

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

BETWEEN:

EQUITABLE BANK

Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

**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 OF EQUITABLE BANK

June 5, 2024

AIRD & BERLIS LLP
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Lawyers for Equitable Bank

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

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TAB 1



**ONTARIO
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B E T W E E N :

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(Court seal)

NOTICE OF APPLICATION

TO THE RESPONDENTS

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

THIS APPLICATION will come on for a hearing

- In person
- By telephone conference
- By video conference

before a judge presiding over the Commercial List on a date to be set by the Commercial List Court, via Zoom coordinates to be provided.

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

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

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

Date _____

Issued by

.....
Local registrar
Address of court office 330 University Avenue
Toronto, ON M5G 1R7

TO EQUITYLINE SPV LIMITED PARTNERSHIP
550 Highway 7 Avenue East, No. 338
Richmond Hill, ON L4B 3Z4

AND TO EQUITYLINE SPV GP INC.
550 Highway 7 Avenue East, No. 338
Richmond Hill, ON L4B 3Z4

AND TO EQUITYLINE SERVICES CORP.
550 Highway 7 Avenue East, No. 338
Richmond Hill, ON L4B 3Z4

APPLICATION

1. The applicant, Equitable Bank (the “**Bank**”), makes an application for an Order:
 - (a) if necessary, abridging the time for service and filing of this notice of application and the application record or, in the alternative, dispensing with and/or validating service of same;
 - (b) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”), without security, of all the assets, properties and undertakings (collectively, the “**Property**”) of EquityLine SPV Limited Partnership (“**EquityLine LP**” or the “**Debtor**”);
 - (c) in the alternative appointing KSV as Interim Receiver of the Debtor pursuant to S. 47(1) of the Bankruptcy and Insolvency Act;
 - (d) for its costs of this application, and
 - (e) for such further and other relief as may be just.

THE GROUNDS for the application are:

2. The Debtor is a limited partnership formed under the *Limited Partnerships Act* (Ontario), with its registered head office in Richmond Hill, Ontario;
3. the Debtor is the beneficial owner of certain mortgage loans (the “**Mortgage Loans**”), which are serviced by the Debtor’s parent corporation, EquityLine Services Corp. (“**EquityLine Services**”), and for which legal title is held by a third party custodian, Computershare Trust Company of Canada (“**Computershare**”);

4. the Debtor is indebted to Equitable Bank in connection with a credit facility (the “**Facility**”) made available by the Bank to the Debtor pursuant to a credit agreement dated August 5, 2021 (as amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”);
5. as security for the Debtor’s obligations to Equitable Bank, the Debtor provided security in favour of Equitable Bank, including, without limitation, a general security agreement dated August 5, 2021 (the “**GSA**”), registration in respect of which was duly made under the *Personal Property Security Act* (Ontario) (the “**PPSA**”);
6. Equitable Bank is the only registered secured creditor under the PPSA against EquityLine LP;
7. the Facility provided to the Debtor is payable on demand, and one or more events of default has occurred;
8. on April 23, 2024, Equitable Bank proceeded to make formal written demand on the Debtor for the repayment of amounts owing to Equitable Bank under the Credit Agreement and GSA (the “**Demand Letter**”), which was accompanied by a notice of intention to enforce security pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”);
9. as set out in the Demand Letter, \$13,617,097.50 was owing by the Debtor to Equitable Bank under the Credit Agreement as of April 23, 2024 (together with legal and financial advisor fees, disbursements and accruing interest, the “**Indebtedness**”);
10. the Debtor has failed to repay the Indebtedness in full;

11. at this stage, Equitable Bank considers that the only reasonable and prudent path forward is to take any and all steps necessary to protect the Property by having a receiver appointed, and it is within Equitable Bank's rights under the GSA to do so;
12. it is just and equitable that a receiver and manager be appointed. A receiver is necessary for the protection and monetization of the Property;
13. KSV has consented to being appointed as the receiver and manager;
14. KSV is a licensed insolvency trustee and is familiar with the circumstances of the Debtor and its arrangements with Equitable Bank;
15. the other grounds set out in the affidavit of Brendan Smith sworn May 31, 2024 in support of the within application (the "**Smith Affidavit**");
16. subsection 243(1) of the BIA;
17. section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended;
18. rules 1.04, 2.01, 2.03, 3.02, 16, 38 and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
19. such further grounds as are required and this Court may permit.

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

- (a) The Smith Affidavit sworn May 31, 2024, and all exhibits thereto;
- (b) The consent of KSV to act as the Receiver; and
- (c) Such other material as is required and this Court may permit.

June 5, 2024

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Lawyers for Equitable Bank

EQUITABLE BANK

Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

Court File No.

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

Proceedings commenced at Toronto

NOTICE OF APPLICATION

AIRD & BERLIS LLP
Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

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Lawyers for Equitable Bank

TAB 2

Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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B E T W E E N :

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AFFIDAVIT OF BRENDAN SMITH
(sworn May 31, 2024)

I, Brendan Smith, of the City of Toronto, in the Province of Ontario do make oath and say
as follows:

1. I am a Director, Specialized Finance of Equitable Bank (the “**Bank**”), and as such have
knowledge of the matters to which I hereinafter depose. To the extent that I do not have direct
first-hand knowledge of particular facts or events, I have obtained that information from others
and/or from my review of the documentation attached as exhibits, and have indicated the source
of that information in my Affidavit. I verily believe the facts hereinafter deposed to are true and
correct.

2. I swear this affidavit in support of Equitable Bank's application to, inter alia, appoint KSV Restructuring Inc. ("**KSV**") as receiver and manager (in such capacity, the "**Receiver**"), without security, of all the assets, properties and undertakings (collectively, the "**Property**") of EquityLine SPV Limited Partnership ("**EquityLine LP**" or the "**Debtor**").

The Parties:

3. EquityLine LP is a limited partnership formed pursuant to the laws of Ontario under the *Limited Partnerships Act*, declared on June 23, 2021, with its stated registered office at 550 Highway 7 Avenue East, No. 338, Richmond Hill, ON L4B 3Z4. It has no employees. Its general partner is EquityLine SPV GP Inc. ("**EquityLine GP**"). Attached to this affidavit and marked as **Exhibit "A"** is a true copy of the Limited Partnerships Report for EquityLine LP.

4. EquityLine GP is an Ontario corporation, originally incorporated on June 23, 2021, with its stated registered office at 550 Highway 7 Avenue East, No. 338, Richmond Hill, ON L4B 3Z4. The sole stated director is Sergiy Shchavyelyev ("**Shchavyelyev**"). Attached to this affidavit and marked as **Exhibit "B"** is a true copy of the Corporate Profile Report for EquityLine GP.

5. EquityLine Services Corp. ("**EquityLine Services**", and together with EquityLine LP and EquityLine GP, the "**Credit Parties**") is an Ontario corporation, originally incorporated on January 18, 2018, with its stated registered office at 550 Highway 7 Avenue East, No. 338, Richmond Hill, ON L4B 3Z4. EquityLine Services' sole stated director is Shchavyelyev. Attached to this affidavit and marked as **Exhibit "C"** is a true copy of the Corporate Profile Report for EquityLine Services.

Structure of the Business:

6. Pursuant to a Mortgage Sale and Servicing Agreement dated August 5, 2021, which is attached to this affidavit and marked as **Exhibit "D"**, EquityLine LP offers mortgages through EquityLine Financial Corp. acting as mortgage broker (the “**EquityLine Mortgages**”). EquityLine Services then acts as Servicer on the EquityLine Mortgages, which involves dealing with the individual mortgagors, collecting payments and reporting on the status of the mortgages.

7. The EquityLine Mortgages are used by EquityLine LP as collateral to obtain and secure the below-defined Facility from Equitable Bank.

8. Pursuant to a Custodial Agreement (as defined below), legal title to the EquityLine Mortgages is held by Computershare Trust Company of Canada. EquityLine LP retains beneficial ownership and is presently the beneficial owner of approximately 34 mortgages with a face value of approximately \$18,115,600.

9. A chart describing the structure of these arrangements is attached to this affidavit and marked as **Exhibit "E"**.

The Credit Agreement and Security:

10. The Debtor is indebted to Equitable Bank in connection with a revolving credit facility (the “**Facility**”) made available by Equitable Bank to the Debtor pursuant to and under the terms of a credit agreement dated August 5, 2021 (as amended, replaced, restated or supplemented from time to time, the “**Credit Agreement**”). A copy of the Credit Agreement is attached hereto and marked as **Exhibit "F"**.

11. As security for the Debtor's obligations to Equitable Bank, including, without limitation, under the Credit Agreement, the Debtor provided, without limitation, a general security agreement dated August 5, 2021 (the "GSA"), which grants to Equitable Bank, among other things, a security interest in any and all of the property, assets and undertakings of EquityLine LP, registrations in respect of which were duly made pursuant to the *Personal Property Security Act* (Ontario) (the "PPSA", and the foregoing referred to as the "Security"). A copy of the Security is attached to this affidavit and marked as **Exhibit "G"**.

12. Equitable Bank is the sole secured creditor with registration under the PPSA over all of the property and assets of EquityLine LP, and is the provider of the capital required to conduct the business operations of EquityLine LP. Attached to this affidavit and marked as **Exhibit "H"** is a copy of the certified ON PPSA search for the Debtor, current as of May 9, 2024.

13. The GSA granted by the Debtor grants to Equitable Bank a right to appoint a receiver and manager over the Debtor's property upon the occurrence of an Event of Default, which is defined in the GSA by reference to the Credit Agreement as including "The failure by the Borrower to make payments of any principal, interest or fees due to the Lender, including without limitation any amounts due on the Demand Date." Pursuant to s. 5.1 of the GSA:

5.1 (f) Upon the occurrence of any Event of Default which is continuing, the Lender may appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of the Lender or not, to be an interim receiver, receiver, receivers, receiver and manager, liquidator, trustee in bankruptcy or similar Person (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/its stead. Any such Receiver shall, so far as concerns responsibility for his/her/its acts, be deemed the

agent of each Borrower and not of 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 or his/her/its servants, agents or employees. Except as may be otherwise directed by the Lender, all money or proceeds received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to the Lender. Every such Receiver may be vested with all or any of the rights and powers of the Lender. The identity of the Receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Lender. Where the “Lender” is referred to in this Section 6.1(f) [*sic*], the reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents, or such receiver.

14. As further security for the Debtor’s obligations to Equitable Bank, including, without limitation, under the Credit Agreement, the Debtor entered into a custodial agreement with Computershare Trust Company of Canada (“**Computershare**” or the “**Custodian**”) dated August 5, 2021 (the “**Custodial Agreement**”), and a title custodian acknowledgment agreement with Equitable Bank and Computershare dated August 5, 2021 (the “**Title Custodian Acknowledgement Agreement**”). The Custodial Agreement and Title Custodian Acknowledgement Agreement are attached to this affidavit and marked as **Exhibit "I"**.

15. By operation of the Custodial Agreement and the Title Custodian Acknowledgment Agreement, Computershare holds legal title and acts as agent, nominee and bailee for and on behalf of EquityLine LP in respect of its mortgages, and EquityLine LP retains beneficial ownership of title to its mortgages.

16. The Debtor’s obligations to Equitable Bank pursuant to the Credit Agreement are guaranteed by EquityLine Services pursuant to an unlimited guarantee agreement dated August 5, 2021, a copy of which is attached to this affidavit and marked as **Exhibit "J"**.

17. The Debtor's obligations to Equitable Bank pursuant to the Credit Agreement are also secured by the following:

- (a) A pledge agreement granted by Shchavyelyev in favour of Equitable Bank dated August 5, 2021; and
- (b) A pledge agreement granted by EquityLine Mortgage Investment Corporation in favour of Equitable Bank dated August 5, 2021 (the foregoing together referred to as the "**Pledge Agreements**", which are attached to this affidavit and marked as **Exhibit "K"**).

Debtors' Financial Position:

18. Until recently, based on monthly written reports provided directly to Equitable Bank by EquityLine LP, the Bank understood that many of the EquityLine Mortgages were in various stages of arrears ranging from 30 days to 90 days. However, Equitable Bank understood that payments continued to be made towards such mortgages and that none of the EquityLine Mortgages were being treated as defaulted or subject to enforcement proceedings.

19. In actuality, a majority of the EquityLine Mortgages were in default (the "**Defaulted Mortgage Loans**"), and EquityLine LP and EquityLine Services had been providing Equitable Bank with inaccurate information as to the position of the Debtor and the status of the Security and Defaulted Mortgage Loans.

20. As of the beginning of May 2024, Equitable Bank understood that approximately 27 of the 34 EquityLine Mortgages were Defaulted Mortgage Loans, impacting approximately \$11,164,000 of the \$13,617,080 owing to Equitable Bank. Stated differently, approximately 80% of the EquityLine Mortgages in number and value were in default. It is unclear how long these defaults have existed and Equitable Bank no longer knows the true value of its Security.

21. Since the beginning of May 2024, as detailed below, funds were advanced to Equitable Bank to pay out four (4) of the Defaulted Mortgage Loans. It is now understood that approximately 22 of the 30 remaining EquityLine Mortgages are Defaulted Mortgage Loans, impacting approximately \$8,592,680 of the \$10,073,480 still owing to Equitable Bank. This still represents more than 70% in number and more than 80% in value of the EquityLine Mortgages.

22. Prior to the above discoveries by Equitable Bank and Computershare, EquityLine Services retained a lawyer, Terry Walman (“**Walman**”), and commenced lawsuits to collect on the Defaulted Mortgage Loans, which lawsuits were brought in the name of Computershare. However, EquityLine Services did not advise Computershare of this course of action, nor did it obtain Computershare’s consent, with the result that legal proceedings were commenced in the name of Computershare without its authorization.

23. The enforcement proceedings were in respect of mortgages that had been reported to the Bank as being current and not in default. As above, approximately 70-80% of the EquityLine Mortgages pledged as collateral to the Bank are now believed to be in default. These defaults were not reported to either the Bank or Computershare and conflict with the reporting that was made by the Debtor.

24. Since the origination of enforcement proceedings on the Defaulted Mortgage Loans, Computershare has been named in a number of counterclaims in proceedings for which it did not authorize commencement, nor did it have any knowledge. As a direct consequence of the Respondent’s actions, Computershare has been put at risk and it no longer wishes to remain as Custodian.

25. Computershare has given notice to the Bank that it shall remove itself as Custodian. Computershare provided Equitable Bank with 30 days' notice of this intention, which notice period expired on May 23, 2024. Equitable Bank asked Computershare to extend this notice period for a short time, pending the determination of this Application. A temporary custodial agreement is now in place, expiring June 10, 2024.

