNMENT AND POSTPONEMENT OF CLAIMS WITH RESPECT TO THE OBLIGATIONS
14 OF ELDERWOOD HOLDINGS INC. TO THE SECURED PARTY

15

16 AGENT: SCHNEIDER RUGGIERO SPENCER MILBURN LLP (43133 DM/SZ)

17 ADDRESS : 1000-120 ADELAIDE STREET WEST
CITY : TORONTO PROV: ON POSTAL CODE: M5H 3V1

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2633501 ONTARIO INC.

FILE CURRENCY: January 8, 2025

1C FINANCING STATEMENT / CLAIM FOR LIEN

FAMILY : 2 OF 2 ENQUIRY PAGE : 6 OF 8

SEARCH : BD : 2633501 ONTARIO INC.

00 FILE NUMBER : 777900132 EXPIRY DATE : 03NOV 2027 STATUS :
01 CAUTION FILING : PAGE : 002 OF 2 MV SCHEDULE ATTACHED :
REG NUM : 20211103 0924 1590 2736 REG TYP: REG PERIOD:
02 IND DOB : 05JUN1974 IND NAME: EMIL TOMA
03 BUS NAME:
OCN :
04 ADDRESS : 408 FAIRLAWN AVE.
CITY : TORONTO PROV: ON POSTAL CODE: M5M 1T8
05 IND DOB : IND NAME:
06 BUS NAME:
OCN :
07 ADDRESS :
CITY : PROV: POSTAL CODE:

08 SECURED PARTY/LIEN CLAIMANT :

09 ADDRESS : SUITE 1404, 401 BAY STREET
CITY : PROV: POSTAL CODE:
CONS. MV DATE OF OR NO FIXED
GOODS INVTRY. EQUIP ACCTS OTHER INCL AMOUNT MATURITY MAT DATE
10
YEAR MAKE MODEL V.I.N.

11
12
GENERAL COLLATERAL DESCRIPTION
13
14
15

16 AGENT:
17 ADDRESS :
CITY : PROV: POSTAL CODE:

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2633501 ONTARIO INC.

FILE CURRENCY: January 8, 2025

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 2 ENQUIRY PAGE : 7 OF 8

SEARCH : BD : 2633501 ONTARIO INC.

FILE NUMBER 777900132

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 01 OF 001 MV SCHED: 20240920 1048 1590 9098

21 REFERENCE FILE NUMBER : 777900132

22 AMEND PAGE: NO PAGE: CHANGE: B RENEWAL REN YEARS: 3 CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2633501 ONTARIO INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

09 ADDRESS :

CITY : PROV : POSTAL CODE :

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

10

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13

14

15

16 NAME : BENNETT JONES LLP (NELMS/72996-436/OD)

17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

CONTINUED

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

MINISTRY OF CONSUMER AND BUSINESS SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE

TYPE OF SEARCH: BUSINESS DEBTOR

CONDUCTED ON: 2633501 ONTARIO INC.

FILE CURRENCY: January 8, 2025

2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

FAMILY : 2 OF 2 ENQUIRY PAGE : 8 OF 8

SEARCH : BD : 2633501 ONTARIO INC.

FILE NUMBER 777900132

PAGE TOT REGISTRATION NUM REG TYPE
01 CAUTION : 001 OF 1 MV SCHED: 20241209 1524 9234 7818

21 REFERENCE FILE NUMBER : 777900132

22 AMEND PAGE: NO PAGE: CHANGE: D ASSGNMT REN YEARS: CORR PER:

23 REFERENCE DEBTOR/ IND NAME:

24 TRANSFEROR: BUS NAME: 2633501 ONTARIO INC.

25 OTHER CHANGE:

26 REASON:

27 /DESCR:

28 :

02/05 IND/TRANSFEE:

03/06 BUS NAME/TRFEE:

OCN:

04/07 ADDRESS:

CITY: PROV: POSTAL CODE:

29 ASSIGNOR:

COMPUTERSHARE TRUST COMPANY OF CANADA

08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE :

TCC MORTGAGE HOLDINGS INC.

09 ADDRESS : 1700 - 745 THURLOW STREET

CITY : VANCOUVER PROV : BC POSTAL CODE : V6E 0C5

CONS. MV DATE OF NO FIXED

GOODS INVTRY EQUIP ACCTS OTHER INCL AMOUNT MATURITY OR MAT DATE

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16 NAME : BENNETT JONES LLP (VAN GENT/72996-436/OD)

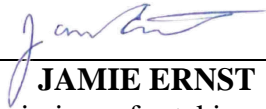
17 ADDRESS : 3400-1 FIRST CANADIAN PLACE

CITY : TORONTO PROV : ON POSTAL CODE : M5X 1A4

LAST SCREEN

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

THIS IS **EXHIBIT "V"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

September 4, 2024

DELIVERED VIA COURIER AND EMAIL

Elderwood Holdings Inc.
1 - 90 Wingold Avenue
Toronto, ON M6B 1P5

Elderwood Townhomes Inc.
79 Truman Road
Toronto, ON M2L 2L7

Elderwood Townhomes II Inc.
79 Truman Road
Toronto, ON M2L 2L7

2633501 Ontario Inc.
1 - 90 Wingold Avenue
Toronto, ON M6B 1P5

Distrikt Developments
1 - 90 Wingold Avenue
Toronto, ON M6B 1P5
Attention: Mr. Cory Capland

Dear Sirs/Mesdames:

Re: Indebtedness of Elderwood Holdings Inc. (the “Borrower”) to Trez Capital Limited Partnership (the “Lender”) in Respect of 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

We are counsel to the Lender and Computershare Trust Company of Canada (“**Computershare**”). As you know, the Borrower is indebted to the Lender pursuant to a Commitment Letter dated August 9, 2021, as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to the Commitment Letter dated October 19, 2021 and the Renewal Letter dated April 26, 2023 (collectively, the “**Commitment Letter**”), pursuant to which the Lender extended to the Borrower a mortgage loan. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Commitment Letter.

As general and continuing security for the payment and performance of the Borrower’s indebtedness and obligations under the Commitment Letter, the Lender and Computershare were granted various security (collectively, the “**Security**”) including, without limitation: (i) a mortgage/charge in the amount of \$9,300,000 (the “**Mortgage**”) over the property more

September 4, 2024

Page 2

particularly described in Schedule “A” appended hereto (the “**Property**”) in favour of Computershare as the title trustee/custodian for the Lender; and (ii) a General Security Agreement.

Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and 2633501 Ontario Inc. (collectively, the “**Beneficial Owners**”) are the beneficial owners of the Property, and each has granted, mortgaged, charged and assigned unto Computershare and granted a security interest to Computershare over its entire right, title and interest, in and to the Property pursuant to the Beneficial Owners’ Agreement executed by the Debtor and the Beneficial Owners.

The Borrower’s obligations under the Commitment Letter are also guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (collectively, the “**Guarantors**”) pursuant to a Guarantee Agreement (the “**Guarantee**”). The Guarantors’ obligations under the Guarantee are secured by various security granted in favour of the Lender and Computershare (the “**Collateral Security**”) including, without limitation: (i) registrations pursuant to the *Personal Property Security Act* (Ontario), and (ii) the Assignment of Insurance Proceeds executed by 2633501 Ontario Inc.

We are advised by the Lender and Computershare that events of default under the terms of the Commitment Letter and the Mortgage have occurred and are continuing, including, among other things: (i) the non-payment of the scheduled interest payments due on July 1, 2024, August 1, 2024 and September 1, 2024, (ii) the failure to pay certain property taxes and utilities as required under paragraph 24 of the Commitment Letter and Article 10.1 of the Mortgage, and (iii) the failure to repay the Mortgage by the maturity date of June 1, 2024 (collectively with any other events of default having occurred and continuing under the Commitment Letter and/or the Mortgage as of the date of this letter, the “**Events of Default**”). As a result of the Events of Default, the Lender and Computershare hereby: (i) to the extent required, declare the entire amount of the Borrower’s indebtedness to the Lender (the “**Indebtedness**”) due and payable; and (ii) demand repayment of the Indebtedness in full by no later than 10 days from the date of this letter, which as of September 3, 2024 is in the amount of \$9,727,410.53 comprised of the following:

Principal Balance	\$ 9,300,000
Accrued Interest	\$ 397,010.53
Fees	\$ 30,400
Total	\$ 9,727,410.53

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and the Mortgage and will accrue until the Indebtedness is paid in full. Additionally, the Lender and Computershare have incurred and are continuing to incur costs in relation to this matter and reserve the right to claim such amounts from the Borrower, the Beneficial Owners and/or the Guarantors. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender and Computershare will be entitled, and intend to, take whatever steps they consider necessary or appropriate to protect their rights and interests including, without limitation, commencing legal proceedings against the Borrower, the Beneficial Owners and/or the Guarantors, enforcing the Security, the security granted by the Beneficial Owners and/or the



September 4, 2024


Page 3

Collateral Security, and seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada). Should you consent to an earlier enforcement, please return an executed copy of the relevant enclosed Consent and Waiver to our office.

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender or Computershare of any breach, default, or event of default that has occurred to the date hereof and the Lender and Computershare specifically reserve all of their rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security, the security granted by the Beneficial Owners, the Guarantees, the Collateral Security and all documents and instruments provided in respect thereof. Further, the Lender and Computershare expressly reserve their rights to take such additional steps as are necessary at any time without further notice to you if the Lender or Computershare becomes aware of any matter that may impair the Security, the security granted by the Beneficial Owners, or the Collateral Security.

Yours truly,

BENNETT JONES LLP

DocuSigned by:

65B8BE2E814144E...
Sean H. Zweig

Enclosures – Notice of Intention to Enforce Security, and Consent and Waiver
c: Aiden Nelms and Jamie Ernst – Bennett Jones LLP



September 4, 2024

Page 4

Schedule "A"

The Property

PIN 21178 – 0320 LT

PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0321 LT

LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0322 LT

LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO



FORM 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)

TO: Elderwood Holdings Inc. (“**Elderwood Holdings**”), Elderwood Townhomes Inc., Elderwood Townhomes II Inc., and 2633501 Ontario Inc. (together with Elderwood Holdings, the “**Debtors**” and each a “**Debtor**”), each an insolvent person.

TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the:
 - (i) Commitment Letter dated August 9, 2021, as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to the Commitment Letter dated October 19, 2021 and the Renewal Letter dated April 26, 2023 (collectively, the “**Commitment Letter**”), between, among others, Elderwood Holdings and Trez Capital Limited Partnership (“**Trez**”); and
 - (ii) the mortgage/charge on title to the Property (as defined below) in favour of Computershare Trust Company of Canada, as custodian for and on behalf of Trez (“**Computershare**”, and together with Trez, the “**Secured Party**”) as the title trustee/custodian for the Lender, bearing Instrument No. AT5903063 (the “**Mortgage**”).