26. In an attempt to remain current on its financial obligations under the Credit Agreement, EquityLine Services or its affiliates have been supplementing interest payments to Equitable Bank. However, EquityLine Services and EquityLine LP have breached reporting obligations and concealed the distressed state of Equitable Bank's Security. As a result, Equitable Bank has lost confidence in the Credit Parties.

27. On April 23, 2024, pursuant to the terms of the Title Custodian Acknowledgement Agreement, Equitable Bank delivered to Computershare and EquityLine LP a notice of control (the "**Notice of Control**"). As a result, the Custodian must now follow all instructions and directions of Equitable Bank in respect of the mortgage loans over which it holds legal title, to the exclusion of all other instructions and directions from any person (including the Credit Parties). The Notice of Control is attached to this affidavit and marked as **Exhibit "L"**.

28. On or about April 30, 2024, Equitable Bank retained KSV to perform a review of the Debtor's financials and operations, and the Debtor signed for acceptance of the engagement on the same date. With cooperation from the Debtor, KSV has since familiarized itself with the Debtor's business and financial position.

29. As a result of the defaults, Equitable Bank arranged for title searches to be performed on the properties where it held registered mortgages. The results of this search indicated to Equitable

Bank that at least nine of the mortgages it believed were being held as security had in fact been discharged or postponed without the proceeds being paid to the loan and without the authorization or knowledge of either Equitable Bank or Computershare. This equates to \$3,098,880 of outstanding debt owed to Equitable Bank that is no longer secured by a property charge. This has also reduced the total collateral value by approximately \$8,229,019.

30. One example of an EquityLine Mortgage being discharged without repayment or authorization is in respect of the property at 128 Ducharme Street. Instrument number CE1138263 was registered on the title to that property on June 13, 2023, discharging Computershare's charge thereon. The related parcel register and discharge of charge are attached hereto as **Exhibit "M"**. The proceeds of the discharge were not applied to the Loan and the lender was not aware that this had occurred.

31. An example of an EquityLine Mortgage being postponed without repayment or authorization is in respect of 69 Fenwood Heights. Instrument number AT6392613 was registered on title on August 8, 2023, postponing Computershare's interest to that of Elle Mortgage Corporation ("**Elle**"). The related parcel register and postponement of interest are attached hereto as **Exhibit "N"**. Again, neither Equitable Bank nor Computershare were aware of this postponement, nor did they authorize that registration.

32. Some of the other properties believed to be affected are summarized below, without limitation:

| Property | Instrument Number | Date | Nature of Instrument |
|-------------------------|-------------------|--------------------|---|
| 2662 Meldrum Road | CE1153661 | September 28, 2023 | Transfer of Power of Sale from Computershare to third party |
| 9 Mowat Crescent | SC2044056 | September 28, 2023 | Transfer of Power of Sale from Computershare to third parties |
| 135 Ben Sinclair Avenue | YR3609999 | October 19, 2023 | Transfer of Charge from Computershare to Elle |
| 1563 Nipissing Court | DR2299653 | February 26, 2024 | Transfer of Power of Sale from Computershare to third parties |
| 22 Lord Roberts Drive | AT6533326 | March 19, 2024 | Transfer of Charge from Computershare to EquityLine GP |

33. Again, none of the abovementioned instruments were known to or authorized by either of Computershare or Equitable Bank. Furthermore, no repayment was made in respect of any of the affected mortgages.

Defaults and Demands for Payment:

34. The Credit Agreement contains standard Events of Default, including if there is a breach or non-performance or non-observance of any term or condition of the Credit Agreement or the Security.

35. The Facility is a true demand loan, but in any event one or more Events of Default (as defined in the Credit Agreement and/or the Security, as applicable) have occurred.

36. For example, and without limitation, at the end of March, Equitable Bank received notice from Computershare that EquityLine LP had defaulted under the Custodial Agreement, which triggered an Event of Default under the Credit Agreement.

37. Equitable Bank made formal written demand on the Credit Parties for payment of the Debtor's indebtedness to Equitable Bank by letter dated April 23, 2024 (the "**Demands**"), accompanied by a notice of intention to enforce security (the "**BIA Notice**"), which was delivered to the Credit Parties pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"). A copy of the Demand and the BIA Notice are attached hereto and marked as **Exhibit "O"**.

38. As set out in the Demand and the BIA Notice, a total of \$13,617,097.50 (exclusive of legal and financial advisor fees, disbursements and accruing interest) was owing by the Debtor to Equitable Bank under the Credit Agreement as of April 23, 2024 (the "**Indebtedness**"). The Indebtedness continues to accrue interest.

39. Following the issuance of the Demand, the Credit Parties agreed to pay out several of the EquityLine Mortgages. An initial tranche was agreed upon in the amount of \$4,000,000.

Ultimately, EquityLine LP paid out four of the EquityLine Mortgages on May 10, 2024 in the amount of \$3,543,600. Further tranches of repayment were promised, but as of the making of this affidavit, there have been multiple requests for extensions and no additional funds have been received.

40. The Indebtedness is now \$10,073,480 (exclusive of legal and financial advisor fees, disbursements and accruing interest).

41. The Credit Parties are in default of the terms of and their obligations under the Credit Agreement and the Security. The Credit Parties have failed or are unable to (a) repay the Indebtedness in full or (b) enter into any arrangements acceptable to Equitable Bank for the full repayment of the Indebtedness prior to the date of this affidavit.

42. Notwithstanding the issuance of the Demand, Equitable Bank has reserved the right to continue to make advances to the Debtor, at its sole discretion, to ensure the continuation of the Debtor's business operations.

Rationale for the Relief Sought in Appointment Order:

43. The provisions of the Security allow for the appointment of a Receiver over the Property of the Debtor upon default.

44. The appointment of a receiver is necessary and appropriate for the following reasons:

- (a) To review and assess the true status of the mortgages pledged as collateral, and to preserve the value of those mortgages;

- (b) To prevent the abandonment of the collateral by protecting the interests of Computershare in its role as Custodian and by insulating same from further liability in relation to the Credit Parties' improperly conducted enforcement efforts; and
- (c) for the protection of the estate of the Debtor and to realize on the collateral subject to Equitable Bank's security for the benefit of Equitable Bank and all other stakeholders.

45. KSV is qualified to act as receiver and manager, is familiar with the Debtor's business, and has consented to act as receiver if so appointed by the Court.

46. All of which is sworn by me in good faith, and for no improper purpose whatsoever.

SWORN remotely by Brendan Smith, stated as)
 being in the City of Toronto, in the Province of)
 Ontario, before me on May 31, 2024 in accordance)
 with O. Reg. 431/20, Administering Oath or)
 Declaration Remotely.)



 Commissioner (or as may be))

Calvin Peter Horsten, a
 Commissioner, etc., Province of Ontario,
 while a Student-at-Law.
 Expires June 14, 2025.

DocuSigned by:

 3648A06CCE4F400...

BRENDAN SMITH

This is Exhibit "A" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**



Profile Report

EQUITYLINE SPV LIMITED PARTNERSHIP as of May 09, 2024

| | |
|--------------------------------------|--|
| Act | Limited Partnerships Act |
| Type | Ontario Limited Partnership |
| Firm Name | EQUITYLINE SPV LIMITED PARTNERSHIP |
| Business Identification Number (BIN) | 311008775 |
| Declaration Status | Active |
| Declaration Date | June 23, 2021 |
| Expiry Date | June 22, 2026 |
| Principal Place of Business | 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L4B 3Z4, Canada |
| Activity (NAICS Code) | [Not Provided] - [Not Provided] |

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.

General Partners

Number of General Partners 1

Partners

Partner 1

| | |
|-----------------------------------|--|
| Name | EQUITYLINE SPV GP INC. |
| Ontario Corporation Number (OCN) | 2849384 |
| Entity Type | Ontario Business Corporation |
| Registered or Head Office Address | 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L4B 3Z4, 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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Firm Name History

Name

EQUITYLINE SPV LIMITED PARTNERSHIP

Effective Date

June 23, 2021

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

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V. Quintanilla W.

Director/Registrar

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Document List

| Filing Name | Effective Date |
|--|-----------------------|
| LPA - File a Declaration of an Ontario Limited Partnership | June 23, 2021 |

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 Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.



Profile Report

EQUITYLINE SPV GP INC. as of May 09, 2024

| | |
|-----------------------------------|--|
| Act | Business Corporations Act |
| Type | Ontario Business Corporation |
| Name | EQUITYLINE SPV GP INC. |
| Ontario Corporation Number (OCN) | 2849384 |
| Governing Jurisdiction | Canada - Ontario |
| Status | Active |
| Date of Incorporation | June 23, 2021 |
| Registered or Head Office Address | 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L3B 3Z4, 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 SERGIY SHCHAVYELYEV
Address for Service 10 Walsh Avenue, Toronto, Ontario, M9M 1B6, Canada
Resident Canadian Yes
Date Began June 23, 2021

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 | SERGIY SHCHAVYELYEV |
| Position | Secretary |
| Address for Service | 10 Walsh Avenue, Toronto, Ontario, M9M 1B6, Canada |
| Date Began | June 23, 2021 |

| | |
|----------------------------|--|
| Name | SERGIY SHCHAVYELYEV |
| Position | President |
| Address for Service | 10 Walsh Avenue, Toronto, Ontario, M9M 1B6, Canada |
| Date Began | June 23, 2021 |

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

EQUITYLINE SPV GP INC.

Effective Date

June 23, 2021

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V. Quintanilla W.

Director/Registrar

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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

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

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V. Quintanilla W.

Director/Registrar

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Document List

| Filing Name | Effective Date |
|---|-----------------|
| BCA - Articles of Amendment | August 05, 2021 |
| CIA - Initial Return PAF: SERGIY SHCHAVYELYEV - DIRECTOR | August 04, 2021 |
| BCA - Articles of Incorporation | June 23, 2021 |

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 "C" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.



Profile Report

EQUITYLINE SERVICES CORP. as of May 09, 2024

| | |
|-----------------------------------|--|
| Act | Business Corporations Act |
| Type | Ontario Business Corporation |
| Name | EQUITYLINE SERVICES CORP. |
| Ontario Corporation Number (OCN) | 2615995 |
| Governing Jurisdiction | Canada - Ontario |
| Status | Active |
| Date of Incorporation | January 18, 2018 |
| Registered or Head Office Address | 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L4B 3Z4, 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 50

Name SERGIY SHCHAVYELYEV
Address for Service 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario,
L4B 3Z4, Canada
Resident Canadian Yes
Date Began January 18, 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 Officer(s)

Name SERGIY PRZHEBELSKYY
Position Chief Operating Officer
Address for Service 4 Coates Crescent, Richmond Hill, Ontario, L4E 2M2, Canada
Date Began October 16, 2019

Name ROMAN RASKIN
Position Chief Financial Officer
Address for Service 245 Fairview Mall Drive, 436, North York, Ontario, M2J 4T1, Canada
Date Began October 16, 2019

Name SERGIY SHCHAVYELYEV
Position Chief Executive Officer
Address for Service 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L4B 3Z4, Canada
Date Began January 18, 2018

Name SERGIY SHCHAVYELYEV
Position President
Address for Service 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L4B 3Z4, Canada
Date Began January 18, 2018

Name SERGIY SHCHAVYELYEV
Position Secretary
Address for Service 550 Highway 7 Avenue East, 338, Richmond Hill, Ontario, L4B 3Z4, Canada
Date Began October 16, 2019

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

EQUITYLINE SERVICES CORP.

Effective Date

January 18, 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 - 2019 PAF: SERGIY SHCHAVYLEYEV - DIRECTOR | October 25, 2020 |
| CIA - Notice of Change PAF: SERGIY SHCHAVYLEYEV - DIRECTOR | December 02, 2019 |
| CIA - Notice of Change PAF: SERGIY SHCHAVYLEYEV - DIRECTOR | October 21, 2019 |
| CIA - Initial Return PAF: DANIEL STEIN - OFFICER | June 04, 2018 |
| BCA - Articles of Incorporation | January 18, 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.

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V. Quintanilla W.

Director/Registrar

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This is Exhibit "D" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.

MORTGAGE SALE AND SERVICING AGREEMENT

between

**EQUITYLINE SERVICES CORP.
(as Servicer)**

and

**EQUITYLINE SPV LIMITED PARTNERSHIP
(as Purchaser)**

and

**EQUITYLINE FINANCIAL CORP.
(as Seller)**

Made as of the 5th day of August, 2021

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MORTGAGE SALE AND SERVICING AGREEMENT

MORTGAGE SALE AND SERVICING AGREEMENT made as of August 5, 2021 between **EQUITYLINE SPV LIMITED PARTNERSHIP**, a limited partnership formed pursuant to the laws of the Province of Ontario, by its general partner, **EQUITYLINE SPV GP INC.**, a corporation formed pursuant to the laws of the Province of Ontario (the “**Purchaser**”) and **EQUITYLINE SERVICES CORP.**, a corporation incorporated under the laws of the Province of Ontario as servicer (in such capacity, the “**Servicer**”) and **EQUITYLINE FINANCIAL CORP.**, a corporation incorporated under the laws of the Province of Ontario as seller (in such capacity, the “**Seller**”) (and collectively and individually the Seller and the Servicer may be referred to as the “**Company**”);

WHEREAS the Seller is in the business of originating Mortgages;

AND WHEREAS the Seller wishes to sell to the Purchaser from time to time its right, title and interest in and to certain Mortgages and the Related Security thereto;

AND WHEREAS the Purchaser wishes to purchase such Mortgages and Related Security;

AND WHEREAS the Purchaser will finance such purchase of the Purchased Assets by means of the Facility from the Lender pursuant to the Credit Agreement;

AND WHEREAS the Purchaser will grant a security interest in the Purchased Assets and certain related rights arising under this Agreement to and in favour of the Lender under the Credit Agreement;

AND WHEREAS the Purchaser desires to engage the Servicer to service on the Purchaser’s behalf such Mortgages in accordance with this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement (including the recitals hereto) the following terms will have the following meanings:

“**ACI**” means the Appraisal Institute of Canada - Ontario;

“**Administrative Charges**” has the meaning set forth in Section 7.6;

“**Advance**” has the meaning ascribed in the Credit Agreement;

“**Affiliate**”, in respect of any specified Person, means any other Person;

- (a) that is either directly or indirectly controlled by the specified Person or by a Person that also controls the specified Person; or
- (b) that either directly or indirectly controls the specified Person;

and, for the purposes of this definition, “**control**” shall mean *de facto* control, being the power to direct the management and policies of a Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise;

“**Agreement**” means this agreement, together with the schedules hereto, as the same may be amended, supplemented, modified, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereunder”, and “hereby” and similar expressions refer to this agreement and not to any specific article, section, paragraph, subparagraph or clause hereof;

“**AML Legislation**” means, collectively, (a) Part II.1, XII.2 and Section 354 of the *Criminal Code* (Canada), (b) the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and all regulations promulgated thereunder, (c) the *United Nations Act* (Canada), (d) the *Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism* (Canada), (e) Guideline B-8 (Deterring and Detecting Money Laundering and Terrorist Financing) issued by OSFI in December, 2008, and (f) any other applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” law, together with all rules, regulations, guidance and interpretations thereunder or related thereto;

“**Applicable Law**” means any and all current and future applicable laws (including common law and equity), statutes, by-laws, rules, regulations, orders, determinations, ordinances, protocols, codes, guidelines, treaties, policies, notices, directions, directives, decrees, restrictions, standards, orders-in-council, judgments, decisions, awards or requirements, in each case, of, from or required by any Governmental Authority and, in each case, whether having the force of law or not;

“**Assignment of Rents and Leases**” means, with respect to any Related Property, any assignment or hypothecation of rents and leases and profits or similar document or instrument executed by the Mortgagor in connection with the origination of the related Mortgage, as the same may be amended, modified, renewed or extended through the date hereof and from time to time hereafter in accordance with the provisions hereof;

“**Back-Up Servicer**” means Paradigm Quest Inc., in its capacity as back-up servicer under the Back-Up Servicing Agreement;

“**Back-Up Servicing Agreement**” means the back-up servicing agreement dated as of August 5, 2021 among the Purchaser, the Lender, the Servicer and the Back-Up Servicer;

“**Business Day**” means any day other than (i) Saturday, Sunday, (ii) a statutory or civic holiday in Toronto, Ontario or (iii) any other day on which banks in Toronto are not generally open for the transaction of business throughout normal business hours;

“**Canada Overnight Financing Rate**” means the rate of interest earned by the Servicer on its Collections Account;

“**Collections**” means without duplication (i) the aggregate amount of payments received on the Purchased Mortgages from and including the related Cut-Off Date representing payment of principal and the aggregate of interest accruing and received and Prepayment Charges received under the Purchased Mortgages from and including the related Cut-Off Date and, for greater certainty, shall include partial prepayments, liquidation proceeds, finance charges, prepayment bonuses, payments on account of indemnities or guarantees, penalties and all other charges under the Purchased Mortgages and arrears as received and all scheduled payments of principal and interest due and received on the maturity of each such Purchased Mortgage but excluding Administrative Charges; (ii) all amounts received in respect of a Purchased Mortgage after it became a Delinquent Mortgage, including Liquidation Proceeds; (iii) all insurance (including mortgage impairment insurance and title insurance) proceeds in respect of the Purchased Mortgages or the Related Properties with respect thereto (to the extent not required by the relevant casualty insurer or such Purchased Mortgages to be applied to repair the damages for which they compensate); (iv) all cash proceeds of any Related Security; and (v) any other amounts which, pursuant to the terms of this Agreement, are required to be deposited to the Collection Account;

“**Collections Account**” means a deposit account maintained by or on behalf of the Purchaser with a Canadian chartered bank, and designated by the Purchaser as the Collections Account. As of the date hereof, the Collections Account is account number 5617833, transit number 10202 at The Toronto-Dominion Bank. As of the date hereof, the wiring instructions for the Collections Account are:

| | |
|---------------------|---|
| Beneficiary: | EquityLine SPV GP Inc. |
| Beneficiary Bank: | The Toronto-Dominion Bank |
| Institution Number: | 004 |
| Bank Address: | King & Bay Branch, TD Centre 55 King Street West Toronto ON M5K 1A2 |
| Transit Number: | 10202 |
| Account Number: | 5617833 |
| Swift Code: | TDOMCATTOR |

“**Credit Agreement**” means the credit agreement dated as of the date hereof between the Purchaser, as borrower, the Company, and the Lender, as lender, as the same may be amended, restated, supplemented or replaced from time to time;

“**Credit Document**” has the meaning given to such term in the Credit Agreement;

“**Custodian**” means Computershare Trust Company of Canada in its capacity as title custodian under the Purchaser Custodial Agreement;

“**Custodian Tri-partite Agreement**” means the agreement dated the date hereof among the Custodian, the Purchaser and the Lender;

“**Cut-Off Date**” means, for each Purchase, the date specified therefor in the Purchase Notice relating to such Purchase;

“Charged-Off Mortgage” means a Mortgage in respect of which (a) any amount payable thereunder remains due and unpaid for a period of 365 days or more, (b) any legal process has been commenced in respect of a breach or default under such Mortgage against the Related Property or any related Mortgagor (which, for greater certainty, shall not include the issuance by Borrower or Servicer of a letter demanding payment of amounts due or overdue), (c) the Mortgagor of which, to the knowledge of the Seller, has taken any action, or suffered any event to occur, of or similar to the type described in the definition of **“Insolvency Proceedings”**, or (d) any amount payable thereunder is charged off in accordance with the Seller’s provisioning policy;

“Delinquent Mortgage” means a Mortgage, other than a Charged-Off Mortgage, in respect of which the related Mortgagor (i) has failed to pay, within 60 days as of when due, all or any portion of any amounts required to be paid by the Mortgagor under the Mortgage or (ii) has failed to fully performed its other contractual obligations under such Mortgage, including a Mortgage in respect of which the related Mortgagor (a) has failed to maintain, or provide upon request, (prior to expiration) proof of adequate and proper insurance coverage for a minimum value of not less than the outstanding principal amount of the Mortgage; (b) has failed to pay when due any realty taxes on the Related Property; or (c) has abandoned the Related Property;

“Distribution Account” means a deposit account of the Lender designated from time to time by the Lender. As of the date hereof, the Distribution Account is account number 478864, transit number 19682 at TD Canada Trust and the wiring instructions are:

| | |
|---------------------------------|---|
| Account Name: | Equitable Bank |
| Bank Name: | TD Canada Trust |
| Institution Number: | 004 |
| Bank Address: | 2 St. Clair Avenue East, Toronto ON, M4T 2V4 |
| Transit Number: | 19682 |
| Canadian Dollar Account Number: | 478864 |
| Swift Code: | TDOMCATTOR |

“Eligible Mortgage” means a Mortgage with respect to which the Eligibility Criteria (as set forth in the Credit Agreement) are satisfied as of the Purchase Date;

“Environmental Laws” means all Laws relating in any way to the environment, preservation or reclamation of natural resources, the generation, use, handling, collection, treatment, storage, transportation, recovery, recycling, release, threatened release or disposal of any Hazardous Material, or to health and safety matters;

“Event of Default” has the meaning given to such term in the Credit Agreement;

“Facility” has the meaning ascribed in the Credit Agreement;

“Final Collection Date” means the first Settlement Date following the later of (A) the date on which the Purchased Mortgages have been fully collected or liquidated and (B) the date on which the outstanding amount of the Facility has been reduced to zero, all accrued interest on the Facility

has been paid in full, and any other amounts payable by the Seller to the Purchaser or any other Indemnified Party has been paid;

“**Financing Statements**” means all financing statements, financing change statements, applications for registration, assignments and other documents, filings and registrations necessary or desirable under any applicable PPSA to fully perfect, preserve, maintain, render opposable against third persons and protect the interest of the Purchaser under this Agreement;

“**GAAP**” means generally accepted accounting principles in effect in Canada as of the date of determination thereof as recommended in the Handbook of the Chartered Professional Accountants of Canada;

“**Governmental Authority**” means any nation or government, any province, state or other political subdivision thereof, any central bank (or similar monetary or regulatory authority) thereof, any court or any body or entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

“**Hazardous Materials**” means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro organism, ray, odour, radiation, energy, vector, plasma, constituent or other material which (a) is or becomes listed, regulated or addressed under any Environmental Laws, or (b) is, or is deemed to be, alone or in any combination, hazardous, hazardous waste, toxic, a pollutant, a deleterious substance, a contaminant or a source of pollution or contamination under any Environmental Laws, including asbestos, cyanide, petroleum and polychlorinated biphenyls, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Laws;

“**Immaterial**” means, in respect of any event or occurrence, that such event or occurrence does not, and could not reasonably be expected to, have a Material Adverse Effect;

“**Indemnified Amounts**” has the meaning specified in Section 9.1;

“**Indemnified Parties**” has the meaning specified in Section 9.1;

“**Independent**” means when used with respect to any specified Person, any such Person who (a) is in fact independent of the Seller, the Purchaser or any Affiliate thereof, (b) does not have any direct financial interest in or any material indirect financial interest in any of the Seller, the Purchaser or any Affiliate thereof, and (c) is not connected with the Seller, the Purchaser or any Affiliate thereof as an officer, employee, promoter, underwriter, custodian, partner, director or Person performing similar functions; provided, however, that a Person will not fail to be Independent of the Seller, the Purchaser or any Affiliate thereof merely because such Person is the beneficial owner of 1% or less of any class of its issued securities;

“**Independent Appraiser**” means an Independent professional real estate appraiser who is a member in good standing of The Appraisal Institute of Canada, and who is, if the province in which the subject Related Property is located certifies or licenses appraisers, designated as a “**Certified Residential Appraiser**” (or equivalent thereof) by such province;

“Insolvency Law” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other like, equivalent or analogous legislation of any jurisdiction, domestic or foreign, including any applicable corporations legislation to the extent the relief sought under such corporations legislation relates to or involves the compromise, settlement, adjustment or arrangement of debt;

“Insolvency Proceeding” means, with respect to a Person, any of the following:

- (a) such Person shall generally not pay its debts as they become due or shall admit in writing its inability to pay its debts generally;
- (b) any proceeding contemplated by any application, petition, assignment, filing of notice or other means, whether voluntary or involuntary, under any Insolvency Law seeking any moratorium, reorganization, adjustment, composition, proposal, compromise, arrangement, administration or other like or similar relief in respect of any or all of the obligations of that Person, seeking the winding up, liquidation or dissolution of that Person or all or any part of its property, seeking any judgment or order declaring, finding or adjudging that Person insolvent or bankrupt, seeking the appointment (provisional, interim or permanent) of any trustee, receiver, manager, receiver and manager, custodian, liquidator, assignee sequestrator or similar official or resulting by operation of law, in the bankruptcy of that Person, and, if such proceeding has been instituted against such Person, either the proceeding has not been stayed or dismissed within 20 days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a trustee, receiver, manager, receiver and manager, custodian, liquidator, assignee sequestrator or similar official) are granted in whole or in part;
- (c) if a trustee, receiver, manager, receiver and manager, custodian, liquidator, assignee sequestrator or similar official is privately appointed in respect of such Person or any material part of its property or all or any substantial part of its property shall be seized or repossessed by any secured party, under any process of execution or otherwise by or on behalf of any creditor;
- (d) a general assignment for the benefit of creditors, or becoming insolvent, or failing to, or admitting in writing its inability to, pay its debts generally as they become due; or
- (e) taking any corporate or other action to authorize any of the foregoing actions;

“Insolvent” in relation to any Person means that (i) that Person is for any reason unable to meet its obligations as they generally become due, (ii) that Person has ceased paying its current obligations in the ordinary course of business as they generally become due (iii) that Person has become subject to an Insolvency Proceeding or (iv) the aggregate property of that Person is not, at a fair valuation, sufficient, or, if disposed of at a fairly conducted sale under legal process, would not be, sufficient to enable payment of all its obligations, due and accruing due;

“Lender” means Equitable Bank, its successors and assigns;

“**Lien**” means any mortgage, deed of trust, adverse claim, pledge, hypothec, assignment, deposit arrangement, lien, lease, charge, claim, security interest, right of detention or seizure, right of setoff or consolidation, deemed trust, right of distraint, easement, servitude or encumbrance, call or similar right, option to purchase, right of first refusal, conditional sale or other title retention agreement, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever having a similar economic effect as any of the foregoing (including an agreement to give any of the foregoing);

“**Liquidated Mortgage**” means any Purchased Mortgage enforced and liquidated by Servicer or agents or representatives thereof through the sale, foreclosure or other disposition of the Related Property, sale or other disposition of such Purchased Mortgage, through enforcement of a judgment or otherwise or through any combination of the foregoing;

“**Liquidation Proceeds**” means, with respect to any Liquidated Mortgage, the moneys collected in respect thereof from whatever source (including, without limitation, (a) proceeds of the sale or other disposition of such Liquidated Mortgage or the Related Property, (b) proceeds of the sale or other disposition of other collateral or property of the related Mortgagor and available to be applied to such Liquidated Mortgage, (c) any amount received in respect of such Liquidated Mortgage resulting from expropriation proceedings relating to the Related Property, and (d) payments made by any related Mortgagor pursuant to such Liquidated Mortgage), net of the sum of any amounts required by Applicable Law to be remitted to the Mortgagor or to a Governmental Authority, and net of reasonable expenses of Servicer relating to the liquidation of such Liquidated Mortgage to the extent contemplated in this Agreement.