2. The Secured Party, a secured creditor, intends to enforce on its security on all of the following property and assets of the Debtors, including, without limitation:
 - (a) the lands and premises more particularly described within Schedule “A” attached hereto (the “**Property**”);
 - (b) all property and collateral against which the security interest bearing reference file number 777899898 has been registered pursuant to the *Personal Property Security Act* (Ontario);
 - (c) the Collateral (as defined in the General Security Agreement (the “**GSA**”));
 - (d) the beneficial interest in the Property of Elderwood Townhomes Inc., Elderwood Townhomes II Inc., and 2633501 Ontario Inc.; and
 - (e) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.

3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter, including, among other things:
 - (a) the Mortgage executed by Elderwood Holdings in favour of Computershare bearing Instrument No. AT5903063;
 - (b) the GSA executed by Elderwood Holdings in favour of Computershare;
 - (c) the General Assignment of Rents executed by Elderwood Holdings in favour of Computershare bearing Instrument No. AT5903064;
 - (d) the Assignment of Contracts executed by Elderwood Holdings in favour of Computershare;

- (e) the Assignment of Insurance Proceeds executed by the Debtors in favour of Computershare;
 - (f) the Assignment and Pledge of Interest Reserve Account executed by Elderwood Holdings in favour of Computershare;
 - (g) the Beneficial Owners' Agreement executed by the Debtors in favour of Computershare;
 - (h) the Environmental Representation, Warranty and Indemnity executed by, among others, Elderwood Holdings and 2633501 Ontario Inc. in favour of Computershare; and
 - (i) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the "**Security**").
4. The total amount of indebtedness secured by the security as of September 3, 2024 is \$9,727,410.53 (excluding accruing fees, expenses and costs).
5. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent company consents to an earlier enforcement. A Consent and Waiver to earlier enforcement, which may be completed and executed by the relevant Debtor, is enclosed herewith.

DATED at Toronto, this 4th day of September, 2024.

**TREZ CAPITAL LIMITED PARTNERSHIP
AND COMPUTERSHARE TRUST
COMPANY OF CANADA** by their solicitors,
Bennett Jones LLP

DocuSigned by:



65B68E2E814144E...
Sean Zweig

This Notice is a required document under the *Bankruptcy & Insolvency Act* (Canada) (the "**Act**"). The use of the word "insolvent" is prescribed by the Act but nothing herein shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, Elderwood Holdings Inc. (the “**Debtor**”), hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at _____ this _____ day of _____, 2024.

ELDERWOOD HOLDINGS INC.

By: _____

Name:

Title:

I have authority to bind the corporation.

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, Elderwood Townhomes Inc. (the “**Debtor**”), hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at _____ this _____ day of _____, 2024.

ELDERWOOD TOWNHOMES INC.

By: _____

Name:

Title:

I have authority to bind the corporation.

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, Elderwood Townhomes II Inc. (the “**Debtor**”), hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at _____ this _____ day of _____, 2024.

ELDERWOOD TOWNHOMES II INC.

By: _____

Name:

Title:

I have authority to bind the corporation.

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, 2633501 Ontario Inc. (the “**Debtor**”), hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at _____ this _____ day of _____, 2024.

2633501 ONTARIO INC.

By: _____
Name:
Title:

I have authority to bind the corporation.

Schedule “A”

The Property

PIN 21178 – 0320 LT

PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

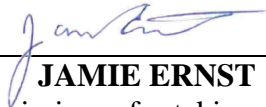
PIN 21178 – 0321 LT

LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0322 LT

LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO

THIS IS **EXHIBIT "W"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)



Bennett Jones

Bennett Jones LLP

3400 One First Canadian Place, PO Box 130

Toronto, Ontario, Canada M5X 1A4

Tel: 416.863.1200 Fax: 416.863.1716

Sean H. Zweig
Partner
Direct Line: 416.777.6254
e-mail: zweigs@bennettjones.com

September 4, 2024

DELIVERED VIA COURIER AND EMAIL

2633501 Ontario Inc.
1 - 90 Wingold Avenue
Toronto, ON M6B 1P5

Emil Toma
408 Fairlawn Avenue
Toronto, ON M5M 1T8

Allen Toma
8707 Dufferin Street, Suite 10
Vaughan, ON L4J 0A6

Dear Sirs/Mesdames:

Re: Guarantees of Indebtedness of Elderwood Holdings Inc. (the “Borrower”) to Trez Capital Limited Partnership (the “Lender”) in Respect of 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario

We are counsel to the Lender and Computershare Trust Company of Canada (“**Computershare**”). As you know, the Borrower is indebted to the Lender pursuant to a Commitment Letter dated August 9, 2021, as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to the Commitment Letter dated October 19, 2021 and the Renewal Letter dated April 26, 2023 (collectively, the “**Commitment Letter**”), pursuant to which the Lender extended to the Borrower a mortgage loan. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Commitment Letter.

As general and continuing security for the payment and performance of the Borrower’s indebtedness and obligations under the Commitment Letter, the Lender and Computershare were granted various security (collectively, the “**Security**”) including, without limitation: (i) a mortgage/charge in the amount of \$9,300,000 (the “**Mortgage**”) over the property more particularly described in Schedule “A” appended hereto (the “**Property**”) in favour of Computershare as the title trustee/custodian for the Lender; and (ii) a General Security Agreement.

The Borrower’s obligations under the Commitment Letter are also guaranteed by 2633501 Ontario Inc., Allen Toma and Emil Toma (collectively, the “**Guarantors**”) pursuant to a Guarantee Agreement (the “**Guarantee**”). The Guarantors’ obligations under the Guarantees are secured by various security granted in favour of the Lender and Computershare (the “**Collateral Security**”)

September 4, 2024

Page 2

including, without limitation: (i) registrations pursuant to the *Personal Property Security Act* (Ontario), and (ii) the Assignment of Insurance Proceeds executed by 2633501 Ontario Inc.

We are advised by the Lender and Computershare that events of default under the terms of the Commitment Letter and the Mortgage have occurred and are continuing, including, among other things: (i) the non-payment of the scheduled interest payments due on July 1, 2024, August 1, 2024 and September 1, 2024, (ii) the failure to pay certain property taxes and utilities as required under paragraph 24 of the Commitment Letter and Article 10.1 of the Mortgage, and (iii) the failure to repay the Mortgage by the maturity date of June 1, 2024 (collectively with any other events of default having occurred and continuing under the Commitment Letter and/or the Mortgage as of the date of this letter, the “**Events of Default**”). As a result of the Events of Default, the Lender and Computershare have issued a demand letter dated September 4, 2024 (the “**Demand Letter**”) to the Debtor, among others, (i) if required, declaring the entire amount of the Borrower’s indebtedness to the Lender (the “**Indebtedness**”) due and payable, and (ii) demanding repayment of the Indebtedness in full within 10 days from the date of the Demand Letter. As of September 3, 2024, the Indebtedness is in the amount of \$9,727,410.53.

Interest accrues on the Indebtedness in accordance with the terms of the Commitment Letter and the Mortgage and will accrue until the Indebtedness is paid in full. Additionally, the Lender and Computershare have incurred and are continuing to incur costs in relation to this matter and reserve the right to claim such amounts from the Borrower and/or the Guarantors.

In light of the Events of Default, and in connection with the Guarantees and Collateral Security, on behalf of the Lender and Computershare, we hereby demand payment of the Indebtedness from the Guarantors within 10 days of the date of this letter. Payment of the Indebtedness can be made by electronic funds transfer to the Lender.

Please be advised that unless the Indebtedness, together with all applicable interest, fees, costs, legal expenses and disbursements, is paid in full within the 10-day period referred to above, the Lender and Computershare will be entitled, and intend to, take whatever steps they consider necessary or appropriate to protect their rights and interests including, without limitation, commencing legal proceedings against the Borrower and/or the Guarantors, enforcing the Security and the Collateral Security, and seeking the appointment of a receiver or receiver-manager. To that end, please find enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada). Should you consent to an earlier enforcement, please return an executed copy of the relevant enclosed Consents and Waivers to our office.

Nothing in this letter shall constitute or be deemed to be a waiver by the Lender or Computershare of any breach, default, or event of default that has occurred to the date hereof and the Lender and Computershare specifically reserve all of their rights and remedies at law or in equity or arising under or in connection with the Commitment Letter, the Security, the Guarantees, the Collateral Security and all documents and instruments provided in respect thereof. Further, the Lender and Computershare expressly reserve their rights to take such additional steps as are necessary at any time without further notice to you if the Lender or Computershare becomes aware of any matter that may impair the Security or the Collateral Security.




September 4, 2024

Page 3

Yours truly,

BENNETT JONES LLP

DocuSigned by:

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Sean H. Zweig

Enclosures – Notice of Intention to Enforce Security, and Consents and Waivers
c: Aiden Nelms and Jamie Ernst – Bennett Jones LLP



September 4, 2024

Page 4

Schedule "A"

The Property

PIN 21178 – 0320 LT

PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0321 LT

LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0322 LT

LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO



FORM 86
NOTICE OF INTENTION TO ENFORCE A SECURITY
(SUBSECTION 244(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)

TO: 2633501 Ontario Inc., Allen Toma and Emil Toma (the “**Debtors**” and each a “**Debtor**”), each an insolvent person.

TAKE NOTICE THAT:

1. All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Commitment Letter dated August 9, 2021, as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to the Commitment Letter dated October 19, 2021 and the Renewal Letter dated April 26, 2023 (collectively, the “**Commitment Letter**”), between, among others, the Debtor and Trez Capital Limited Partnership (“**Trez**”).
2. Trez and Computershare Trust Company of Canada, as custodian for and on behalf of Trez (“**Computershare**”, and together with Trez, the “**Secured Party**”), each a secured creditor, intends to enforce on its security on all of the following property and assets of the Debtors, including, without limitation:
 - (a) all property and collateral against which the security interest bearing reference file numbers 777900132 and 777900006 have been registered pursuant to the *Personal Property Security Act* (Ontario); and
 - (b) all other assets, property and collateral that were assigned, transferred, pledged, granted, mortgaged, charged and/or similarly secured pursuant to the Security (as defined below) or the Commitment Letter.
3. The security that is to be enforced is in the form of all security delivered in connection with the Commitment Letter, including, among other things:
 - (a) the Guarantee executed by the Debtors in favour of Computershare;
 - (b) the Assignment of Insurance Proceeds executed by, among others, 2633501 Ontario Inc. in favour of Computershare;
 - (c) the Beneficial Owners’ Agreement executed by Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and 2633501 Ontario Inc. in favour of Computershare;
 - (d) the Environmental Representation, Warranty and Indemnity executed by, among others, the Debtors in favour of Computershare; and
 - (e) all ancillary, supplemental and additional documents or instruments to each of the foregoing (collectively, the “**Security**”).
4. The total amount of indebtedness secured by the security as of September 3, 2024 is \$9,727,410.53 (excluding accruing fees, expenses and costs).
5. The Secured Party will not have the right to enforce the security until after the expiry of the 10-day period after this notice is sent unless the insolvent company consents to an earlier enforcement.