“**Loan to Value Ratio**” means, with respect to a Mortgage, a fraction, expressed as a percentage, the numerator of which is the Outstanding Principal Balance of such Mortgage as at its date of origination, and the denominator of which is the lesser of (a) the value of the Related Property as disclosed in the then most recent ACI accredited appraisal of the Related Property and (b) the purchase price for such Related Property;

“**Material Adverse Change**” means any circumstance, occurrence, fact, condition (financial or otherwise), change (including a change in Applicable Law, event, development or effect (whether or not foreseeable or known as of the date hereof)) that, individually or in the aggregate, has, or could reasonably be expected to have, a Material Adverse Effect. The initial determination as to whether a Material Adverse Change has occurred shall be made by the Seller. Any subsequent determination by the Purchaser made in good faith and in a commercially reasonable manner that a Material Adverse Change has occurred shall override the Seller’s determination as of and from the date the Purchaser notifies the Seller of the Purchaser’s determination;

“**Material Adverse Effect**” means the occurrence of any event or existence of any condition which could reasonably be expected to materially and adversely affect (a) the business, operations, affairs, properties, prospects, revenues, assets, liabilities (including contingent liabilities), obligations (whether absolute, accrued, conditional or otherwise), capitalization, results of operations (financial or otherwise), cash flows or condition (financial or otherwise) of the Seller or Servicer, (b) the interest of the Purchaser in the Purchased Mortgages, (c) the collectability or marketability of the Purchased Mortgages, (d) the enforceability of the Purchased Mortgages, (e) the rights, remedies and benefits available to or conferred upon the Lender under any Credit

Document, (f) the validity, enforceability, perfection, priority or scope of any Lien granted to Lender over any of the Purchased Assets, or (g) the ability of the Seller or the Servicer to perform its obligations under this Agreement or the Related Documents to which they are a party;

“Mortgage” means, with respect to any Related Property, the mortgage, charge, debenture or hypothec that evidences or secures such Related Property and a reference to a Mortgage shall include all monies payable with respect to such Mortgage (whether pursuant to the Mortgage, the Related Security or otherwise) and all other rights and benefits of the mortgagee thereunder and under any and all documents, instruments, and agreements between the Mortgagor and the Seller or its predecessor in interest that amend, modify or supplement such Mortgage, including any direct debit agreement with the Mortgagor with respect to amounts owing under or in respect of such Mortgage;

“Mortgage Loan Files” means, with respect to any Mortgage, original or electronic copies of (a) the original fully executed copy of any document evidencing such Mortgage, (b) the duplicate registered form of mortgage, charge or hypothec evidencing and securing such Mortgage bearing a certificate of registration from the applicable land registry office, land titles office or similar place of public record in which the related mortgage, charge or hypothec is registered together with the promissory note, if any, evidencing such Mortgage fully executed by the related Mortgagor, (c) the registration number of each Mortgage and the legal description and, if available, property identification number of the Related Property, (d) fully executed copies of the other loan and/or security agreements, if any, securing such Mortgage, fully executed by the related Mortgagor, (e) fully executed copies of the leases of the Related Property, any related lease estoppels and any Assignment of Rents and Leases and copies of any operating statements and rent rolls with respect to the Related Property, (f) the original credit application fully executed by the related Mortgagor and all other credit information provided by the related Mortgagor in connection with such Mortgage, (g) the appraisal of the Related Property relied upon in connection with such Mortgage, (h) the title insurance policy obtained in connection with the initial advance of such Mortgage, together with any report on title and any survey and certificate of location provided or obtained in connection with such Mortgage, (i) the commitment to insure from the applicable title insurer, (j) all building condition assessments and environmental assessments of the Related Property delivered in connection with such Mortgage, (k) an insurance policy or certificate of insurance evidencing the Mortgagor’s insurance against fire and other standard risks showing the Custodian as first mortgagee and loss payee, as applicable, and containing a standard mortgage endorsement, and (l) any and all other documents (including all electronic documents) that the Seller, Servicer or Custodian shall keep on file relating to such Mortgage, the related Mortgagor or the Related Property;

“Mortgage Maturity Date” means, with respect to each Purchased Mortgage, the date stipulated by the Purchased Mortgage as the date on which the balance of all principal outstanding under the Purchased Mortgage is scheduled to be paid in full;

“Mortgage Repurchase Event” has the meaning specified in Section 5.2;

“Mortgagor” means, with respect to any Mortgage, the Person who owes or owed payment under such Mortgage and any other Person obligated to make payments pursuant to such Mortgage including any co-borrower or co-mortgagor or guarantor;

“**Notice of Sale**” has the meaning specified in Section 6.1(2);

“**Outstanding Principal Balance**”, in respect of a Mortgage at any time, means the amount of the principal payment obligation represented thereby that is outstanding and owing to the mortgagee thereof;

“**Permitted Liens**” means (a) the interests of the Purchaser as transferee of the Purchased Mortgages under this Agreement, (b) the interests of Custodian as title nominee and bare trustee of the Purchaser of the Purchased Mortgages, (c) the Liens granted under the Credit Agreement and under the other Credit Documents in favour of the Lender and (d) involuntary Liens imposed by law securing obligations that are (i) not overdue and (ii) being contested in good faith and by appropriate proceedings diligently conducted, provided that adequate reserves are set aside on its books;

“**Permitted Program Amount**” means \$25,000,000 or, subject to approval by the Lender, such other amount as may be agreed to by the Seller and the Purchaser;

“**Person**” means an individual, partnership, corporation, trust, joint venture, unincorporated association, government (or any agency or political subdivision thereof) or other entity;

“**Personal Information**” has the meaning specified in Section 9.1(j);

“**Pool Balance**” means, at any time, the aggregate Outstanding Principal Balance of all Purchased Mortgages at such time;

“**PPSA**” means the *Personal Property Security Act* (Ontario);

“**Prepayment Charges**” means all fees, penalties, indemnifications and bonuses that may be charged by the Seller to a Mortgagor under a Purchased Mortgage in the event such Mortgagor prepays all or any portion of the principal amount of such Purchased Mortgage;

“**Purchase**” means each purchase of Mortgages made pursuant to Section 2.2;

“**Purchase Date**” means, for each Purchase, the date specified therefor in the Purchase Notice relating to such Purchase;

“**Purchase Notice**” means a notice substantially in the form of Schedule A delivered by the Seller to the Purchaser in accordance with Section 2.1;

“**Purchase Price**” means, with respect to the Purchased Mortgages that are the subject of any Purchase, the amount set out as the Purchase Price on the applicable Purchase Notice equal to the Outstanding Principal Balance of such Purchased Mortgages as of the Cut-Off Date, and is inclusive of all sales, use, value added and other Taxes, if any, exigible with respect to the Purchase of the Purchased Mortgages;

“**Purchase Termination Date**” means the date that an Event of Default occurs;

“**Purchased Assets**” means collectively, all Purchased Mortgages, the Related Security and Collections with respect thereto, and all proceeds of, from or with respect to all of the foregoing;

“**Purchased Mortgage**” means, at any time, any Mortgage purchased by the Purchaser from the Seller pursuant to Section 2.2 (but excluding any Purchased Mortgage which has been repurchased by the Seller pursuant to Sections **Error! Reference source not found.** or 6.1) together with (i) all obligations of the Mortgagors thereunder, and (ii) all Collections thereunder from and including the applicable Cut-Off Date;

“**Purchaser Custodial Agreement**” means the custodial agreement dated as of [**August 31, 2018**] between the Custodian and the Purchaser, as the same may be amended, supplemented or otherwise modified from time to time;

“**Records**” means all contracts, books, records and other documents and information (including computer programmes, tapes, diskettes, data processing software and related property and rights) maintained by or on behalf of the Seller evidencing or otherwise relating to the Purchased Mortgages, or relating to the related Mortgagors, the Related Security, Collections or the Collection Account, including, without limitation, the Mortgage Loan File with respect to such Mortgage, and all such records, information and material maintained or required to be maintained by the Servicer in respect thereof;

“**Related Document**” means each Purchase Notice and all other assignments, agreements or other instruments related to or delivered pursuant to this Agreement;

“**Related Property**” means, with respect to each Purchased Mortgage, the real or immovable property mortgaged, charged or hypothecated pursuant to such Mortgage, including all fixtures attached thereto;

“**Related Security**” means, with respect to any Purchased Mortgage:

- (a) all right, title and interest in the related Mortgage Loan Files including the mortgage, charge or hypothec and any security interest granted by the related Mortgagors in the Related Property as security for or pursuant to such Purchased Mortgage;
- (b) any related Assignment of Rents and Leases;
- (c) all other security interests (including hypothecs) or liens and property subject thereto from time to time purporting to secure payment of such Purchased Mortgage, together with all PPSA financing statements or other filings relating thereto;
- (d) all guarantees, indemnities, insurance and other agreements (including the mortgage, charge or hypothec) or arrangements of whatever character from time to time supporting or securing payment of such Purchased Mortgage or otherwise relating to such Purchased Mortgage, including any related mortgage insurance policy, any related title insurance policy and any related fire and/or all perils insurance policy in respect of the Related Property;

- (e) all agreements, acknowledgements, instruments and other documents relating to such Purchased Mortgage;
- (f) all Records relating to such Purchased Mortgage or to any of the foregoing; and
- (g) all proceeds of or relating to the foregoing, including to such Purchased Mortgage;

“**Reporting Period**” means, with respect to each Purchase, a calendar month;

“**Repurchase Price**” has the meaning specified in Section 5.2;

“**Retained Interest Amount**” has the meaning set forth in Section 2.1;

“**Settlement Date**” has the meaning ascribed in the Credit Agreement;

“**Taxes**” means any Canadian, foreign, federal, provincial, state, municipal, local or other taxes, surtaxes, duties, levies, imports, rates, fees, assessments, withholdings, dues and other charges of any kind or nature whatsoever imposed by any Governmental Authority (together with penalties, fines and interest thereon), other than (i) taxes on the income or capital of the Purchaser, (ii) taxes with respect to any period ending on or prior to the initial Purchase Date, excluding taxes relating to the purchase of the Purchased Mortgages, and (iii) any other additional taxes that result solely by virtue of the ownership of the Purchased Mortgages by the Purchaser or the assignment by the Purchaser or an assignee thereof to a non-resident of Canada; and

“**Underwriting Policy**” means, as of any particular date, the customary policies and procedures of the Seller in effect on that date relating to the granting of credit, a current copy of which was delivered to the Purchaser.

1.2 Entire Agreement

This Agreement sets forth the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, of the parties hereto pertaining to the subject matter hereof, and there are no warranties, representations or other agreements between the parties hereto pertaining to the subject matter hereof, except as specifically set forth herein.

1.3 References to Statutes

Unless otherwise specified in this Agreement, all references herein to any statute or any provision thereof will mean such statute or provision as the same may be amended, reenacted or replaced from time to time and will include all regulations made thereunder or in connection therewith.

1.4 Extended Meanings

In this Agreement, words importing the singular number include the plural and vice versa and words importing gender include all genders and words importing natural persons include all Persons. A reference to any agreement, instrument or declaration means such agreement, instrument or declaration as the same may be amended, supplemented, modified, restated or

replaced from time to time. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion of this Agreement and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement. Any defined term used in the singular preceded by “any” or “each” will be taken to indicate any number of the members of the relevant class. Unless otherwise specified, any reference in this Agreement to any Person, will include their successors and permitted assigns. Any reference in this Agreement to “include”, “includes” or “including” means “include, without limitation”, “includes, without limitation” or “including, without limitation”, as applicable.

1.5 Headings

The table of contents does not form part of this Agreement. Article and Section headings are not to be considered part of this Agreement, are included solely for convenience of reference and do not define, limit or enlarge the construction or interpretation hereof.

1.6 Invalidity of Provisions

Save and except for any provision or covenant contained herein which is fundamental to the subject matter of this Agreement (including without limitation those that relate to the payment of moneys), the invalidity or unenforceability of any provision or covenant hereof or herein contained will not affect the validity or enforceability of any other provision or covenant hereof or herein contained and any such invalid or unenforceable provision or covenant will be deemed to be severable.

1.7 Currency

Unless stated otherwise, all amounts herein are stated in Canadian dollars.

1.8 Non-Business Days

Unless provided to the contrary herein, if any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other actions shall be taken, as the case may be, on or as of the next succeeding Business Day.

1.9 Months and Reporting Periods

When reference is made herein to a month, unless otherwise stated it shall be construed to mean a calendar month. When reference is made herein to a Reporting Period next preceding a date or time, it shall be construed to mean the Reporting Period ending immediately prior to the commencement of the Reporting Period during which such date or time occurs.

1.10 Limited Recourse Obligations and No Petition

(1) The Seller’s recourse against the Purchaser for any obligations or liabilities of the Purchaser owed to the Seller shall be limited to the Purchaser’s right, title and interest in and to

the Purchased Assets and all proceeds of or relating to the foregoing, including the proceeds of proceeds. No recourse shall be had by the Seller to any other assets of the Purchaser in respect of such liabilities and obligations.

(2) Notwithstanding any other provision hereof or of any other related document, the Seller will not, at any time prior to that date which is one year and one day following payment in full of all of the obligations of the Purchaser under the Credit Agreement (or, if longer, one day after the expiry of any applicable preference period in respect thereof): (i) seek or institute against, or join any Person in seeking or instituting against, the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation or other similar proceeding under any applicable law, (ii) seek or institute, or join with any Person in seeking or instituting, an order for the winding-up, dissolution or liquidation of the affairs of the Purchaser, (iii) otherwise take any action to appoint a receiver of the Purchaser or of all or any part of the property of the Purchaser, or (iv) cooperate with or encourage any other Person to seek or institute any of the foregoing proceedings or actions against the Purchaser during the same period.

ARTICLE 2 PURCHASE OF MORTGAGES

2.1 Purchase Notices and Information Respecting Mortgages

The Seller may, from time to time prior to the Purchase Termination Date and at least four Business Days prior to each Purchase Date (or, in each case, such shorter period as may be agreed to between the Seller and the Purchaser, such agreement to be conclusively evidenced by execution of the applicable Purchase Notice by each of them), deliver to the Purchaser an executed Purchase Notice requesting the Purchaser to purchase all of the Seller's right, title and interest in, to and under the Eligible Mortgages specified in Schedule A to the Purchase Notice, together with the Related Security and Collections related thereto and all proceeds of the foregoing, effective as of the relevant Cut-Off Date, excluding, for greater certainty, the right to interest accrued but not paid under each such Eligible Mortgage in respect of the period prior to the applicable Purchase Date (the "**Retained Interest Amount**"). The Purchase Notice or documents provided with the Purchase Notice shall set out all information prescribed therein, including a list of Eligible Mortgages and individual mortgage data specified in Exhibit A to Schedule A.

2.2 Acceptance of Mortgages

Subject to Section 2.5 and subject to satisfaction of the conditions precedent set out in Section 3.1 and provided that no Event of Default has occurred and is continuing, upon receipt of a Purchase Notice in accordance with Section 2.1 the Purchaser may, in its sole discretion, agree to purchase the Eligible Mortgages by executing and returning such Purchase Notice to the Seller at least one Business Day before the proposed Purchase Date referred to in the Purchase Notice (or such lesser period as is agreed to by the Purchaser and the Seller). Upon its execution and return of such Purchase Notice, there shall exist a binding agreement between the Purchaser and the Seller for the purchase of the Eligible Mortgages set out therein, together with all Related Security and all Collections in respect thereof from and including the applicable Cut-Off Date, excluding, for greater certainty, the Retained Interest Amount, at the Purchase Price subject to compliance by the Seller with the applicable conditions precedent set out in Section 3.1. The Purchaser shall pay to

the Seller the Retained Interest Amount for each such Purchased Mortgage from and to the extent of any cash payments received by the Purchaser pursuant to Section 2.5(2)(h) of the Credit Agreement.