Consents and Waivers to earlier enforcement, which may be completed and executed by the relevant Debtor, is enclosed herewith.

DATED at Toronto, this 4th day of September, 2024.

**TREZ CAPITAL LIMITED PARTNERSHIP
AND COMPUTERSHARE TRUST
COMPANY OF CANADA** by their solicitors,
Bennett Jones LLP

DocuSigned by:



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Sean Zweig

This Notice is a required document under the *Bankruptcy & Insolvency Act* (Canada) (the “**Act**”). The use of the word “insolvent” is prescribed by the Act but nothing herein shall be deemed to imply that any person to whom this Notice is delivered is, in fact, insolvent.

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, 2633501 Ontario Inc., (the “**Debtor**”), hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at _____ this _____ day of _____, 2024.

2633501 ONTARIO INC.

By: _____
Name:
Title:

I have authority to bind the corporation.

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, Allen Toma, hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

DATED at _____ this _____ day of _____, 2024.

WITNESS

By: _____
Name:

ALLEN TOMA

CONSENT AND WAIVER

TO: Trez Capital Limited Partnership and Computershare Trust Company of Canada

The undersigned, Emil Toma, hereby acknowledges receipt from Trez Capital Limited Partnership (“**Trez**”) and Computershare Trust Company of Canada as custodian for and on behalf of Trez (together, the “**Secured Party**”) of a Notice of Intention to Enforce Security (the “**Notice**”) given under subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**Act**”) dated September 4, 2024, pursuant to which the Secured Party gave notice that it intended to enforce its security in all of the property and assets of the Debtor set out in the Notice (collectively, the “**Collateral**”), after the expiry of the ten (10) day period following the sending of the Notice unless the Debtor consented to an earlier enforcement. In accordance with subsection 244(2) of the Act, the Debtor hereby waives its rights to the ten (10) day notice period and consents to the immediate enforcement by the Secured Party of its security in all of the Collateral.

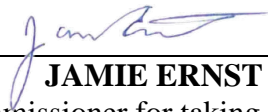
DATED at _____ this _____ day of _____, 2024.

WITNESS

By: _____
Name:

EMIL TOMA

THIS IS **EXHIBIT "X"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT (as may be amended, restated, supplemented, replaced or otherwise modified from time to time in accordance with the terms hereof, this “**Agreement**”) is made as of November [●], 2024.

BETWEEN:

ELDERWOOD HOLDINGS INC. (the “**Borrower**”)

and

TREZ CAPITAL LIMITED PARTNERSHIP (the “**Lender**” and together with the Borrower, the “**Parties**” and each a “**Party**”)

RECITALS:

- A. The Lender, by its general partner, Trez Capital (2011) Corporation, and the Borrower, among others, are party to a Commitment Letter dated as of August 9, 2021, as has been or may be amended, supplemented and/or renewed from time to time, including by the Amendment to the Commitment Letter dated October 19, 2021 and the Renewal Letter dated April 26, 2023 (collectively, the “**Commitment Letter**”), pursuant to which the Lender extended a mortgage loan to the Borrower (the “**Loan**”) in connection with the real property more particularly described in Schedule “A” appended hereto (the “**Property**”).
- B. In accordance with the terms of the Commitment Letter, the Borrower executed and delivered to the Lender and Computershare Trust Company of Canada (“**Computershare**”), as custodian for and on behalf of the Lender, certain security documents (collectively, the “**Borrower Security**”) for the purpose of securing the payment and performance of the obligations of the Borrower to the Lender that may be outstanding from time to time, including but not limited to the Indebtedness (as defined below).
- C. Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and 2633501 Ontario Inc. (collectively, the “**Beneficial Owners**”) are the beneficial owners of the Property, and each has granted, mortgaged, charged and assigned unto Computershare and has granted a security interest to Computershare over its entire right, title and interest, in and to the Property pursuant to a Beneficial Owners’ Agreement executed by the Borrower and the Beneficial Owners.
- D. 2633501 Ontario Inc., Allen Toma and Emil Toma (collectively, the “**Guarantors**”) are party to a Guarantee Agreement (the “**Guarantee**”) wherein the Guarantors unconditionally guaranteed to the Lender the payment of the Indebtedness. In connection with the Guarantee, certain security documents were delivered to the Lender for the purpose of securing the Indebtedness (the “**Guarantee Security**”, and together with the Borrower Security, the “**Security**”).

- E. As at September 4, 2024, certain Defaults and Events of Default under the Commitment Letter and Security had occurred and were continuing as a result of the Borrower's: (i) non-payment of scheduled interest payments due on July 1, 2024, August 1, 2024 and September 1, 2024, (ii) failure to pay certain property taxes and utilities, and (iii) failure to repay the Loan by the maturity date of June 1, 2024 (collectively, the "**Existing Defaults**").
- F. On September 4, 2024, the Lender, as a result of the Existing Defaults, sent Demand Letters to, among others, the Borrower: (i) declaring the entire amount of the Indebtedness due and payable; and (ii) demanding repayment of the Indebtedness in full (the "**Demand Letters**"). Enclosed with the Demand Letters were Notices of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**NITES**").
- G. As at October 31, 2024, the total indebtedness owing under the Loan was approximately \$9,953,940.28 plus legal fees, with interest, fees and costs continuing to accrue (the "**Indebtedness**").
- H. The Borrower has requested that the Lender forbear from exercising its rights and remedies under the Commitment Letter and the Security with respect to the Existing Defaults on the terms and conditions set out in this Agreement, and, subject to and in accordance with the terms and conditions set out in this Agreement, the Lender has agreed to forbear from exercising such rights and remedies until the expiry or termination of the Forbearance Period (as defined below).

ARTICLE 1 INTERPRETATION

1.01 Definitions

Capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the Commitment Letter or the Security, as the case may be.

1.02 Currency

Unless specified otherwise, all dollar amounts expressed in this Agreement refer to Canadian currency.

1.03 Headings

The headings used in this Agreement and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation.

1.04 Internal references

References in this Agreement to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Agreement.

1.05 Number and gender

Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders.

1.06 Calculation of time

In this Agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Eastern Time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on a day that is not a business day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Eastern Time on the next business day.

1.07 Construction of terms

The Parties have each participated in settling the terms of this Agreement. Any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this Agreement.

ARTICLE 2 FORBEARANCE

2.01 Forbearance

The forbearance period under this Agreement (the “**Forbearance Period**”) shall commence on the date hereof and end on the earlier of:

- (a) the close of business on November 30, 2024 (the “**Forbearance Date**”), which may be extended from time to time in accordance with section 2.02;
- (b) the occurrence of a Default or an Event of Default that is not an Existing Default;
and
- (c) the termination of such period by the Lender in accordance with the terms of this Agreement.

Except as otherwise specifically provided in this Agreement, the Lender shall refrain from further enforcing its rights and remedies under the Commitment Letter and the Security during the Forbearance Period; however, nothing in this Agreement shall prevent, delay or hinder the Lender’s right and ability to take such steps as it deems necessary or advisable from time to time to preserve or protect its rights and interests.

2.02 Further Forbearance Period

In accordance with the terms of this section, the Forbearance Date shall be extended by the Lender up to two (2) times if the Lender is satisfied, in its sole discretion, acting reasonably, that the Borrower has met the following milestones:

- (a) *Extension One – to January 15, 2025*
 - (i) the Forbearance Date will be extended to January 15, 2025, if, by November 30, 2024, the Borrower has delivered to the Lender a comprehensive plan (the “**Repayment Plan**”) to repay the Indebtedness in full, in form and substance satisfactory to the Lender. The Repayment Plan shall include, among other things: (i) the identification of all sources of capital the Borrower intends to use to refinance the Loan (the “**Refinancing**”), (ii) copies of all letters of intent received by the Borrower in connection with the Refinancing, and (iii) any other information related to the Refinancing that the Lender may request from time to time; and
- (b) *Extension Two – to February 15, 2025*
 - (i) the Forbearance Date will be further extended to February 15, 2025, if, by January 15, 2025, the Borrower executes an agreement with a third-party lender in respect of the Refinancing in form and substance satisfactory and acceptable to the Lender, which upon closing would provide sufficient net funds to repay the Indebtedness in full.

Notwithstanding the foregoing, the Lender may, in its sole discretion, grant a further period of forbearance or extend the Forbearance Period, but the Lender shall not be obligated to grant any further extensions of this Agreement under any other circumstances, and nothing in this Agreement shall constitute any representation, waiver or acknowledgement by the Lender that it intends to, or will grant, such additional extensions.

2.03 No Other Waivers and Reservation of Rights

- (a) The Lender has not waived, and is not by this Agreement waiving, and has no intention of waiving, any Default or Event of Default which may be continuing on the date hereof or any Default or Event of Default which may occur after the date hereof (whether the same as or similar to the Existing Defaults or otherwise).
- (b) Subject to section 2.01 of this Agreement, the Lender reserves the right, in its sole and absolute discretion, to exercise any or all of its rights or remedies under any of the Commitment Letter, the Security or other applicable law as a result of any Default or Event of Default which may be continuing on the date hereof, and the Lender has not waived any such rights or remedies, and nothing in this Agreement and no delay on the part of the Lender in exercising any such rights or remedies, shall be construed as a waiver of any such rights or remedies.

2.04 Forbearance Fee

Immediately upon execution of this Agreement, the Borrower shall pay to the Lender a non-refundable forbearance fee in the amount of \$75,000 to compensate the Lender for the additional time incurred and to be incurred, and the costs borne and to be borne, in connection with the forbearance contemplated herein, and in monitoring the ongoing affairs of the Borrower (the

“**Forbearance Fee**”). The Forbearance Fee shall be fully earned as at the date hereof and shall be added to the principal amount of the Loan on the date hereof.