2.3 Payment of Purchase Price

(1) The Purchase Price for the Purchased Mortgages being purchased by the Purchaser on any Purchase Date pursuant to Section 2.2 will be equal to the aggregate Outstanding Principal Balances (as determined on the related Cut-Off Date) of all Eligible Mortgages listed in the related Purchase Notice.

(2) The Purchase Price will be payable by the Purchaser to the Seller by wire transfer to the Seller in immediately available funds on the applicable Purchase Date. The Purchase Price will be funded to the extent of funds available under the Credit Agreement with the balance funded by limited partner capital contributions made to the Purchaser.

2.4 Adjustment to Portfolio

If, at any time after any Purchase Date, the Purchaser or the Seller determines that the Outstanding Principal Balance of the Purchased Mortgages as of the Cut-Off Date was less than or greater than the estimated Outstanding Principal Balance on the applicable Purchase Notice relating to such Purchase, the Seller or the Purchaser, as applicable, shall pay to the other on the next following Settlement Date an adjustment to the Purchase Price (conclusively determined by the Purchaser) to reflect such deficiency or excess, as the case may be; provided that the Purchaser shall not be required to make any payment unless and until it can be made using available cash distributed to the Purchaser in accordance with the priority of payments in the Credit Agreement.

2.5 Purchase Limit, Minimum Purchase Price and Minimum Yield

(1) No Purchase may be made hereunder if, after giving effect thereto, the Pool Balance of all Purchased Mortgages would exceed the Permitted Program Amount.

(2) The Purchaser shall not accept any Purchase Notice unless either (i) the Purchase Date occurs on a Settlement Date, or (ii) the Purchase Price thereunder is at least \$500,000, unless otherwise agreed by the Seller and the Purchaser with the consent of the Lender.

(3) No Purchase may be made hereunder if on the Purchase Date, having regard to such Purchase, the average yield of all Purchased Mortgages would be less than the interest rate applicable to the Facility on such date plus 1.0% per annum.

(4) No Purchase may be made hereunder following the Purchase Termination Date.

2.6 Intention of the Parties

It is the intention of the Seller and the Purchaser that the Purchases under this Agreement be true sales of the Purchased Assets by the Seller to the Purchaser for all purposes, providing the Purchaser with full risks and benefits of ownership of the Purchased Assets (such that the Purchased Assets would not be property of the Seller in the event of the Seller's insolvency). Each

of the parties hereby agree and confirm that their respective requirements in entering into the transactions contemplated by this Agreement will only be satisfied if the Purchases are true sales and contributions, as applicable, and would not be satisfied if the transactions were characterized as loans, partnerships, joint ventures or other arrangements.

ARTICLE 3 CONDITIONS TO PURCHASE

3.1 Conditions Precedent

(1) Prior to the initial Purchase, the Company shall deliver to the Purchaser, unless waived by the Purchaser in writing, or, as applicable, the Purchaser shall have entered into, the following documents, in form and substance satisfactory to the Purchaser:

- (a) executed copies of this Agreement, the Purchaser Custodial Agreement and the Custodian Tri-partite Agreement;
- (b) a certificate of the Company (A) attaching true copies of (1) the articles and by-laws of the Company, and (2) all necessary corporate action taken by the Company to authorize the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated thereby, (B) as to incumbency and true signatures of each of the officers and employees authorized to sign this Agreement and the other documents and certificates contemplated hereby on behalf of the Company, including in its capacity as the Seller or the Servicer, on which certificate the Purchaser shall be entitled to conclusively rely until such time as it receives from the Company a replacement certificate meeting the requirements of this Section 3.1(1)(b), (C) as to such other matters as the Purchaser may reasonably require;
- (c) a certificate of status, of good standing or of compliance, as appropriate, with respect to the Company, issued by its jurisdiction of incorporation and by each jurisdiction where registrations have been, or are to be, effected in respect of the Purchaser's ownership interest in the Purchased Mortgages if registration in such jurisdiction is required as a condition precedent to the effectiveness or enforceability of such interest;
- (d) executed copies of all discharges, releases or subordinations, if any, necessary to discharge, release or subordinate in favour of the Purchaser all Liens of any Person in the Purchased Mortgages and Related Security related thereto that were previously granted by the Company, together with copies of the relevant financing change statements or other discharge statements with the registration particulars stamped thereon;
- (e) a copy of the current Underwriting Policy with respect to Mortgages;
- (f) satisfaction of each of the conditions precedent to the initial Advance under the Facility under the Credit Agreement (unless waived by the Lender); and

- (g) such other approvals, opinions or documents as the Purchaser may reasonably request.
- (2) Prior to all Purchases hereunder, including the initial Purchase, the Seller shall deliver to the Purchaser, unless waived by the Purchaser in writing, the following documents, in form and substance satisfactory to the Purchaser:
 - (a) a properly completed Purchase Notice required by Section 2.1;
 - (b) written confirmation that there has been no change to the most recent versions of the documents delivered pursuant to Sections 3.1(1)(b)(A) and (B) or this Section 3.1(2)(d) or, in the event that there has been a change, a certified copy of the changed version of such documents;
 - (c) satisfaction of each of the conditions precedent to the related Advance under the Facility under the Credit Agreement (unless waived by the Lender); and
 - (d) such other approvals, opinions or documents as the Purchaser may reasonably request.

ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS

4.1 Representations and Warranties of the Company

- (1) The Company, including in its capacity as the Seller and the Servicer, represents and warrants to the Purchaser, and acknowledges that the Purchaser has in reliance thereon entered into this Agreement and will accept from time to time Purchase Notices, that as of the date hereof and at each Purchase Date:
 - (a) the information with respect to the Purchased Mortgages set out in each Purchase Notice (including Exhibit A attached hereto) is true, accurate and complete, each of the Purchased Mortgages complies with the Mortgage Specifications, and no Mortgagor under any of the Purchased Mortgages or any other Person obligated to make payments under Related Security has any defence, counterclaim or right of set-off against the Seller which may have the effect of reducing the amount that the Purchaser would otherwise be entitled to receive in respect of the Purchased Mortgage or Related Security;
 - (b) the Company is a corporation duly and validly incorporated, organized and existing under the laws of its jurisdiction of incorporation and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its material assets are located or it carries on material business;
 - (c) the Company has the legal capacity and right to enter into this Agreement and each Related Document to which it is a party and do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms and conditions hereof and thereof;

- (d) the Company has taken all necessary action to authorize the execution and delivery of this Agreement and each Related Document to which it is a party, the creation and performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby does not require any approval of shareholders which has not been given prior to the date hereof or approval or consent of any Person under any contract to which the Company is a party, except for those which have already been obtained, including any consents that may be required for the disclosure of personal information (within the meaning of applicable Canadian privacy legislation) of any individual to the Purchaser and the Lender, or the collection or use of such Personal Information by the Purchaser or the Lender;
- (e) the Company has duly executed and delivered this Agreement and each Related Document to which it is a party;
- (f) this Agreement and each Related Document to which the Company is a party constitutes a valid and legally binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, winding-up, dissolution, administration reorganization, arrangement or other statutes or judicial decisions affecting the enforcement of creditors' rights in general and to general principles of equity under which specific performance and injunctive relief may be refused by a court in its discretion;
- (g) there are no unanimous shareholder agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the shares in the capital of the Company, other than those which have been provided to Purchaser and Lender;
- (h) the Company has the requisite corporate power and corporate capacity and all governmental licenses, authorizations, consents and approvals necessary to own, pledge, mortgage, and operate its properties and conduct the business in which it is engaged, including the making, purchasing, acquiring, holding and selling of the Purchased Assets, except where failure to be so qualified would not reasonably be expected to materially and adversely affect the value or collectability of the Purchased Assets or its ability to perform its obligations hereunder or under the other Related Documents to which it is a party. No consent, license, approval or authorization of, or registration with, any Governmental Authority is required to be obtained in connection with its execution, delivery or performance of each of this Agreement or any other Related Documents that has not been duly obtained or made and which is not and will not be in full force and effect on the date hereof, except those which the failure to obtain or make individually or in the aggregate, would not reasonably be expected to have a Material Adverse Effect and no authorization, approval or other action by, and no notice to or filing with, any Governmental Authority is required for the due execution, delivery and performance by it of this Agreement and the related Purchase Notice, except for such notices or filings that are required to perfect the Purchases constituted by Section 2.2;

- (i) the Seller is the beneficial owner of the Eligible Mortgages to be sold to the Purchaser on the Purchase Date, free and clear of any Lien other than Liens in favour of the Purchaser; upon the Purchase, the Purchaser shall acquire a valid and enforceable first priority perfected ownership interest in the applicable Purchased Mortgages, Related Security and Collections and proceeds with respect to the foregoing, free and clear of any Lien other than Permitted Liens;
- (j) other than the provision to Mortgagors under the related Purchased Mortgages or the obligors under the Related Security of actual notice of the sale, transfer and assignment thereof to the Purchaser in accordance with applicable laws, all filings, recordings, notifications, registrations or other actions under all Applicable Laws have been made or taken, and all approvals obtained, in each jurisdiction where necessary or appropriate (and where permitted by Applicable Law) to preserve, perfect and protect and render opposable the interests of the Purchaser in the Purchased Assets and the interests of the Purchaser in and the rights of the Purchaser to collect any and all of such Purchased Assets, including the right to enforce such Purchased Mortgages and the Related Security, and give legal effect to the transactions contemplated hereby;
- (k) none of the authorization, execution, delivery or performance of this Agreement or any Related Document to which the Company is a party, nor the consummation of any of the transactions contemplated hereby or thereby:
 - (i) requires any authorization to be obtained or registration to be made (except such as have already been obtained or made and are now in full force and effect and there is no judgment, order or award outstanding or proceeding existing, pending or, to its knowledge, threatened which could reasonably be expected to result in the revocation, cancellation, suspension or any adverse modification of any of such authorizations and registrations, except for any such authorization or registration the absence of which is Immaterial);
 - (ii) conflicts with, contravenes or gives rise to any default under (i) any of the articles, by-laws or resolutions of the Company, (ii) the provisions of any indenture, instrument, agreement or undertaking to which the Company is a party or by which the Company or any of its assets is or may become bound or (iii) any Applicable Law; or
 - (iii) has resulted or will result in the creation or imposition of any Lien (other than the Lien in favour of the Purchaser) upon any of the Purchased Assets;
- (l) there is no existing, pending or, to its knowledge, threatened proceeding against the Company which, if adversely determined to the Company and the likelihood of such determination is not remote, could reasonably be expected to result in a Material Adverse Effect or, except for any proceeding notified to the Purchaser pursuant to Section 4.2(p)(i), could reasonably be expected to result in any one or more judgments, orders or awards ordering the Company to pay more than

\$250,000.00 in the aggregate. No event has occurred, and no state or condition exists, which could reasonably be expected to give rise to any such proceeding, except for the subject matter of any proceeding notified to the Purchaser pursuant to Section 4.2(p)(i), and there is no judgment, order or award outstanding against the Company which could reasonably be expected to have a Material Adverse Effect;

- (m) each financial report and financial statement of the Company delivered to the Purchaser pursuant to or in connection with this Agreement has been prepared in accordance with GAAP, does not contain any qualification and fairly and accurately presents the financial information and the financial condition and results of operations of the Company contained therein as at their respective preparation dates;
- (n) no information, exhibit, document, book, record or report (other than the Mortgage Files) and, to the knowledge of Seller, Mortgage File furnished to the Purchaser by or on behalf of the Company in connection with the transactions contemplated by this Agreement and Related Documents contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading;
- (o) since the date of the most recent year-end financial statements of the Company furnished to the Purchaser, there has been no Material Adverse Change;
- (p) the Company is in compliance with all Applicable Laws, save for non-compliance which is Immaterial;
- (q) the Company is not Insolvent;
- (r) the Company has complied with all of the terms, covenants and agreements contained in this Agreement and the other Related Documents and applicable to it;
- (s) the Company's complete name is set forth in the preamble to this Agreement, and the Company does not use and has not used any other name, including a French form of its name;
- (t) the chief executive office, principal place of business and location (as defined in the PPSA (Ontario)) of the Company and the office where the Company keeps its records concerning the Purchased Assets are located at the Company's address set forth in Schedule B and the registered office of the Company is in the Province of Ontario;
- (u) each Mortgage Loan File, together with any related Records, is true and complete in all material respects, is current to its relevant date and reflects all material transactions between the Seller and the Mortgagors under the related Purchased Mortgages and any other Person in respect thereof and all such Mortgage Loan

Files have been delivered to the Purchaser on behalf of the Purchaser and are in the possession of the Company;

- (v) the Company is not a non-resident of Canada within the meaning of the Income Tax Act (Canada);
- (w) the Company has and will maintain sufficient resources, including without limitation, staff and administrative systems and support to fulfil its obligations under this Agreement; and
- (x) the sale of Purchased Mortgages by the Seller to the Purchaser is being made in the ordinary and usual course of the Seller carrying on its day to day business.

(2) The representations and warranties made in Section 4.1(1) shall be deemed to be repeated by the Company on each Purchase Date by reference to the facts and circumstances then existing, it being understood that to the extent such representations and warranties relate solely to a specifically identified earlier date they need only be true and correct as of such earlier date.

(3) The representations and warranties made in Section 4.1(1) or deemed repeated in Section 4.1(2) shall survive the execution and delivery of this Agreement and each Purchase notwithstanding any investigations or examinations which may be made by or on behalf of the Purchaser, and the Purchaser shall be deemed to have relied on such representations and warranties in the making of each Purchase.

4.2 Covenants of the Company

From the date hereof until the Final Collection Date, the Company, including in its capacity as the Seller and the Servicer, covenants and agrees that it will, unless the Purchaser shall otherwise consent in writing:

- (a) maintain in good standing and full force and effect its legal existence in its present jurisdiction of incorporation and the authorizations, registrations, legal capacity, rights and qualifications necessary to carry on the Company's business that it carries on and own its assets in each jurisdiction in which it carries on business or its assets are located, save for jurisdictions in which such business is Immaterial and such assets are, or such failure to maintain is, Immaterial;
- (b) comply in all respects with all Applicable Laws including, without limitation, maintaining all required mortgage broker registrations and providing the applicable cost of borrowing disclosure to all mortgagors and guarantors, save for non-compliance that is Immaterial;
- (c) maintain complete records and books of account in accordance with GAAP;
- (d) not take any action which may cause the validity or effectiveness of the Purchased Mortgages or the Related Security, or the transfer and assignment of the Purchased Mortgages or the Related Security, to be impaired or take any action or omit to take any steps which may cause a Lien to extend to or otherwise arise upon or burden

the Purchased Assets and the related rights assigned thereunder or any part thereof or any interest therein or the proceeds thereof;

- (e) promptly furnish to the Purchaser (i) such documents, records, information or reports with respect to the Purchased Mortgages or its conditions or operations, financial or otherwise, and (ii) such pool data regarding the Purchased Mortgages, as the Purchaser may from time to time reasonably request;
- (f) promptly notify the Purchaser of any material breach by the Company of a representation or warranty it made hereunder or a material failure by the Company to perform its covenants and obligations hereunder or if it determines that any Purchased Mortgage was not an Eligible Mortgage on the applicable Purchase Date or ceases being an Eligible Mortgage thereafter;
- (g) keep its chief executive office, principal place of business, and the office where it keeps its records concerning the Purchased Assets at the address of the Company set forth in Schedule B and keep its registered office and location (as defined in the PPSA (Ontario)) in the Province of Ontario or, upon at least 30 days' prior written notice of a proposed change to the Purchaser, at any other locations in jurisdictions where all actions reasonably requested by the Purchaser to protect and perfect the interest of the Purchaser in the Purchased Mortgages and related items have been taken and completed;
- (h) provide the Purchaser with at least 30 days' written notice prior to making any change in the Company's name or making any other change in the Company's identity or corporate structure (including an amalgamation or merger) which could render any Financing Statement filed in connection with this Agreement ineffective to perfect, preserve or protect the interests of the Purchaser under this Agreement or which would result in a Material Adverse Effect;
- (i) maintain and implement administrative and operating procedures (including, without limitation, an ability to recreate the Mortgage Loan File and the related Records evidencing Purchased Mortgages in the event of the destruction of the originals thereof), and keep and maintain all documents, books, records, computer tapes and disks and other information reasonably necessary or advisable for the administration and collection of all Purchased Mortgages (including the ability to trace each payment for each Purchased Mortgage);
- (j) timely and fully perform and comply with all provisions, covenants and other promises required to be observed by it under the Purchased Mortgages;
- (k) at its own expense, take all action necessary or desirable, or that the Purchaser (acting reasonably) may request, to establish and maintain a valid and enforceable first priority perfected ownership interest in the Purchased Mortgages, free and clear of any Lien, other than Permitted Liens, including, without limitation, executing, delivering and registering all Financing Statements and taking such other action in each jurisdiction where necessary or appropriate (and where

permitted by Applicable Law) to perfect, protect or more fully evidence the Purchaser's ownership interest in the Purchased Mortgages, or to enable the Purchaser to exercise or enforce any of its rights hereunder;

- (l) promptly notify the Purchaser in writing of any amendment, limitation or restriction of any license issued to the Company by a regulatory authority relating to the carrying on by the Seller of the business currently carried on by it if such amendment, limitation or restriction would materially adversely affect any of the Purchased Mortgages or the collectability of amounts due thereunder or the Company's ability to perform its obligations hereunder;
- (m) indicate in the Records and any other applicable records of the Seller that the Purchased Mortgages and the Related Security have been sold to the Purchaser in accordance with the terms of this Agreement;
- (n) not make any material change to its Underwriting Policy which could adversely affect the Purchased Mortgages or which could adversely affect the underwriting of Mortgages which may become Purchased Mortgages, without prior consent of the Purchaser, which consent may not be unreasonably withheld or delayed;
- (o) ensure that each Mortgage offered by the Seller for sale to the Purchaser under a Purchase Notice is an Eligible Mortgage at the time of the sale thereof to the Purchaser;
- (p) deliver or cause to be delivered to the Purchaser (either in paper or electronic (pdf) form as the Purchaser may request):
 - (i) as soon as it obtains knowledge of any judgment, order or award or the commencement of any proceeding or dispute affecting the Company or any of its respective assets which, either alone or when aggregated with all other such proceedings, has resulted in, or, if adversely determined to the Company and the likelihood of such determination is not remote, could reasonably be expected to result in, (A) a Material Adverse Effect, or (B) any single or multiple judgments, orders or awards ordering the Company to pay more than \$250,000.00 in the aggregate, notice of such judgments, orders or awards or proceedings; in each case, if requested by the Purchaser, together with an outline in reasonable detail of the particulars thereof, copies of all pleadings, the Company's counsel's assessment of the merits thereof and the action the Company is taking in respect thereof; and
 - (ii) promptly, and in any event within 10 days, after the Company fails to make a required instalment or other payment in accordance with a schedule of contributions according to the terms of any pension plan or as otherwise required by a Governmental Authority, a notification of such failure;
- (q) not prepare any financial statements that account for the transactions contemplated hereby in a manner that is inconsistent with the sale to the Purchaser of the Purchased Mortgages, except to the extent required by GAAP;

- (r) except as otherwise provided herein, not purport to sell, transfer or assign (by operation of law or otherwise) or otherwise dispose of, or create or suffer to exist any Lien upon or with respect to, any Purchased Mortgage, Related Security or Collections or any account to which any Collections are sent, or assign any right to receive income in respect of any thereof other than Permitted Liens; and
- (s) pay all taxes and instalments thereof on any Related Property promptly out of and to the extent of the funds accruing in the form of prepaid taxes where such taxes have been collected pursuant to the terms of the Purchased Mortgage.

4.3 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Seller on each Purchase Date that:

- (a) the Purchaser is a limited partnership formed and existing under the laws of the Province of Ontario and has the legal capacity and right to own its assets and to carry on its business in each jurisdiction in which its material assets are located or it carries on material business;
- (b) the Purchaser has obtained all necessary licenses and approvals in each jurisdiction in which failure to so qualify or to obtain such licenses and approvals could reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Agreement;
- (c) the Purchaser has the legal capacity and right to enter into this Agreement and each Related Document to which it is a party and do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed or performed by it in accordance with the terms and conditions hereof and thereof;
- (d) the Purchaser has taken all necessary action to authorize the execution and delivery of this Agreement and each Related Document to which it is a party, the creation and performance of its obligations hereunder and thereunder and the consummation of the transactions contemplated hereby does not require any approval of shareholders or directors which has not been given prior to the date hereof or approval or consent of any Person under any contract to which the Purchaser is a party;
- (e) the Purchaser has duly executed and delivered this Agreement and each Related Document to which it is a party;
- (f) this Agreement and each Related Document to which the Purchaser is a party constitutes a valid and legally binding obligation enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency, winding-up, dissolution, administration reorganization, arrangement or other statutes or judicial decisions affecting the enforcement of creditors' rights in general and to general principles of equity under which specific performance and injunctive relief may be refused by a court in its discretion; and

- (g) the Purchaser is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada).

ARTICLE 5 DISPOSITIONS OF PURCHASED MORTGAGES

5.1 Right to Sell Purchased Mortgages

Until the occurrence of an Event of Default, the Purchaser may only sell, assign or otherwise dispose of any Purchased Mortgage pursuant to the provisions of this Article 5 or Article 6 or pursuant to the provisions of the Credit Agreement; however nothing in this Article 5 shall preclude the Purchaser from pledging or otherwise granting security over the Purchased Mortgages in connection with the Credit Agreement.

5.2 Mortgage Repurchase Events

If (i) the Seller or the Purchaser becomes aware that any representation or warranty set out in Section 4.1(1)(a) or 4.1(1)(i) was not materially correct with respect to any Purchased Mortgage, or (ii) if any Purchased Mortgage was not an Eligible Mortgage on the related Purchase Date (each of the foregoing, a “**Mortgage Repurchase Event**”), the Seller shall purchase all right, title and interest of the Purchaser in, to and under the affected Mortgage and Related Security, for the amount specified in the next sentence. The Seller shall deposit into the Distribution Account on or before the tenth Business Day of being notified of or otherwise becoming aware of the occurrence of an event described in (i) or (ii) above, an amount equal to the sum of (A) the then current Outstanding Principal Balance of the affected Mortgage, plus (B) the amount of all accrued and unpaid interest on such affected Mortgage to such date (such sum hereinafter referred to as the “**Repurchase Price**”), plus (C) a reasonable estimate of the costs of the Purchaser hereafter referred to in this Section 5.2, as notified to the Seller by the Purchaser. Upon receipt by the Purchaser of payment in full in accordance with the foregoing provisions of this Section 5.2, any incorrectness in the applicable representation and warranty shall be deemed to have been rectified and the Purchaser shall (A) transfer or cause to be transferred to the Seller, at the cost and expense of the Seller, without warranty or recourse other than that the Purchaser and the Company have not done anything to encumber the same, its interests in such affected Mortgage and Related Security, and (B) do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered, all deeds, documents, assignments, transfers, conveyances, financing change statements and other writings as may be reasonably necessary or desirable to effect the transfer to the Seller of its interest in such affected Mortgage and Related Security. All reasonable costs incurred by the Purchaser in preparing, executing and delivering such assignments, releases and discharges and other writing will be paid by the Seller.

ARTICLE 6 RIGHT OF FIRST REFUSAL

6.1 Sale of Mortgages

(1) If an Event of Default has occurred, the Purchaser may, subject to Section 6.1(2) sell, assign and transfer or otherwise dispose of any Purchased Mortgage to any Person in any manner permitted by law (whether by public or private sale or by auction, tender or negotiated

transaction) and without the consent of the Seller. Upon any such sale, assignment, transfer or disposition, the purchaser of such Purchased Mortgages shall be (i) fully subrogated to all rights, benefits and privileges of the Purchaser hereunder with respect to such Purchased Mortgages and (ii) notwithstanding Section 10.5(1), entitled to enforce all representations, warranties and covenants of the Seller made or contained herein with respect to such Purchased Mortgages either directly or through the Purchaser on behalf of such purchaser.

(2) If the Purchaser determines to sell, assign or transfer any Purchased Mortgage following an Event of Default as provided in Section 6.1(1) the Purchaser shall give written notice of such determination (each, a “**Notice of Sale**”) to the Seller and the Servicer. The Seller will have the right of first refusal, exercisable by notice in writing given by the Seller to the Purchaser within 10 Business Days of the Seller’s receipt of the Purchaser’s Notice of Sale, to repurchase all, but not less than all, of the Purchased Mortgages which are the subject matter of such Notice of Sale on or before the 20th Business Day following the date upon which the Seller receives such Notice of Sale at a purchase price equal to the Repurchase Price of such Purchased Mortgages as of the close of business on the last day of the Reporting Period immediately preceding such repurchase date, plus an amount equal to the costs incurred by the Purchaser in connection with a corresponding prepayment of the Purchaser’s obligations under the Credit Agreement. If the Seller exercises its right of first refusal to repurchase any Purchased Mortgages pursuant to this Section 6.1(2), it shall deposit the Repurchase Price of such Purchased Mortgages, plus the amount of costs referred to in the preceding sentence, to the Distribution Account on such repurchase date, and, upon such deposit, all of the Purchaser’s rights, title and interest in and to such Purchased Mortgages, and all Collections thereon and proceeds thereof, shall be sold, assigned and transferred to the Seller effective as of the last day of the Reporting Period immediately preceding the date of such deposit, without recourse, representation or warranty (whether express, implied, statutory or otherwise) to, against, by or on behalf of the Purchaser save and except that (x) such Purchased Mortgages and the proceeds thereof are free and clear of any Lien created by the Purchaser and (y) the Purchaser has the power and authority to sell, transfer and assign such Purchased Mortgages and the proceeds thereof to the Seller as herein provided. The Purchaser will, at the expense of the Seller, execute and deliver such assignments or other instruments of conveyance with respect to any Purchased Mortgage repurchased by the Seller pursuant to this Section 6.1(2).

(3) Provided that the Purchaser has complied with Section 6.1(2) and the Seller did not exercise its right of first refusal under such section, the Purchaser shall be free to sell all or any of the Purchased Mortgages and Related Security to any Person at any price.

ARTICLE 7 SERVICING

7.1 Appointment of Servicer

(1) Purchaser appoints and designates the Servicer for the purposes of administering, servicing and collecting the Mortgages in accordance with the terms of this Agreement and the Servicer accepts such appointment and agrees to hold all Collections received hereunder or under or in respect of the Mortgages and all Related Security in trust for the Purchaser.

(2) The Servicer shall, in administering each Mortgage and the Related Security on behalf of the Purchaser, perform its duties hereunder using that degree of skill, attention, care and diligence that would be applied by a reasonably prudent Canadian mortgage administrator administering a pool of multi-family residential and commercial mortgages or that the Servicer exercises in managing, servicing, administering, collecting on and performing similar functions relating to comparable mortgages that it services for itself and other persons, whichever is more rigorous.