ARTICLE 3 COVENANTS

3.01 Applicable Interest Rate

- (a) As of May 1, 2024 (the “**Bump-Up Date**”), all interest has been and, following the execution of this Agreement, shall continue to be charged on the Indebtedness at a rate of 15% per annum (the “**Interest Rate**”).
- (b) Notwithstanding the foregoing, the Lender agrees that if: (i) the Borrower fully complies with the terms of this Agreement to the sole and absolute satisfaction of the Lender, acting reasonably; and (ii) the Indebtedness is repaid prior to the termination of the Forbearance Period, the Lender will forgive the portion of interest incurred by the Borrower that exceeds the Contractual Rate (as defined below), effective as of the Bump-Up Date. For greater certainty, subject to the requirements set out in this section 3.01, the forgiven amount shall be the difference between the Interest Rate and the Contractual Rate for the applicable period.
- (c) The “**Contractual Rate**” shall be a rate equal to the greater of: (i) 10.60% per annum; and (ii) RBC Prime + 3.90%, compounded monthly.

3.02 Required Payments and Information

Concurrent with the execution of this Agreement and as a condition to its effectiveness, the Borrower shall:

- (a) pay or cause to be paid all outstanding interest owing under the Loan to the Lender as of July 1, 2024, which is deemed to have accrued at the Contractual Rate;
- (b) provide or cause to be provided updated personal net worth statements from each Guarantor;
- (c) provide or cause to be provided an updated rent roll and operating statement for the Property;
- (d) in respect of each vacant unit, provide or cause to be provided the most recent contractual rent amount and the last date occupied;
- (e) provide or cause to be provided copies of all residential tenancy agreements for the Property;
- (f) provide or cause to be provided copies of all municipal permitting applications and approvals for the redevelopment of the Property; and
- (g) pay or cause to be paid all outstanding property taxes and utilities with respect to the Property.

3.03 Consent to Enforcement Actions and Receivership

- (a) Subject to applicable law, upon the occurrence of a default in respect of this Agreement, a Default or an Event of Default (other than an Existing Default), the Borrower and the Guarantors consent to any proceeding by the Lender in connection with the enforcement of the Commitment Letter and the Security, without the necessity of further demand, and hereby agree not to directly or indirectly commence, carry on, consent to, or be a party in any way to any proceeding which would constrain any such action or which would call into question the validity or enforceability of the Indebtedness and/or the Commitment Letter or the Security.
- (b) Without limiting the generality of the foregoing, upon or after the occurrence of an event of default in respect of this Agreement, a Default or an Event of Default (other than an Existing Default), the Borrower and the Guarantors consent to, and agree not to oppose, the appointment of a receiver in respect of any or all of the property, assets and/or undertakings of the Borrower.

3.04 Full Co-Operation

During the Forbearance Period, the Borrower and the Guarantors shall cooperate fully with the Lender and provide promptly all information requested by the Lender, which shall include, without limitation, all information reasonably requested by a third-party appraiser, retained by and acting on behalf of the Lender, within three (3) business days of receiving such request.

3.05 Assignment of Rent

The Borrower acknowledges and agrees that the Lender may, in its sole and absolute discretion in accordance with the terms of the Security, attorn or require the Borrower to assign and direct any net operating income earned in respect of the Rents (as that term is defined in the General Assignment of Rents) to the Lender.

ARTICLE 4

BORROWER'S AND GUARANTORS' REPRESENTATIONS AND WARRANTIES

The Borrower and each Guarantor represents and warrants to the Lender as follows, acknowledging that the Lender is relying on these representations and warranties:

4.01 Existence

If it is a corporation, it is incorporated and existing under the laws of the jurisdiction of its incorporation.

4.02 Power and capacity

If it is a corporation, it has the corporate power and capacity to carry on business, to own properties and assets, and to execute, deliver, and perform its obligations under this Agreement.

4.03 Authorization

If it is a corporation, it has taken all necessary corporate action to authorize its execution and delivery of, and the performance of its obligations under, this Agreement.

4.04 Execution and delivery

It has duly executed and delivered this Agreement.

4.05 Enforceability

This Agreement constitutes a legal, valid, and binding obligation, enforceable against it in accordance with its terms and in accordance with applicable law.

4.06 No breach

The execution, delivery, and performance of its obligations under this Agreement do not and will not breach or result in a default under:

- (a) if applicable, its memorandum of association, articles of association, by-laws, or any shareholders agreement to which it is a party;
- (b) any law to which it is subject;
- (c) any judgment, order, or decree of any court, agency, tribunal, arbitrator, or other authority to which it is subject; or
- (d) any agreement to which it is a party or by which it is bound.

4.07 No regulatory approvals required

It is not required to obtain any action, approval, authorization, consent, or order of, or make any filing, registration, qualification, or recording with, any governmental authority or any other person in connection with the execution or delivery of, or the performance of its obligations under, this Agreement.

ARTICLE 5 ACKNOWLEDGEMENTS

The Borrower and each of the Guarantors acknowledges, confirms and agrees to the Lender as follows:

5.01 Recitals True and Correct

The Recitals to this Agreement are true and correct.

5.02 Validity of Commitment Letter and Security

The Commitment Letter, the Security and all other agreements, instruments and other documents executed in connection with or relating to the Indebtedness (collectively, the “Loan Documents”) are legal, valid and binding obligations of the Borrower and the Guarantors, as applicable, party thereto, enforceable against such parties thereto in accordance with their respective terms. The terms of the Loan Documents remain unchanged, except as modified herein.

5.03 Guarantor Affirmation

Each Guarantor hereby ratifies and affirms (i) the validity, legality and enforceability of the Guarantees to which it is a party; (ii) that its affirmation of such Guarantee is a material inducement to the Lender to enter into this Agreement; and (iii) that its obligations under its Guarantee shall remain in full force and effect until all the Indebtedness has been paid in full.

5.04 Borrower in Default

The Borrower is in default under the relevant Commitment Letter and the terms of the Security pursuant to the Existing Defaults. Subject to applicable law, the Lender is entitled to exercise all of its rights and remedies under each of the Commitment Letter, the Guarantee and the Security. The Indebtedness is not subject to any set-off, deduction, claim, counterclaim or defences of any kind or character whatsoever.

5.05 Lender Conduct

The Lender has fully and timely performed all of its obligations and duties in compliance with the Loan Documents and applicable law and has acted reasonably, in good faith and appropriately under the circumstances.

5.06 Demand Letter and NITES

- (a) The Borrower acknowledges receipt from the Lender of the Demand Letter and NITES. The Borrower and the Guarantors acknowledge and agree that the Demand Letters and NITES have been validly delivered by the Lender and shall remain in full force and effect throughout the Forbearance Period and that the Lender is not, and will not be deemed to have waived, varied, altered or withdrawn same by virtue of entering into this Agreement or otherwise. The Borrower and the Guarantors further acknowledge, consent, and confirm that the Lender may continue to rely on the Demand Letter and NITES and the Lender shall be entitled to act on same, subject to the terms of this Agreement, without the need to issue any further, refreshed or new demand or notice of intention to enforce security.
- (b) Without limiting the generality of the foregoing, the Lender reserves all of its rights subject only to the express terms hereof, and the entering into of this Agreement by the Lender does not constitute a withdrawal or revocation of the Demand Letter or NITES or a waiver of any existing or future Defaults or Events of Default or a waiver of the obligation to pay the entirety of the Indebtedness by or before the end of the Forbearance Period.

ARTICLE 6 RIGHTS AND REMEDIES

6.01 Remedies Cumulative

The rights, remedies, and powers provided in this Agreement, the Commitment Letter, the Guarantee or the Security to a party are cumulative and in addition to, and are not exclusive of or in substitution for, any rights, remedies, and powers otherwise available to that party.

6.02 Severability

The invalidity or unenforceability of any particular term of this Agreement will not affect or limit the validity or enforceability of the remaining terms.

6.03 Waiver

No waiver of satisfaction of a condition or non-performance of an obligation under this Agreement, the Commitment Letter or the Security is effective unless it is in writing and signed by the party granting the waiver. No waiver will extend to a subsequent occurrence, whether or not that occurrence is the same or similar to the original occurrence that was waived. No waiver will affect the exercise of any other rights or remedies under this Agreement, the Commitment Letter, the Guarantee or the Security. Any failure or delay in exercising any right or remedy will not constitute, or be deemed to constitute, a waiver of that right or remedy. No single or partial exercise of any right or remedy will preclude any other or further exercise of any right or remedy.

ARTICLE 7 RELEASE OF CLAIMS AND WAIVER OF DEFENCES

7.01 Release of Claims and Waiver of Defences

In further consideration of the Lender's execution of this Agreement, the Borrower and the Guarantors, on behalf of themselves and their successors, assigns, parents, subsidiaries, affiliates, officers, directors, employees, agents, executors, administrators or legal representatives, as applicable, hereby forever, fully, unconditionally and irrevocably waive and release the Lender and its successors, assigns, parents, subsidiaries, affiliates, officers, directors, employees, and agents (collectively, the "Releasees") from any and all claims, liabilities, obligations, debts, causes of action (whether at law, in equity or otherwise), defences, counterclaims, set-offs, of any kind, whether known or unknown, whether liquidated or unliquidated, matured or unmatured, fixed or contingent, directly or indirectly arising out of, connected with, resulting from or related to any act or omission by the Lender or any other Releasee with respect to the Loan Documents, other than any the Lender's or any Releasee's wilful acts or omissions (collectively, the "Claims"). The Borrower and the Guarantors further agree that they shall not commence, institute or prosecute any lawsuit, action or other proceeding, whether judicial, administrative or otherwise, to collect or enforce any Claim.

ARTICLE 8 GENERAL PROVISIONS

8.01 Entire Agreement

This Agreement constitutes the entire agreement between the Parties relating to its subject matter. This Agreement supersedes any previous agreements and discussions between the Parties. There are no representations, covenants, or other terms other than those set forth in this Agreement.

8.02 Further Assurances

Each Party, upon receipt of written notice by another party, shall sign and effect (or cause to be signed and effected) all further documents, instruments, deeds and registrations, do (or cause to be done) all further acts, and provide all reasonable assurances as may reasonably be necessary or desirable to give effect to the terms of this Agreement.

For greater certainty, nothing in this Agreement shall preclude the Lender from effecting any further registrations of security interests or issuing to the Borrower or any Guarantor further notices or demands for repayment as are necessary to preserve its rights.

8.03 Time is of the Essence

Time is of the essence with respect to the terms and conditions of this Agreement.

8.04 Amendment

This Agreement may only be amended by a written document signed by each of the Parties.

8.05 Conflict of Terms

If there is any inconsistency between the terms of this Agreement and the terms of either of the Commitment Letter, or the Security, the terms of this Agreement will prevail, provided that, to the extent that either this Agreement, the Commitment Letter or the Security are silent on a particular matter, the, the Commitment Letter, the Security or this Agreement, as the case may be, will govern relating to that matter. The Parties shall take any necessary steps to conform the inconsistent terms to the terms of this Agreement.

8.06 Binding Effect

This Agreement enures to the benefit of and binds the Parties and their respective successors and permitted assigns.