7.2 Servicer Covenants in respect of Mortgages

(1) Without limiting the generality of the foregoing, the Servicer will, in respect of each Mortgage:

- (a) make commercially reasonable efforts to collect all payments due under the Mortgage, including, without limitation, any prepayment penalties, charges or bonus interest, and to require the mortgagors to perform their other obligations thereunder and shall not waive any amounts owing under a Mortgage, including prepayment penalties, without the express consent of the Purchaser;
- (b) hold all Collections in trust and deposit same into the Collections Account pending remittance to or at the direction of the Purchaser and remit all Collections in respect of realty taxes to the applicable taxing authority;
- (c) give such notice to the mortgagor and others in respect of amounts due or overdue on the Mortgage and in respect of other security documents as the Servicer considers necessary;
- (d) grant releases or partial releases of each Mortgage in accordance with the terms thereof and, with or without consideration, make any arrangement, consent to an agreement or amend the provisions of any Mortgage in the name of the Custodian without the consent of the Purchaser provided that any such release, agreement, arrangement or amendment does not materially alter the terms of the Mortgage (the Servicer hereby acknowledges that, without limiting the foregoing, any amendment to the principal amount, interest rate, term or prepayment provisions of a Mortgage is material for purposes of this Agreement), provided same is in accordance with the Servicer's usual mortgage practice and is in no way prejudicial to the interests of the Purchaser;
- (e) manage collections, power of sale, foreclosure and other legal proceedings in a timely fashion under Applicable Laws and contracts and in conformity with all Applicable Laws, procedures and regulations, it being acknowledged and agreed by the Purchaser that if any such proceedings are to be initiated in respect of a Mortgage, title to such Mortgage shall be transferred from the Custodian to the Purchaser, the Purchaser shall bear and pay all costs associated with such proceedings, and the Purchaser shall bear all risk of such proceedings not resulting in full recovery of all amounts owed under any Mortgage;

- (f) deposit directly into the Collections Account when received all Collections received from the mortgagor(s) or the guarantor(s) in respect of the Mortgage, including current principal and interest payments, past due principal and interest payments, prepayment penalties, all proceeds of any realization or enforcement, liquidation proceeds, and insurance proceeds pursuant to the Mortgage;
- (g) remit or cause to be remitted all Collections, other than any amounts collected from the Mortgagors in respect of realty taxes on the mortgaged properties that are payable to the applicable taxing authority, to the Distribution Account prior to 12:00pm on the second Business Day following receipt of such Collections;
- (h) perform all services in connection with the settlement of loss under insurance policies in the event of damage to or destruction of any mortgaged property secured by the Mortgage;
- (i) settle with the mortgagor and the expropriating authority the amount and disposition of any compensation payable upon expropriation of any part of or interest in any property related to a Mortgage;
- (j) upon request, from time to time, provide to the Purchaser or the Custodian all Records (which may be satisfied by providing electronic access), and copies of any additional security related to the Mortgage, including assignments of rents and/or leases and deliver such Records to such person as the Purchaser may from time to time direct;
- (k) report on any known changes to the fire and extended coverage insurance that is in place at the time of transfer of such Mortgage and upon receipt of actual notice of cancellation of any such insurance take such steps as may be necessary to ensure such insurance is replaced;
- (l) maintain proper records and accounts showing all receipts, payments and disbursements in respect of the Mortgage and, at the request of the Purchaser, make available (or cause to be made available) and give unfettered access to any books, records or accounts that relate to the Mortgages to the Purchaser and such other persons as the Purchaser may from time to time designate for inspection, copying or obtaining;
- (m) maintain in good standing all blanket mortgage impairment policies of insurance with a nationally recognized insurer in respect of third party liability, fire and all perils, property and extended coverage claims, in each case, applicable to or relating to the Mortgages and the related mortgaged properties;
- (n) provide to all mortgagors and guarantors in respect of Mortgages renewed by or on behalf of the Purchaser the applicable cost of borrowing disclosure in the prescribed manner and at the prescribed time or times;
- (o) maintain complete and accurate Records, including all applicable escrow accounts, with respect to each Mortgage and the Related Security, in a manner (i) necessary

to account for all receipts, payments and disbursements in respect of the Mortgages, the Related Security and the related mortgaged property distinct from the remainder of the mortgage portfolio administered by the Servicer, showing all receipts, payments and disbursements under or in respect of the Mortgages, the Related Security and the mortgaged property, including all applicable escrow accounts; and (ii) which posts collections in respect of the Mortgages to individual Mortgages;

- (p) at the request of the Purchaser, make or cause to be made such notations on the Records or any part thereof as may be requested by the Purchaser to evidence the interests of the Purchaser and store or cause to be stored the same according to mortgage numbers (which will be provided to the Purchaser on request) and otherwise in such manner as to render them readily retrievable;
- (q) maintain and implement reasonable and prudent administrative and operating procedures (including, without limitation, storing and maintaining electronic Records (including the ability to recreate such Records)) to keep and maintain or cause to be kept and maintained all Records and other information reasonably necessary or advisable for the enforcement of the Mortgages and Related Security (including, without limitation, Records adequate to permit the daily identification of all Collections under and adjustments to each Mortgage);
- (r) at any time and from time to time during regular business hours, (i) assemble or cause to be assembled such of the Records as may be requested by the Purchaser and make the same available to the Purchaser at the principal place of business of the Servicer and permit the Purchaser, its agents or representatives and any governmental authority having jurisdiction over the Purchaser to examine, audit and make copies of any such Records in non-electronic form and to examine, audit and make copies and abstracts from any electronic copies of such Records; and (ii) permit the Purchaser or its agents or agents of any governmental authority having jurisdiction over the Purchaser or cause the Purchaser or such agents to be permitted to visit the offices and properties of the Servicer for the purpose of discussing matters relating to the Mortgages and the Servicer's performance hereunder with any of the Servicer's officers or employees having knowledge of such matters;
- (s) permit the Purchaser or agents of any governmental authority having jurisdiction over the Purchaser at any reasonable time and from time to time to inspect the data processing systems used by the Servicer or its agents to service, administer and collect the related Mortgages;
- (t) make or cause to be made all filings, recordings, registrations and take all other actions in each jurisdiction necessary or appropriate to validate, preserve, perfect, protect and maintain the interests of the Purchaser in the mortgaged properties (and the priority thereof) and the rights of the Purchaser to collect amounts owing under any and all of the Mortgages, including, without limitation, the right to enforce the Related Security; and

- (u) perform its duties as Servicer in such a way as to ensure that the Purchaser is able to comply with its covenants under the Credit Agreement that depend upon the servicing of the Purchased Mortgages within the time periods stipulated in the Credit Agreement.

7.3 Failure to remit Collections.

If the Servicer fails to remit Collections on any day or days when due, the Servicer shall pay to the Purchaser daily interest on the amounts owing to the Purchaser at the Canada Overnight Financing Rate. Such interest shall accrue until such amounts are remitted by the Servicer. For the avoidance of doubt, the obligation of the Servicer to pay interest on Collections not remitted when due shall in no way limit or delay the obligation of the Servicer to remit such Collections when due.

7.4 Servicer Covenants

(1) The Servicer will provide to the Purchaser a standard set of reports in respect of the Mortgages in accordance with Schedule D.

(2) The Servicer will not assign, pledge, charge or create a security interest in any Mortgage or the proceeds thereof.

(3) The Servicer will not make any material change to the policies or procedures of the Servicer relating to the servicing of mortgages without giving at least ten Business Days' prior written notice to the Purchaser.

(4) The Servicer will not, without the prior written consent of the Purchaser: (i) waive any late payment charge or any other fees or penalties that may be collected in the ordinary course of servicing a Mortgage (including prepayment penalties); (ii) decrease the interest rate of any Mortgage; or (iii) increase the number or reduce the amount of the scheduled payments due on any Mortgage. The Servicer will not, without the prior written consent of the Purchaser, grant any other extensions, amendments, modifications or adjustments of or on a Mortgage, except, in each case, in accordance with the standard collection policies and procedures of the Servicer.

7.5 Purchaser Covenant

The Purchaser will provide or will cause the Custodian to provide all assistance as the Servicer from time to time reasonably requires to perform its duties under this Agreement, including providing to the Servicer copies of any documents relating to the Mortgages which are in the Purchaser's possession or control and which the Servicer requires in connection with the servicing or enforcing of Mortgages.

7.6 Servicer Fees

(1) All administrative fees ("**Administrative Charges**") charged to borrowers in respect of the Mortgages, including without limitation, fees for discharges, assumptions, transfers, payment frequency changes, inspection, tax and insurance administration charges, NSF cheques, mortgage statements are for the account of the Servicer.

(2) The Servicer will not be required to advance funds for any purpose in connection with the Mortgages, and without limiting the generality of the foregoing, shall not be required to pay premiums of insurance, taxes, third party realty tax verification fees, credit bureau fees, charges for public utility services in arrears, fees payable to any Land Registry Office, or costs of repairs or maintenance of the mortgaged property or costs of enforcement of any Mortgage; however, the Servicer may do so at its option in the event that funds are required in connection with the administration of, or the protection of, any mortgaged property or the enforcement of any Mortgage. Funds so advanced by the Servicer shall bear interest at the interest rate of the applicable Mortgage and may be recovered out of the Purchaser's funds held in trust by the Servicer to the extent that such funds are available. Upon receipt of notice from the Servicer, the Purchaser shall forthwith reimburse the Servicer for any deficiency. Notwithstanding the foregoing, the Purchaser shall not be required to reimburse the Servicer for any such amounts advanced in respect of a single Mortgage in excess of \$5,000 unless the prior written consent of the Purchaser was obtained.

(3) The Servicer will be paid, monthly by deduction from the amounts collected, a fee as the monthly equal to one twelfth of 1% of the principal amount of the Mortgages being serviced by the Servicer for the Purchaser.

7.7 Appointment of Servicer as Attorney

The Purchaser hereby appoints, and agrees to cause the Custodian to appoint, the Servicer as its attorney, and agrees to execute, and to cause the Custodian to execute, all such further powers of attorney or confirmations thereof as the Servicer may from time to time reasonably request in order to more effectively carry out the services referred to in Section 7.2.

7.8 Engagement of Legal Counsel and Collection Agents

In connection with the collection of amounts due and owing under the Mortgages, the Servicer may without the consent of the Purchaser engage the services of legal counsel and licensed collection agents as agent for and on behalf of the Purchaser provided the legal counsel and collection agents have been previously approved by the Purchaser. Under the Mortgage documentation, the mortgagor under each Mortgage will have the obligation to pay the fees and expenses of such third parties, but, to the extent not paid by the mortgagor, such fees and expenses will be the responsibility of the Purchaser.

7.9 Subcontracting

Without limiting Section 7.8, the Servicer shall not be entitled to subcontract any of its duties or obligations hereunder without the prior written consent of the Purchaser, which may not be unreasonably withheld. Notwithstanding the approval of any subcontracting arrangement that may be given by the Purchaser, the Servicer shall remain responsible and liable for the performance of all of its duties and obligations hereunder.

ARTICLE 8 SERVICER TERMINATION

8.1 Servicer Termination

(1) The Purchaser may terminate the Company as the Servicer upon the happening of any one or more of the following events:

- (a) any failure by the Servicer to make any payment, remittance, transfer or deposit required to be made by it hereunder within one Business Day after the date on which Servicer receives notice of such failure from the Purchaser or the Servicer becomes aware thereof;
- (b) any failure by the Servicer to observe or perform any other covenants or agreements of the Servicer contained in this Agreement (other than as specified in clause (a) above), and, if capable of being remedied, any such failure remains unremedied for 10 days after notice to the Servicer of such failure, requiring the same to be remedied;
- (c) any representation or warranty made by the Servicer in this Agreement or in any certificate delivered pursuant hereto or thereto shall prove to have been incorrect when made or delivered, and, if capable of being remedied, any such failure remains unremedied for 10 days after notice to the Servicer of such failure, requiring the same to be remedied;
- (d) this Agreement shall have ceased to be a legally binding obligation of the Servicer enforceable against it in accordance with its terms subject to applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally and to equitable principles of general application (regardless of whether enforcement is sought in a proceeding at law or in equity);
- (e) any failure of the Servicer to obtain all authorizations, consents, orders or approvals of or registrations or declarations with any Governmental Authority required to be obtained, effected or given by the Servicer in connection with the performance of the transactions contemplated by this Agreement; or any default occurring under any loan agreement, indenture, trust deed or any other agreement or instrument to which the Servicer is party or by which it is bound; or
- (f) any breach or default by the Servicer under any indenture, mortgage, note, credit agreement or other document or instrument in respect of any indebtedness of the Servicer in excess of \$1,500,000.00 beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that indebtedness (or a trustee or agent on behalf of such holder or holders) to cause, that indebtedness to become or be declared due and payable (or subject to a compulsory repurchase or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be;

- (g) any one or more final judgments, involving the payment of money in excess of \$1,000,000.00, has been rendered against the Servicer; or
- (h) the Servicer has become subject to an Insolvency Proceeding.

(2) If the administration of the Mortgages by the Company as the Servicer is terminated in accordance with this Article 8, the Company will, within 1 Business Day of such termination, deliver to the Back-Up Servicer all information specified in Schedule D hereto in respect of each Mortgage in the form of Schedule D hereto.

(3) If the administration of the Mortgages by the Servicer is terminated, the Servicer will within 60 days of such termination (a) deliver to the Purchaser (or to such other person as the Purchaser may direct) all Records (including all records in paper, electronic or other form necessary for the Purchaser to assume in an orderly manner the administration and servicing of the Mortgage), (b) immediately notify all or any mortgagors of the Purchaser's interest in any or all Mortgages and direct such mortgagors to remit all payments due under the Mortgage to the Purchaser or as the Purchaser may direct and (c) provide such assistance as the Purchaser may reasonably require in order to ensure an orderly transition of the servicing and administration of the Mortgage, in each case at the sole cost and expense of the Servicer. The parties acknowledge that the Servicer's obligations and rights in respect of the Mortgages shall continue until all of the Mortgages are either repaid in full and discharged or purchased in accordance with the provisions of this Agreement or this Agreement is terminated pursuant to Section 10.8.

(4) If the administration of Mortgages by the Servicer is terminated in accordance with this Article 8, the Servicer will deliver a final status report to the Purchaser in a form to be agreed upon by the parties (the "**Status Report**"), which report will include remittance reports, arrears, maturities, fees related to the Mortgages and the Servicer's account, contingent liabilities and outstanding issues that would affect the administration of a Mortgage and reconciled within thirty days after termination of this Agreement. The Purchaser shall advise the Servicer in writing within thirty days of receipt of this final Status Report if the Purchaser takes issue with any of the matters set out therein. The Purchaser hereby acknowledges that it shall be estopped from disputing any information set out in the Status Report if it does not deliver the written notice of its disagreement pursuant to this section and this acknowledgement will survive the partial or entire termination of this Agreement.