8.07 Assignment

This Agreement may not be assigned by the Borrower or any Guarantor.

8.08 Notice

To be effective, a notice must be in writing and delivered in accordance with the Commitment Letter or the Security, as the case may be.

8.09 Governing Law

The laws of the Province of Ontario and the laws of Canada applicable therein, excluding any rule or principle of conflicts of law that may provide otherwise, govern this Agreement.

8.10 Submission to Jurisdiction

The Parties irrevocably attorn to the jurisdiction of the courts of Toronto, Ontario, which will have exclusive jurisdiction over any matter arising out of this Agreement.

8.11 Counterparts

This Agreement may be signed in any number of counterparts, each of which is an original, and all of which taken together constitute one single document. Counterparts may be transmitted by fax or in electronically scanned form. Parties transmitting by fax or electronically shall also deliver the original counterpart to each other party, but failure to do so does not invalidate this Agreement.

8.12 Effective Date

This Agreement is effective as of the date shown at the top of the first page, even if any signatures are made after that date.

8.13 Independent Legal Advice, etc.

The Borrower and each Guarantor acknowledges and declares that: (a) it has had an adequate opportunity to read and consider this Agreement and to obtain such advice in regard to it as it considered advisable, including, without limitation, independent legal advice; (b) it fully understands the nature and effect of this Agreement; and (c) this Agreement has been duly executed voluntarily.

[- signature page follows -]

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

ELDERWOOD HOLDINGS INC.

By: _____
Name: [●]
Title: [●]

I have authority to bind the corporation.

**TREZ CAPITAL LIMITED
PARTNERSHIP, by its general partner,
TREZ CAPITAL (2011)
CORPORATION**

By: _____
Name: [●]
Title: [●]

I have authority to bind the corporation.

We hereby agree to the terms and conditions contained in this Agreement and agree to be bound by the terms thereof.

Acknowledged and Agreed as of [●], 2024.

2633501 ONTARIO INC.

By: _____

Name: [●]

Title: [●]

I have authority to bind the corporation.

Witness Name:

ALLEN TOMA

Witness Name:

EMIL TOMA

Schedule "A"
The Property

PIN 21178 – 0320 LT

PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0321 LT

LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0322 LT

LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675.; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO

THIS IS **EXHIBIT "Y"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

(Court Seal)

TREZ CAPITAL LIMITED PARTNERSHIP and TCC MORTGAGE
HOLDINGS INC.

Applicants

- and -

ELDERWOOD HOLDINGS INC., 2633501 ONTARIO INC.,
ALLEN TOMA and EMIL TOMA

Respondents



NOTICE OF APPLICATION

APPLICATION UNDER Rules 14.05(3)(d) and (h) of the *Rules of Civil
Procedure of Ontario*, R.R.O. 1990, Reg. 194

TO THE RESPONDENTS

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

THIS APPLICATION will come on for a hearing

- In writing
- In person
- By telephone conference
- By video conference

at the following location:


330 University Avenue, Toronto ON M5G 1R7,

on a date and time to be set by the Registrar.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicants' lawyer or, where the applicants do not have a lawyer, serve it on the applicants, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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

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

Date December 10th 2024 Issued by  L. LAWSON
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue
Toronto ON M5G 1R7
8th Floor

TO: **Elderwood Holdings Inc.**
1 - 90 Wingold Avenue
Toronto, ON M6B 1P5

AND TO: **2633501 Ontario Inc.**
1 - 90 Wingold Avenue
Toronto, ON M6B 1P5

AND TO: **Allen Toma**
8707 Dufferin Street, Suite 10
Vaughan, ON L4J 0A6

AND TO: **Emil Toma**
408 Fairlawn Avenue
Toronto, ON M5M 1T8

APPLICATION

1. The applicants, Trez Capital Limited Partnership (“**Trez**”) and TCC Mortgage Holdings Inc. (“**TCC**”), make an application for:
 - (a) a declaration that the respondents, Elderwood Holdings Inc. (“**Elderwood**”), 2633501 Ontario Inc. (“**263**”), Allen Toma (“**Allen**”) and Emil Toma (“**Emil**”) (collectively, the “**Respondents**”) are jointly and severally liable for the indebtedness, interest, costs, charges and expenses owing to Trez pursuant to the Commitment Letter (as defined below) and the Mortgage (as defined below) in the amount of \$10,107,706.50 as at December 3, 2024, with interest, fees and costs continuing to accrue (collectively, the “**Indebtedness**”);
 - (b) a declaration that Elderwood breached the Commitment Letter and the Mortgage by, among other things, failing to pay (i) the scheduled interest payments due thereunder, (ii) certain property taxes and utilities, (iii) all principal and interest due upon maturity, and (iv) the Indebtedness to Trez;
 - (c) a declaration that 263, Allen and Emil (collectively, the “**Guarantors**”) breached the Commitment Letter and the Guarantee (as defined below) by failing to pay the Indebtedness to Trez;
 - (d) an order requiring the Respondents, jointly and severally, to pay to Trez the Indebtedness in the amount of \$10,107,706.50;

- (e) pre-judgment and post-judgment interest in accordance with the Commitment Letter or, in the alternative, in accordance with sections 128 and 129 of the *Courts of Justice Act*, RSO 1990, c C43, as amended;
 - (f) the costs of this proceeding on an appropriate scale, plus all applicable taxes; and
 - (g) such further and other relief as counsel may advise and this Honourable Court may permit.
2. The grounds for the Application are:

The Parties

- (a) The applicant, Trez, along with its affiliates, is a diversified real estate investment firm that specializes in providing debt and equity financing for residential, commercial, and industrial real estate projects across North America.
- (b) The applicant, TCC, acts as nominee/bare trustee for Trez for the purposes of the agreements described herein. TCC is related to Trez through common control.
- (c) The respondent, Elderwood, is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario), with its registered office located in Toronto, Ontario. Elderwood is the registered owner of the properties municipally known as 1667-1677 Bathurst St. and 75-79 Elderwood Dr., Toronto, Ontario (the “**Property**”), as trustee for and on behalf of Elderwood Townhomes Inc., Elderwood Townhomes II Inc. and 263.

- (d) The respondent, Allen, is an individual residing in Toronto, Ontario. Allen is a director and the vice-president of Elderwood.
- (e) The respondent, Emil, is an individual residing in Toronto, Ontario. Emil is a director and the secretary of Elderwood.
- (f) The respondent, 263, is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario), with its registered office located in Toronto, Ontario. 263 holds a 40% ownership interest in Elderwood. Allen and Emil are 263's only two directors.

The Original Commitment Letter and the Mortgage

- (g) On or about August 9, 2021, Trez, as the lender, entered into a commitment letter with Elderwood, as the borrower (as amended by the Amendment to the Commitment Letter dated October 19, 2021, the "**Original Commitment Letter**").
- (h) Pursuant to the Original Commitment Letter, Trez agreed to advance a mortgage loan to Elderwood in the principal amount of \$9,300,000 (the "**Mortgage**"), which Mortgage was registered on title to the Property on November 4, 2021 as Instrument No. AT5903063.
- (i) The interest rate under the Original Commitment Letter was the greater of: (i) 5.95% per annum, or (ii) HSBC's Prime Rate plus 3.50% for the first 18 months of the term, and 15.0% per annum thereafter.

- (j) The Original Commitment Letter and Mortgage contain the following terms:
- (i) Elderwood was required to make interest-only monthly mortgage payments on the first of each and every month for a term of 19-months, commencing the first day of the month immediately following the initial advance of funds;
 - (ii) Elderwood was required to pay all property tax payments, utilities, and any other taxes charged against and in relation to the Property;
 - (iii) The Mortgage was guaranteed by the Guarantors on an unlimited joint and several basis for the full amount of the indebtedness, including any interest and additional fees that may become due;
 - (iv) The Mortgage was repayable on demand by Trez following the occurrence of an event of default and, in any event, was to be repaid in full upon maturity;
 - (v) An event of default included the breach of any of term, condition, representation and warranty contained in the Original Commitment Letter, as it pertained to both Elderwood and the Guarantors, including default in payment of any regularly scheduled instalment of interest and payment of the indebtedness due and owing on the maturity date; and

- (vi) If an event of default occurred or continued to occur, Trez was entitled to declare the full indebtedness immediately due and payable, and was entitled to exercise all rights under the Mortgage and any other rights available to it under any other document or instrument or at law or in equity, including by commencing an action to enforce payment of the indebtedness or performance of the obligations of Elderwood.

- (k) In connection the Original Commitment Letter, Computershare Trust Company of Canada (“**Computershare**”) acted as the title trustee/custodian for Trez for the purpose of the agreements described herein.

The Guarantee Agreement

- (l) In connection with the Original Commitment Letter, the Guarantors entered into a guarantee agreement (the “**Guarantee**”) with Computershare pursuant to which the Guarantors agreed to unconditionally guarantee Elderwood’s obligations under both the Original Commitment Letter and the Mortgage.

- (m) Pursuant to the Guarantee, among other things:
 - (i) The Guarantors guaranteed, on a joint and several basis, the indebtedness of Elderwood to Trez and promised to pay each item of indebtedness guaranteed, including the full amount of the Mortgage, any interest thereon and all costs, charges and expenses incurred by Trez in respect of any indebtedness of Elderwood;

- (ii) The Guarantee was a continuing guarantee and covered the ultimate balance owed to Trez;
- (iii) The Guarantee related to the Original Commitment Letter and any amendments thereto; and
- (iv) In the event of default, Trez was permitted to commence an action pursuant to the Guarantee whether or not Elderwood was joined therein and was not obliged to take any action or exhaust its recourse against Elderwood before requiring or being entitled to payment from the Guarantors of all indebtedness.

Acknowledgment of Default by Elderwood and the Guarantors

- (n) Elderwood and the Guarantors entered into an acknowledgement agreement with Computershare (the "**Acknowledgement Agreement**").
- (o) Pursuant to the Acknowledgement Agreement, Elderwood and the Guarantors jointly and severally acknowledged that the failure of any of them to comply with any obligation or undertaking contained in any agreement, instrument, guarantee, commitment letter or other document executed and delivered to Computershare in connection with the Mortgage would constitute a default such that Computershare would be entitled to pursue any or all of its remedies thereunder.

The Renewal Letter

- (p) On or about April 26, 2023, Trez and Elderwood entered into a renewal letter which amended and renewed the Original Commitment Letter (the “**Renewal Letter**”, and together with the Original Commitment Letter, the “**Commitment Letter**”).
- (q) Pursuant to the Renewal Letter, the Mortgage was renewed effective May 1, 2023, and was set to mature on June 1, 2024 (the “**Maturity Date**”).
- (r) The Renewal Letter amended the interest rate to the greater of: (i) 10.60% per annum, or (ii) HSBC’s Prime Rate plus 3.90%, calculated daily and compounded and payable monthly, for the first 12 months, with the rate increasing to 15.0% per annum thereafter, compounded and payable monthly.
- (s) The Renewal Letter provides that it is to be read in conjunction with the Original Commitment Letter and that the terms of the Original Commitment Letter remain in full force and effect.

Elderwood’s Defaults under the Commitment Letter

- (t) Elderwood has committed and continues to commit acts of default under the terms of the Commitment Letter and the Mortgage. Such defaults include, but are not limited to:
 - (i) Elderwood’s failure to repay the Mortgage by the Maturity Date;

- (ii) Elderwood's failure to make its monthly interest payments due since July 2024; and
 - (iii) Elderwood's failure to pay certain property taxes and utilities as required under the Commitment Letter and the Mortgage.
- (a) As of September 3, 2024, the total amount owing to Trez under the Commitment Letter and the Mortgage was \$9,727,410.53, which included accrued interest and fees.
 - (b) On September 4, 2024, Trez, through counsel, sent a demand letter to Elderwood outlining its defaults under the Commitment Letter and the Mortgage and demanding payment of the \$9,727,410.53 within ten days from the date of the letter.
 - (c) Also on September 4, 2024, Trez, through counsel, sent a demand letter to the Guarantors demanding payment of the \$9,727,410.53 within ten days.
 - (d) Neither Elderwood nor the Guarantors have made any payment in response to the September 4, 2024 demand letters.
 - (e) Interest, fees and costs continue to accrue under the Commitment Letter and the Mortgage.

Assignment of Computershare Rights to TCC

- (f) In December 2024, Computershare granted, assigned, and transferred all of its right, title and interest in connection with the Commitment Letter and the Mortgage, including its right, title and interest in the Guarantee and Acknowledgment Agreement, to TCC, as nominee.
- (g) TCC was appointed as nominee by Trez to hold all security relating to the Mortgage as bare trustee.

Elderwood is Liable to Trez for the Indebtedness

- (h) As set out above, Elderwood failed to, among other things, make the scheduled interest payments, pay property taxes and utilities related to the Property, and repay the Mortgage by the Maturity Date. Elderwood also failed to repay the full Indebtedness upon Trez's demand.
- (i) Accordingly, Elderwood breached the Commitment Letter and the Mortgage.
- (j) Elderwood is liable to Trez for the Indebtedness.

The Guarantors are Liable to Trez for the Indebtedness

- (k) The Guarantors are in breach of the Commitment Letter and Guarantee by failing to pay the Indebtedness to Trez.
- (l) The Guarantors are liable to Trez for the Indebtedness.

Statutory and Other Grounds

- (m) Rules 1.04, 14.05(3)(d) and 14.05(3)(h) of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended;
- (n) Sections 128 and 129 of the *Courts of Justice Act*, RSO 1990, c C43; and
- (o) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

- (a) affidavit evidence, to be sworn; and
- (b) such further and other evidence as counsel may advise and this Honourable Court may permit.

1bth.
December 10, 2024

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

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Email: berallj@bennettjones.com

Evana Yukanna (#87130N)
Email: yukannae@bennettjones.com

Telephone: (416) 863-1200

Lawyers for the Applicants

TREZ CAPITAL LIMITED PARTNERSHIP et al.
Applicants

-and-

ELDERWOOD HOLDINGS INC. et al.
Respondents

Court File No. *CV-24-00733*
396
6500

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding Commenced at TORONTO

NOTICE OF APPLICATION

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

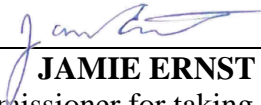
Jason M. Berrall (#68011F)
Email: berrallj@bennettjones.com

Evana Yukanna (#87130N)
Email: yukkanna@bennettjones.com

Telephone: (416) 863-1200

Lawyers for the Applicants

THIS IS **EXHIBIT "Z"** REFERRED TO IN THE AFFIDAVIT
OF AARON PREVITE, SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)

Court File No.: CV-25-00734688-00CL

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

BETWEEN:

TREZ CAPITAL LIMITED PARTNERSHIP and TCC MORTGAGE HOLDINGS INC.

Applicants

- and -

**ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC., ELDERWOOD
TOWNHOMES II INC. and 2633501 ONTARIO INC.**

Respondents

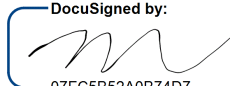
**IN THE MATTER OF AN APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED, AND
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

CONSENT TO ACT AS RECEIVER

KSV RESTRUCTURING INC. hereby consents to act as the receiver and manager, without security, of certain of the present and after-acquired assets, undertakings, and properties of the Respondents pursuant to the terms of the order contained in the Applicants' Application Record, subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

Dated at Toronto, Ontario this 25th day of January, 2025

KSV RESTRUCTURING INC.

DocuSigned by:

Per: _____
Name: Noah Goldstein
Title: Managing Director

**THIS IS CONFIDENTIAL EXHIBIT "1" REFERRED
TO IN THE AFFIDAVIT OF AARON PREVITE,
SWORN BEFORE ME
THIS 27TH DAY OF JANUARY, 2025.**



JAMIE ERNST
A Commissioner for taking Affidavits
(or as may be)

Confidential Appendix “1”
[Intentionally omitted]

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

**TREZ CAPITAL LIMITED PARTNERSHIP
and TCC MORTGAGE HOLDINGS INC.**

and **ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC.,
ELDERWOOD TOWNHOMES II INC. and 2633501 ONTARIO INC.**

Applicants

Respondents

Court File No.: CV-25-00734688-00CL

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

Proceedings commenced in Toronto

**AFFIDAVIT OF AARON PREVITE
(Sworn January 27, 2025)**

BENNETT JONES LLP

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

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Email: ernstj@bennettjones.com

Lawyers for the Applicant

TAB 3

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

THE HONOURABLE) [●], THE [●]
JUSTICE [●])
DAY OF [●], 2025

BETWEEN:

TREZ CAPITAL LIMITED PARTNERSHIP and TCC MORTGAGE HOLDINGS INC.

Applicants

- and -

**ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC., ELDERWOOD
TOWNHOMES II INC. and 2633501 ONTARIO INC.**

Respondents

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

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by Trez Capital Limited Partnership (the “**Lender**”) and TCC Mortgage Holdings Inc. (“**TCC**” and together with the Lender, the “**Applicants**” and each an “**Applicant**”) for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacities, the “**Receiver**”) without security, of the real property legally described in Schedule “A” to this Order (the “**Real Property**”) and the Personal Property (as defined in the Previde Affidavit (as defined below), and collectively with the Real Property, the

“**Property**”) was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Aaron Previte sworn January [●], 2025 and the Exhibits thereto (the “**Previte Affidavit**”), on hearing the submissions of counsel for the Applicants and such other parties listed on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service sworn and filed, and on reading the consent of KSV to act as the Receiver,

SERVICE AND DEFINITIONS

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

APPOINTMENT

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

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, including, without limitation, the bank accounts wherever located of Elderwood Holdings Inc. (“**EHI**”), Elderwood Townhomes Inc. (“**ETI**”), Elderwood Townhomes II Inc. (“**ET2I**”) and 2633501 Ontario Inc. (“**2633**”

Ontario” and together with EHI, ETI and ET2I, the **“Debtors”** and each a **“Debtor”**);

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, or any of them, in connection with the Property, including the powers to enter into any agreements, complete any applications in connection with zoning or otherwise, or incur any obligations in the ordinary course of business in connection with the Property, cease to carry on all or any part of the business of the Debtors, or any of them, in connection with the Property or cease to perform or disclaim any contracts of any of the Debtors in respect of the Property;
- (d) to engage construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by this Order;
- (e) to undertake any construction or other work at the Property necessary to bring the Property into compliance with applicable laws and building codes;
- (f) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors, or any of them, in connection with the Property or any part or parts thereof;

- (g) to receive and collect all monies and accounts now owed or hereafter owing to any of the Debtors in connection with the Property (including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by any of the Debtors in connection with the Property;
- (h) to settle, extend or compromise any indebtedness owing to any of the Debtors in connection with the Property, provided that the Receiver shall obtain the prior written consent of the Lender prior to settling or compromising any proceeding where the amount claimed is in excess of \$100,000;
- (i) to deal with any lien claims, trust claims, and trust funds that have been or may be registered (as the case may be) or which arise in respect of the Property, including any part or parts thereof, and, with approval of this Court, to make any required distribution(s) to any contractor or subcontractor of the Debtors or to or on behalf of any beneficiaries of such trust funds pursuant to section 85 of the *Construction Act*, R.S.O. 1990, c. C.30, as amended;
- (j) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of construction permits, zoning applications and any requirements related thereto, whether in the Receiver's name or in the name and on behalf of any of the Debtors, for any purpose pursuant to this Order;
- (k) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to any of the Debtors (as such proceedings relate to the Property or any portion thereof), the Property or the Receiver, and to settle or compromise any such proceedings, provided that the Receiver shall obtain the prior written consent of the Lender prior to settling or

compromising any proceeding where the amount claimed is in excess of \$100,000. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (l) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements between any of the Debtors and other Persons, including, without limitation, other companies and entities that are affiliates of any of the Debtors, that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents related to the Debtors requested by the Receiver in connection with such investigations;
- (m) to undertake environmental or worker's health and safety assessments of the Property and the operations of the Debtors thereon;
- (n) with the prior written consent of the Lender, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion, and with the Lender's consent, may deem appropriate;
- (o) to, with the prior written consent of the Lender, sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended, or section 31 of the Ontario *Mortgages Act*, R.S.O. 1990, c. M.40, as amended, as the case may be, shall not be required;

- (p) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (q) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable, and to conduct any investigations associated with the Debtors' business or the Property as the Receiver deems appropriate;
- (r) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (s) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of any of the Debtors and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);
- (t) to enter into agreements with any trustee in bankruptcy appointed in respect of any of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the Debtors;

- (u) to undertake any investigations deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (v) to exercise any shareholder, partnership, joint venture, contractual, statutory or other rights which any of the Debtors may have in connection with the Property; and
- (w) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtors,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including each of the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) each of the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel, direct and indirect shareholders or other equity holders, limited partners or general partners, and all other persons acting on their instructions or behalf, (iii) all construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person’s possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver’s request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, agreements, orders, corporate and accounting records, insurance policies, permits, licenses and any other papers, records, information and cloud-based data of any kind related to the business or affairs of any of the Debtors or the

Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph 7, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and providing the Receiver with any and all access codes, account names, account numbers and account creating credentials that may be required to gain access to the information.

8. **THIS COURT ORDERS** that, without limiting the generality of paragraphs 5-7 of this Order, all Persons, including, without limitation, any affiliates of the Debtors (collectively, the “**Elderwood Group**”), and the Debtors, all construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, shall be required to cooperate, and share information, with the Receiver in connection with all books and records, contracts, agreements, permits, licenses and insurance policies and other documents in respect of the Debtors and/or the Property. In addition to the foregoing general cooperation and information sharing requirements,

the Elderwood Group, or any of them, and construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, shall be required to do the following: (a) in respect of any and all such contracts, agreements, permits, licenses and insurance policies and other documents relevant to the Debtors and/or the Property: (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in respect thereof; and (3) provide thirty (30) days' notice of any renewal date, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licenses that may be required or requested with respect to the exercise of the Receiver's authority hereunder.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of any of the Debtors or the Property, other than the ongoing proceedings in respect of, among others, EHI and 2633 Ontario bearing Court File No.: CV-24-00733296-0000, shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that, subject to the exception set forth in paragraph 10, all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however

that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the BIA, and further provided that nothing in this paragraph 11 shall: (i) empower the Receiver or any of the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or any of the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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

14. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from any of the Debtors to the Receiver, or is otherwise established in the

Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

RECEIVER TO HOLD FUNDS

15. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the applicable Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, as amended ("**WEPPA**").

PIPEDA

17. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy

of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by each of the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, “**Possession**”) of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, S.C. 1999, c. 33, as amended, the *Ontario Environmental Protection Act*, R.S.O. 1990, c. E.19, as amended, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, as amended, or the *Ontario Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, as amended, and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER’S LIABILITY

19. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under subsections 81.4(5) or 81.6(3) of the BIA or under WEPPA. Nothing in this Order shall derogate from the

protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

20. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Lender way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount that is acceptable to the Lender and as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The

whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the “**Receiver’s Borrowings Charge**”) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subordinate in priority to the Receiver’s Charge and the charges as set out in subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. THIS COURT ORDERS that neither the Receiver’s Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule “B” hereto (the “**Receiver’s Certificates**”) for any amount borrowed by it pursuant to this Order.

26. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver’s Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver’s Certificates.

SERVICE AND NOTICE

27. THIS COURT ORDERS that the E-Service Guide of the Commercial List (the “**Guide**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: [https://ksvadvisory.com/experience/case/\[●\]](https://ksvadvisory.com/experience/case/[●]).

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

29. THIS COURT ORDERS that the Applicants, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

CRITICAL PAYMENTS

30. THIS COURT ORDERS that the Receiver may, with the written consent of the Lender, make payments owing by any of the Debtors to critical suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order that are reasonably required for the preservation of the Property.

SEALING

31. THIS COURT ORDERS that the Appraisal Report appended at Confidential Exhibit "1" to the Previte Affidavit shall be sealed, kept confidential and shall not form part of the public record until the earlier of: (i) the closing of one or more transactions for all of the Real Property in these Receivership Proceedings; and (ii) further order of the Court.

GENERAL

32. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the Debtors.

34. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

35. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

36. THIS COURT ORDERS that the Applicants shall have their costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicants' security or, if not so provided by the Applicants' security, then on a substantial indemnity basis to be paid by the Receiver from the net realizations from the Property with such priority and at such time as this Court may determine.

37. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

Schedule "A"

REAL PROPERTY

PIN 21178 – 0320 LT

PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0321 LT

LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0322 LT

LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO

**SCHEDULE “B”
RECEIVER CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the “**Receiver**”) without security, of Property, appointed pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated [●], 2025 (the “**Order**”) made in an application having Court File Number CV-25-00734688-00CL, has received as such Receiver from the holder of this certificate (the “**Lender**”) the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

8. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Order.

DATED the ____ day of _____, 2025.

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

Per: _____

Name:

Title:

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

**TREZ CAPITAL LIMITED PARTNERSHIP
and TCC MORTGAGE HOLDINGS INC.**

and

**ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC.,
ELDERWOOD TOWNHOMES II INC. and 2633501 ONTARIO INC.**

Applicants

Respondents

Court File No.: CV-25-00734688-00CL

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

Proceedings commenced in Toronto

**ORDER
(Appointing Receiver)**

BENNETT JONES LLP

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Lawyers for the Applicants

TAB 4

~~Court File No.~~

Court File No.: CV-25-00734688-00CL

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

THE HONOURABLE

)

[●], THE [●]

JUSTICE [●]

)

DAY OF, ~~20~~ [●], 2025

)

)

)

BETWEEN:

TREZ CAPITAL LIMITED PARTNERSHIP and TCC MORTGAGE HOLDINGS INC.

Applicants

PLAINTIFF[†]

Plaintiff

- and -

ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC., ELDERWOOD
TOWNHOMES II INC. and 2633501 ONTARIO INC.

DEFENDANT Respondents

Defendant

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

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

ORDER

~~(appointing~~Appointing Receiver)

THIS ~~MOTION made by the Plaintiff~~² APPLICATION made by Trez Capital Limited Partnership (the “Lender”) and TCC Mortgage Holdings Inc. (“TCC” and together with the Lender, the “Applicants” and each an “Applicant”) for an Order pursuant to ~~section~~subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”) appointing ~~[RECEIVER'S NAME]~~KSV Restructuring Inc. (“KSV”) as receiver ~~{and manager}~~ (in such capacities, the “~~Receiver~~”Receiver”) without security, of ~~all of the assets, undertakings and properties of [DEBTOR'S NAME] (the “Debtor”)~~the real property legally described in Schedule “A” to this Order (the “Real Property”) and the Personal Property (as defined in the Previte Affidavit (as defined below), and collectively with the Real Property, the “Property”) was heard this day via Zoom videoconference at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Aaron Previte sworn January [DATE]•, 2025 and the Exhibits thereto ~~and~~(the “Previte Affidavit”), on hearing the submissions of counsel for ~~[NAMES]~~the Applicants and such other parties listed on the Participant Information Form, no one appearing for ~~[NAME]~~any other party although duly served as appears from the affidavit of service ~~of [NAME]~~sworn [DATE]and filed, and on reading the consent of ~~[RECEIVER'S NAME]~~KSV to act as the Receiver,

SERVICE AND DEFINITIONS

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

1. THIS COURT ORDERS that the time for service of the Notice of MotionApplication and the MotionApplication Record is hereby abridged and validated³ so that this motionApplication is properly returnable today and hereby dispenses with further service thereof.

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

APPOINTMENT

3. ~~2.~~ THIS COURT ORDERS that pursuant to sectionsubsection 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ KSV is hereby appointed Receiver, without security, of ~~all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "the Property").~~

RECEIVER'S POWERS

4. ~~3.~~ THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property; including, without limitation, the bank accounts wherever located of Elderwood Holdings Inc. ("EHI"), Elderwood Townhomes Inc. ("ETI"), Elderwood Townhomes II Inc. ("ET2I") and 2633501 Ontario Inc. ("2633 Ontario" and together with EHI, ETI and ET2I, the "Debtors" and each a "Debtor");

~~³If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the ~~Debtor~~Debtors, or any of them, in connection with the Property, including the powers to enter into any agreements, complete any applications in connection with zoning or otherwise, or incur any obligations in the ordinary course of business in connection with the Property, cease to carry on all or any part of the business; of the Debtors, or any of them, in connection with the Property or cease to perform or disclaim any contracts of ~~the Debtor~~any of the Debtors in respect of the Property;
- (d) to engage construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants, appraisers, agents, real estate brokers, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the ~~Receiver's~~Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to undertake any construction or other work at the Property necessary to bring the Property into compliance with applicable laws and building codes;
- (f) ~~(e)~~ to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the ~~Debtor~~Debtors, or any of them, in connection with the Property or any part or parts thereof;
- (g) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to ~~the Debtor~~any of the Debtors in connection with the Property

(including, without limitation, any rent payments in respect of the Real Property) and to exercise all remedies of any of the ~~Debtor~~Debtors in collecting such monies and accounts, including, without limitation, to enforce any security held by ~~the Debtor~~any of the Debtors in connection with the Property;

(h) ~~(g)~~ to settle, extend or compromise any indebtedness owing to ~~the Debtor~~any of the Debtors in connection with the Property, provided that the Receiver shall obtain the prior written consent of the Lender prior to settling or compromising any proceeding where the amount claimed is in excess of \$100,000;

(i) to deal with any lien claims, trust claims, and trust funds that have been or may be registered (as the case may be) or which arise in respect of the Property, including any part or parts thereof, and, with approval of this Court, to make any required distribution(s) to any contractor or subcontractor of the Debtors or to or on behalf of any beneficiaries of such trust funds pursuant to section 85 of the Construction Act, R.S.O. 1990, c. C.30, as amended;

(j) ~~(h)~~ to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, including, without limitation, in respect of construction permits, zoning applications and any requirements related thereto, whether in the ~~Receiver's~~Receiver's name or in the name and on behalf of any of the ~~Debtor~~Debtors, for any purpose pursuant to this Order;

(k) ~~(i)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to ~~the Debtor~~any of the Debtors (as such proceedings relate to the Property or any portion thereof), the Property or the Receiver, and to settle or compromise any such proceedings.⁴

~~⁴This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A~~

provided that the Receiver shall obtain the prior written consent of the Lender prior to settling or compromising any proceeding where the amount claimed is in excess of \$100,000. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (l) to investigate, and report to this Court on, intercompany payments, transactions and other arrangements between any of the Debtors and other Persons, including, without limitation, other companies and entities that are affiliates of any of the Debtors, that appear to the Receiver to be out of the ordinary course of business. All Persons shall be required to provide any and all information and documents related to the Debtors requested by the Receiver in connection with such investigations;
- (m) to undertake environmental or worker's health and safety assessments of the Property and the operations of the Debtors thereon;
- (n) ~~(j)~~ with the prior written consent of the Lender, to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion, and with the Lender's consent, may deem appropriate;
- (o) ~~(k)~~ to, with the prior written consent of the Lender, sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
 - (i) without the approval of this Court in respect of any transaction not exceeding \$~~_____~~250,000, provided that the aggregate

~~bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

consideration for all such transactions does not exceed \$~~_____~~1,000,000; and

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

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended, or section 31 of the Ontario *Mortgages Act*, R.S.O. 1990, c. M.40, as amended, as the case may be,⁵ shall not be required,~~and in each case the Ontario Bulk Sales Act shall not apply;~~

- (p) ~~(h)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (q) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable, and to conduct any investigations associated with the Debtors' business or the Property as the Receiver deems appropriate;
- (r) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (s) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

on behalf of and, if thought desirable by the Receiver, in the name of ~~the Debtor~~; any of the Debtors and to meet with and discuss with such governmental authority and execute any agreements required in connection with or as a result of such permits, licenses, approvals or permissions (but solely in its capacity as Receiver and not in its personal or corporate capacity);

- (t) ~~(t)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of any of the ~~Debtor~~ Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by any of the ~~Debtor~~ Debtors;
- (u) to undertake any investigations deemed appropriate by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, Property;
- (v) ~~(v)~~ to exercise any shareholder, partnership, joint venture, contractual, statutory or other rights which any of the ~~Debtor~~ Debtors may have in connection with the Property; and
- (w) ~~(w)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including opening any mail or other correspondence addressed to any of the Debtors,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons ~~(as defined below)~~, including each of the ~~Debtor~~ Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. ~~4.~~ THIS COURT ORDERS that (i) each of the ~~Debtor~~ Debtors, (ii) all of ~~its~~ their current and former directors, officers, employees, agents, accountants, legal counsel, direct and indirect shareholders or other equity holders, limited partners or general partners, and all other persons acting on ~~its~~ their instructions or behalf, (iii) all construction managers, project managers,

contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, and (~~iii~~iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such ~~Person's~~Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the ~~Receiver's~~Receiver's request.

6. ~~5.~~ THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, agreements, orders, corporate and accounting records, insurance policies, permits, licenses and any other papers, records ~~and,~~ information and cloud-based data of any kind related to the business or affairs of any of the DebtorDebtors or the Property, and any computer programs, computer tapes, computer disks, cloud or other data storage media containing any such information (the foregoing, collectively, the "Records") in that ~~Person's~~Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software, cloud and physical facilities relating thereto, provided however that nothing in this paragraph ~~56~~ or in paragraph ~~67~~ of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. ~~6.~~ THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer, in a cloud or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for

the purposes of this paragraph 7, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer, cloud or other system and providing the Receiver with any and all access codes, account names ~~and~~, account numbers and account creating credentials that may be required to gain access to the information.

8. ~~7.~~ **THIS COURT ORDERS** that ~~the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.~~ without limiting the generality of paragraphs 5-7 of this Order, all Persons, including, without limitation, any affiliates of the Debtors (collectively, the "Elderwood Group"), and the Debtors, all construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, shall be required to cooperate, and share information, with the Receiver in connection with all books and records, contracts, agreements, permits, licenses and insurance policies and other documents in respect of the Debtors and/or the Property. In addition to the foregoing general cooperation and information sharing requirements, the Elderwood Group, or any of them, and construction managers, project managers, contractors, subcontractors, trades, engineers, quantity surveyors, consultants and service providers, and all other persons acting on their instructions or behalf, shall be required to do the following: (a) in respect of any and all such contracts, agreements, permits, licenses and insurance policies and other documents relevant to the Debtors and/or the Property: (1) maintain them in good standing and provide immediate notice and copies to the Receiver of any communications received from regulators or providers in respect thereof; (2) provide immediate notice to the Receiver of any material change and/or pending material change to the status quo in

respect thereof; and (3) provide thirty (30) days' notice of any renewal date, termination date, election date or similar date in respect thereof; and (b) assist, and cooperate with, the Receiver in obtaining any further permits and licenses that may be required or requested with respect to the exercise of the Receiver's authority hereunder.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE ~~DEBTOR~~DEBTORS OR THE PROPERTY

10. ~~9.~~ THIS COURT ORDERS that no Proceeding against or in respect of any of the ~~Debtor~~Debtors or the Property, other than the ongoing proceedings in respect of, among others, EHI and 2633 Ontario bearing Court File No.: CV-24-00733296-0000, shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of any of the ~~Debtor~~Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

12. ~~11.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the DebtorDebtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

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

14. THIS COURT ORDERS that in the event that an account for the supply of goods and/or services is transferred from any of the Debtors to the Receiver, or is otherwise established in the Receiver's name, no Person, including but not limited to a utility service provider, shall assess or otherwise require the Receiver to post a security deposit as a condition to the transfer/establishment of the account.

RECEIVER TO HOLD FUNDS

15. ~~13.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

16. ~~14.~~ THIS COURT ORDERS that all employees of the ~~Debtor~~Debtors shall remain the employees of the applicable Debtor until such time as the Receiver, on the ~~Debtor's~~applicable Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in ~~sections~~subsection 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under ~~sections~~subsections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s. 1, as amended ("WEPPA").

PIPEDA

17. ~~15.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall

be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by each of the ~~Debtor~~Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

18. ~~16.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, 1999, S.C. 1999, c. 33, as amended, the *Ontario Environmental Protection Act*, R.S.O. 1990, c. E.19, as amended, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, as amended, or the *Ontario Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, as amended, and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the ~~Receiver's~~Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

19. ~~17.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under ~~sections~~subsections 81.4(5) or 81.6(3) of the BIA or under ~~the Wage Earner Protection Program Act~~WEPPA. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

~~RECEIVER'S~~RECEIVER'S ACCOUNTS

20. ~~18.~~ THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "~~Receiver's~~Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the ~~Receiver's~~Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts; (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to ~~sections~~subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶

21. ~~19.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass ~~its~~their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

22. ~~20.~~ THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

23. ~~21.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow ~~by~~from the Lender way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ 250,000 (or such greater amount that is acceptable to the Lender and as

⁶~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "~~Receiver's~~" "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts (including, without limitation, deemed trusts), liens, charges and encumbrances, statutory or otherwise, in favour of any Person, ~~but~~ subordinate in priority to the Receiver's Charge and the charges as set out in ~~sections~~ subsections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

24. ~~22.~~ THIS COURT ORDERS that neither the ~~Receiver's~~ Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

25. ~~23.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "~~A~~" "B" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

26. ~~24.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued ~~Receiver's~~ Receiver's Certificates.

SERVICE AND NOTICE

27. ~~25.~~ THIS COURT ORDERS that the E-Service ~~Protocol~~ Guide of the Commercial List (the "~~Protocol~~ Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the ~~Protocol~~ Guide (which can be found on the Commercial List website ~~at~~ <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/> ~~at~~ <https://www.ontariocourts.ca/scj/practice/regional-practice-directions/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for

substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 2113 of the ProtocolGuide, service of documents in accordance with the ProtocolGuide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the ProtocolGuide with the following URL ~~'@>':~~ [https://ksvadvisory.com/experience/case/\[●\]](https://ksvadvisory.com/experience/case/[●]).

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

29. THIS COURT ORDERS that the Applicants, the Receiver and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of subsection 3(c) of the Electronic Commerce Protection Regulations (SOR/2013-221).

CRITICAL PAYMENTS

30. THIS COURT ORDERS that the Receiver may, with the written consent of the Lender, make payments owing by any of the Debtors to critical suppliers, contractors, subcontractors and other creditors in respect of amounts owing prior to the date of this Order that are reasonably required for the preservation of the Property.

SEALING

31. THIS COURT ORDERS that the Appraisal Report appended at Confidential Exhibit “1” to the Previte Affidavit shall be sealed, kept confidential and shall not form part of the public record until the earlier of: (i) the closing of one or more transactions for all of the Real Property in these Receivership Proceedings; and (ii) further order of the Court.

GENERAL

32. ~~27.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of any of the DebtorDebtors.

34. ~~29.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

35. ~~30.~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

36. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicants shall have ~~its~~their costs of this ~~motion~~Application, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff's~~Applicants' security or, if not so provided by the ~~Plaintiff's~~Applicants' security,

then on a substantial indemnity basis to be paid by the Receiver from the ~~Debtor's estate~~net realizations from the Property with such priority and at such time as this Court may determine.

37. ~~32.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

Schedule "A"

REAL PROPERTY

PIN 21178 – 0320 LT

PART LOT 27 ON PLN M347 DESIGNATED AS PARTS 1 AND 2 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PART 2 ON PLN 66R-24675 IN FAVOUR OF PARTS 3, 4 AND 5 ON PLN 66R-24675 AS IN AT2395516; TOGETHER WITH AN EASEMENT OVER PART 3 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0321 LT

LOT 26 AND PART OF LOTS 25 AND 27 ON PLN M347 DESIGNATED AS PARTS 3, 4 AND 5 ON PLN 66R-24675.; SUBJECT TO AN EASEMENT OVER PRT 5 ON PLN66R-24675 IN FAVOUR OF PART 6 ON PLN 66R-24675 AS IN AT2395531; TOGETHER WITH AN EASEMENT OVER PART 2 ON PLN 66R-24675 AS IN AT2395516; SUBJECT TO AN EASEMENT OVER PART 3 ON PLN 66R-24675 IN FAVOUR OF PARTS 1 AND 2 ON PLN 66R-24675 AS IN AT2395516; CITY OF TORONTO

PIN 21178 – 0322 LT

LOT 24 AND PART OF LOT 25 ON PLN M-347 DESIGNATED AS PART 6 ON PLN 66R-24675; TOGETHER WITH AN EASEMENT OVER PART 5 ON PLN 66R-24675 AS IN AT2395531; CITY OF TORONTO

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~KSV Restructuring Inc., the receiver ~~(the "Receiver") of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by~~and manager (the "**Receiver**") without security, of Property, appointed pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated ~~the~~ the ____ day of _____, 20[●], 2025 (the "**Order**") made in an action application having Court ~~file number~~ _____CL_____ File Number CV-25-00734688-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$ _____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

8. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Order.

DATED the ____ day of _____, ~~20~~2025.

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

Per: _____

Name:

Title:

DOCSTOR: 17717428

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

TREZ CAPITAL LIMITED PARTNERSHIP
and TCC MORTGAGE HOLDINGS INC.

and

ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC.,
ELDERWOOD TOWNHOMES II INC. and 2633501 ONTARIO INC.

Applicants

Respondents

Court File No.: CV-25-00734688-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

ORDER
(Appointing Receiver)

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- 2 -

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[Link-to-previous setting changed from off in original to on in modified.]

~~DOCSTOR: 17717429-8-Model_Receivership_Order_(T__Reyes).doc~~

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 1/27/2025 1:00:11 PM	
Style name: Standard	
Intelligent Table Comparison: Active	
Original filename: receivership-order-EN (1).docx	
Modified filename: Receivership Order .docx	
Changes:	
<u>Add</u>	324
Delete	245
Move From	1
<u>Move To</u>	1
<u>Table Insert</u>	1
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	572

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

**TREZ CAPITAL LIMITED PARTNERSHIP
and TCC MORTGAGE HOLDINGS INC.**

and **ELDERWOOD HOLDINGS INC., ELDERWOOD TOWNHOMES INC.,
ELDERWOOD TOWNHOMES II INC. and 2633501 ONTARIO INC.**

Applicants

Respondents

Court File No.: CV-25-00734688-00CL

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

Proceedings commenced in Toronto

APPLICATION RECORD

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