ARTICLE 9 INDEMNIFICATION

9.1 Indemnities by the Company

Without prejudice to any other rights of the Purchaser under this Agreement or under any Applicable Law, the Company hereby agrees to indemnify the Purchaser and each of its officers, employees, agents, trustees and permitted assigns (collectively, the "**Indemnified Parties**") and to save them harmless from and against any and all damages, losses, claims, liabilities, costs and expenses (including reasonable legal fees and disbursements) (all of the foregoing being collectively referred to as "**Indemnified Amounts**") awarded against or incurred by any of them arising out of or as a result of:

- (a) the sale, transfer and assignment by the Seller to the Purchaser of a Purchased Mortgage which at the time of such transfer was not an Eligible Mortgage, if the Seller fails to reimburse the Purchaser in accordance with Section 5.2;
- (b) reliance on any representation or warranty made or deemed to be made by the Company (or any of its officers) in or in connection with this Agreement any information or report delivered by the Company which was incorrect in any material respect when made or deemed made or delivered;
- (c) the failure by the Company to observe or perform any of its duties or obligations in accordance with the provisions of this Agreement or any Related Document;
- (d) the failure by the Company to comply with any Applicable Law with respect to any Purchased Mortgage or Related Security or its servicing of any Purchased Mortgage or Related Security or to perform its obligations under any Purchased Mortgage or Related Security or the non-conformity of any Purchased Mortgage or Related Security with any Applicable Law;
- (e) the failure of the Seller to sell, assign, transfer and convey absolutely to the Purchaser the beneficial ownership in, and to vest in and maintain vested in the Purchaser such ownership interest in Mortgages as are, or are intended to be, Purchased Mortgages and all Collections and Related Security related thereto, or the failure to transfer such Collections received by the Seller to the Servicer for the benefit of the Purchaser all free and clear of any Lien (whether existing at the time of the purchase under this Agreement or intended purchase thereof or arising at any time thereafter);
- (f) if requested by the Purchaser, the failure to file in a timely fashion Financing Statements or other similar instruments or documents, or instruments of assignment, under any Applicable Law with respect to this Agreement and the transfer of the Purchased Mortgages under this Agreement;
- (g) any successfully asserted dispute, claim, set-off or defence of a Mortgagor (other than as a result of the Mortgagor's discharge in bankruptcy or a statutory limitation on the rights of secured parties to exercise their remedies) to the payment of any Purchased Mortgage, including, without limitation, a defence based on the Purchased Mortgage not being a legal, valid and binding obligation of the Mortgagor, enforceable against the Mortgagor in accordance with its terms;
- (h) any reduction in the amount ultimately remitted to the Purchaser under this Agreement due to any waiver by the Company of any amounts payable under a Mortgage or the Related Security other than as permitted by the Purchaser;
- (i) any Canadian, foreign, federal, provincial, state, municipal, local or other Tax of any kind or nature whatsoever that may be imposed on the Purchaser on account of any payment made under this Article 9, other than Taxes which are imposed on or measured by the overall net income or capital of the Purchaser; provided that, in respect of any such Taxes for which the Purchaser may be liable, the Company shall

indemnify and hold harmless the Purchaser only in respect of any such Taxes imposed after the date of this Agreement;

- (j) the collection, use or disclosure by the Company or its agents of personal information (within the meaning of applicable Canadian privacy legislation) of any individual mortgagor obtained by or on behalf of the Servicer that is not in compliance with applicable Canadian privacy legislation;
- (k) any injury or property damage suit or other similar or related claim or action of whatsoever sort arising out of or in connection with possession by the Company of a property pursuant to a Purchased Mortgage; or
- (l) any fraud, negligence or wilful misconduct by the Seller or a related Mortgagor in respect of the underwriting, servicing, origination or acquisition of a Purchased Mortgage or Related Security,

excluding, however, in each case, Indemnified Amounts to the extent resulting from (i) the failure of any Mortgagor to pay an amount owing under a Purchased Mortgage or any Related Security or (ii) the gross negligence or wilful misconduct on the part of any Indemnified Party. The Company shall, at its own expense, assist and co-operate with the Purchaser in any action, suit or proceeding brought by or against, or any investigation involving, the Purchaser relating to any of the transactions contemplated by this Agreement or to any of the Purchased Mortgages (other than an action, suit or proceeding by the Company against the Purchaser). In addition, the Company agrees to notify the Purchaser, at the Company's expense, promptly upon learning of any pending or threatened action, suit, proceeding or investigation if any damages, losses, claims, liabilities, costs or expenses in connection with any such action, suit, proceeding or investigation or the defence thereof could be Indemnified Amounts. If indemnification is to be sought hereunder then the Indemnified Party shall promptly notify the Company of the commencement of any lawsuit, investigation, claim or dispute (collectively, a "**Lawsuit**"); provided, however, that the failure to notify the Company shall not relieve the Company from any liability or obligation that it may have hereunder, except to the extent the Company is actually prejudiced thereby. Following such notification, the Company may elect in writing to assume the defence of such Lawsuit (and the costs related thereto) and the Indemnified Party and the Company shall reasonably co-operate in connection therewith and, upon such election, the Company shall not be liable for any legal costs subsequently incurred by such Indemnified Party (other than costs of investigation or the production of documents or witnesses) unless (i) the Company has failed to provide legal counsel reasonably satisfactory to such Indemnified Party in a timely manner or (ii) such Indemnified Party shall have been advised by legal counsel that (A) the representation of such Indemnified Party by legal counsel selected by the Company would be inappropriate due to actual or potential conflicts of interest or (B) there may be significant legal defences available to such Indemnified Party that are different from or additional to those available to the Company or any other Indemnified Party represented by such legal counsel. In no event, however, shall the Seller, in connection with any one action or proceeding or separate but substantially similar or related actions or proceedings in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one law firm (together with any appropriate local counsel) at any time acting for all Indemnified Parties hereunder. If (i) the Company shall have acknowledged in writing that any such damages, losses, claims, liabilities, costs or expenses would be Indemnified

Amounts, and (ii) in the sole determination of the Purchaser, the Company has the financial ability to satisfy such damages, losses, claims, liabilities, costs or expenses, then the Company shall have the right, on the Indemnified Parties' behalf but at the Company's expense, to defend such action, suit, proceeding or investigation with counsel selected by the Seller and shall have sole discretion as to whether to litigate, appeal or enter into an exclusively monetary settlement. Notwithstanding anything to the contrary contained herein, the Company shall not have any obligation to hold harmless or indemnify any Indemnified Party hereunder or pay any legal costs for any Indemnified Party if such Indemnified Party enters into any settlement of a Lawsuit without the prior written consent of the Company, which consent shall not be unreasonably withheld.

9.2 Survival

It is expressly acknowledged and agreed by the parties to this Agreement that the obligations of the Company under this Article 9 shall survive the purchase and sale of the Purchased Mortgages and shall continue in full force and effect for a period of two years following the Final Collection Date (or until statute barred in the case of Taxes), notwithstanding the termination of this Agreement.

ARTICLE 10 MISCELLANEOUS

10.1 Notices

Any notice, consent, request, agreement, approval, waiver or other communication required or permitted to be given or delivered hereunder will be in writing and will be given by delivery to the relevant address indicated below, or by email to such address, and such notice will, if given on a day other than a Business Day or after the normal business hours of the recipient on a Business Day, be deemed to have been given on the next Business Day:

To the Purchaser:

Equityline SPV Limited Partnership/Equityline SPV GP Inc.
550 Highway 7 Avenue East, Suite
Suite 338
Richmond Hill, Ontario L4B 3Z4

Attention: Sergiy Shchavyelyev
E-mail: sergiy@equitylinemic.com

To the Company:

Equityline Financial Corp.
550 Highway 7 Avenue East, Suite
Suite 338
Richmond Hill, Ontario L4B 3Z4

Attention: Sergiy Shchavyelyev
E-mail: sergiy@equitylinemic.com

Any party may from time to time notify the other party, in accordance with the provisions hereof, of any change of address which thereafter, until changed by like notice, will be the address of such party for all purposes of this Agreement.

10.2 No Partnership

The Purchaser and the Company are not partners or joint venturers with each other and shall not be deemed to be partners or joint ventures with each other and nothing herein shall be construed so as to make them partners or joint venturers or impose any liability as such on either of them.

10.3 Time of Essence

Time will be of the essence of this Agreement.

10.4 Amendments

This Agreement may be amended, supplemented, modified, restated or replaced only by written instrument signed by the Purchaser and the Company; provided that the consent thereto of the Lender, if necessary, shall have been obtained.

10.5 Assignability

(1) This Agreement will be binding upon and enure to the benefit of the Company and the Purchaser and their respective successors and permitted assigns. Neither party hereto may assign its rights or duties hereunder without the prior written consent of the Lender.

(2) Without limiting any other rights that may be available under Applicable Law, the rights of the Purchaser may be enforced through it or by its agents. Each of the parties hereto shall be entitled to rely, and shall be fully protected in relying, upon any writing, resolution, notice, consent, certificate, affidavit, letter, facsimile, statement or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by, for or on behalf of any other party hereto or by any other proper Person or Persons, and upon advice and statements of legal counsel, independent accountants and other experts selected by any party hereto.

10.6 Further Assurances

Each of the parties hereto upon the request of another party, whether before or after the closing of any transaction contemplated hereby, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the objects of and the transactions contemplated by this Agreement.

10.7 Confidentiality

Each of the Purchaser and the Company will make all reasonable efforts to hold this Agreement and the Related Documents, and all non-public information identified as such by the provider

thereof obtained pursuant to this Agreement, and the transaction contemplated hereby or thereby or effected in connection herewith or therewith (including all Personal Information) in confidence in accordance with its customary procedures for handling confidential information of this nature; provided that, notwithstanding the foregoing, the parties may make disclosure of such non-public information (i) as requested or required by any Governmental Authority or representative thereof or pursuant to legal process or when required under Applicable Law, (ii) to the Lender, (iii) to implement the terms of this Agreement or to enforce any rights which the parties, as the case may be, may have to collect any Purchased Mortgage or to enforce their respective rights with respect to any Related Security, or (iv) to the Back-Up Servicer (as defined in the Credit Agreement); provided, however, that the Purchaser will use all reasonable efforts to ensure that such Back-Up Servicer will agree to be bound by the provisions of this Section 10.7 to the same extent as the Purchaser. Unless specifically prohibited by Applicable Law or the request of an applicable Governmental Authority, each party hereto will notify the other parties hereto of any request by any Governmental Authority or representative thereof or other Person for disclosure of any such non-public information prior to disclosure of such information to permit the party affected to contest such disclosure, if possible. In no event will the Purchaser be obligated or required to return any materials furnished by the Company. Notwithstanding the foregoing, the general terms of the transactions contemplated by this Agreement may be disclosed to any existing lender to or potential investor in the Company or its Affiliates.

10.8 Termination

This Agreement will remain in full force and effect until the Final Collection Date; provided, however, that the Purchaser's rights and remedies with respect to any incorrect representation or warranty made or deemed to be made by the Company herein and the indemnification and payment provisions of Article 9 hereof and the rights of the parties pursuant to Section 10.7 hereof will be continuing and will survive any termination hereof.

10.9 Arbitration

Any dispute or difference between the parties hereto which cannot be resolved or settled by the parties shall be settled and determined by arbitration, under the Arbitration Act (Ontario). The parties hereto and all persons claiming through or under them hereby attorn to the jurisdiction of the arbitrator and to the jurisdiction of any court in which the judgement may be entered. Arbitration may not be waived except upon delivery by both parties of a written notice to that effect. The parties will bear their own fees associated with any arbitration.

10.10 Waiver

The failure of any party at any time to require performance by the other party of any provision hereof shall in no way affect its right thereafter to enforce such provision. Nor shall the waiver by any party of any breach of covenant, condition or proviso hereof be taken or held to be a waiver of any further breach of the same covenant, conditions or proviso.

10.11 Paramountcy

If there is any inconsistency between the terms of any Credit Document (including this Agreement) and the Credit Agreement, the terms of the Credit Agreement will prevail. If there is any

inconsistency between the terms of this Agreement and any Related Document which is not resolved by the preceding sentence, the terms of this Agreement will prevail.

10.12 Governing Law

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


10.13 Counterparts

This Agreement may be executed in counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument. For all purposes of this Agreement and all other documents and agreements contemplated hereby, the signature of any party thereto, evidenced by a telecopy showing such signature or other electronically transmitted version of such signature, will constitute conclusive proof for all purposes of the signature of such person to such documents and agreements, to the same extent in all respects as a copy of such documents and agreements showing the original signature of such party.


[Remainder of page left intentionally blank]

IN WITNESS WHEREOF the parties have duly executed this Agreement.


**EQUITYLINE SPV LIMITED
PARTNERSHIP, as Borrower
By: EQUITYLINE SPV GP INC., its general
partner**

By: 
Name: Segiy Shchavyelyev
Title: President

EQUITYLINE SERVICES CORP.

By: 
Name: Segiy Shchavyelyev
Title: President

EQUITYLINE FINANCIAL CORP.

By: 
Name: Segiy Shchavyelyev
Title: President

**SCHEDULE A
FORM OF PURCHASE NOTICE**

TO: EQUITYLINE SPV LIMITED PARTNERSHIP

This Purchase Notice is delivered to you pursuant to Section 2.1 of a mortgage sale and servicing agreement made as of August 5, 2021 (the “**Mortgage Sale Agreement**”) between EquityLine Services Corp., as Servicer, EquityLine Financial Corp., as Seller and Equityline SPV Limited Partnership, as Purchaser. All capitalized terms used herein have the same meanings as used in the Mortgage Sale Agreement.

The Seller hereby gives notice to the Purchaser that it offers for sale on the Purchase Date set out below on a fully serviced basis, the mortgages, the particulars of which are described in Exhibit A hereto, all in accordance with the terms of the Mortgage Sale Agreement.

Purchase Date:

Cut-Off Date:

Mortgages: Exhibit A Attached

Outstanding Principal Balance of \$

Mortgages as of the Cut-Off Date:

Purchase Price: \$

The Seller hereby confirms that:

- (a) each representation and warranty made by the Seller pursuant to Section 4.1 of the Mortgage Sale Agreement is true, accurate and complete (i) in all material respects if such representation and warranty is not subject to a materiality qualification or measurement and (ii) in all respects if such representation and warranty is subject to a materiality qualification or measurement; and
- (b) the Seller is not in breach of any of its covenants in the Mortgage Sale Agreement.

The closing shall take place at 10:00 a.m. on the Purchase Date referred to above at the offices of the Purchaser first noted above.

DATED the <*> day of <*>.

EQUITYLINE FINANCIAL CORP.

By: _____
Name:
Title:

The undersigned hereby accepts the foregoing offer.

DATED the <*> day of <*>.

**EQUITYLINE SPV LIMITED
PARTNERSHIP, as Borrower
By: EQUITYLINE SPV GP INC., its general
partner**

By: _____
Name:
Title:

EXHIBIT A
MASTER FILE TAPE

SCHEDULE B
LOCATION OF RECORDS

550 Highway 7 Avenue East, Suite
Suite 338
Richmond Hill, Ontario L4B 3Z4

SCHEDULE C
ADMINISTRATIVE CHARGES

1. Administrative Charges to Borrowers.

The Servicer will be entitled to charge borrowers under the Mortgages, and to retain for its own account, the standard reasonable fees that the Servicer charges its own multi-family residential and commercial borrowers in the Canadian market, provided such fees are permitted to be so charged under the terms of the particular Mortgage and at law. The Servicer is responsible for the remittance of any taxes (e.g. GST and HST) applicable to any fees charged. The Purchaser is not responsible for any collection or payment of fees or any taxes thereon.

SCHEDULE D REPORTING REQUIREMENTS

Standard Reporting Package

- Mortgage Information Schedule
- Mortgage Loan Files
- Borrowing Base Certificate (as defined in the Credit Agreement)
- Reporting template, containing the following:
 - o Monthly Settlement Report Summary Page;
 - o Mortgage Loan Summary;
 - o Non-Performing Loans Summary;
 - o Payout Summary; and
 - o Collections Summary

Periodic Reporting

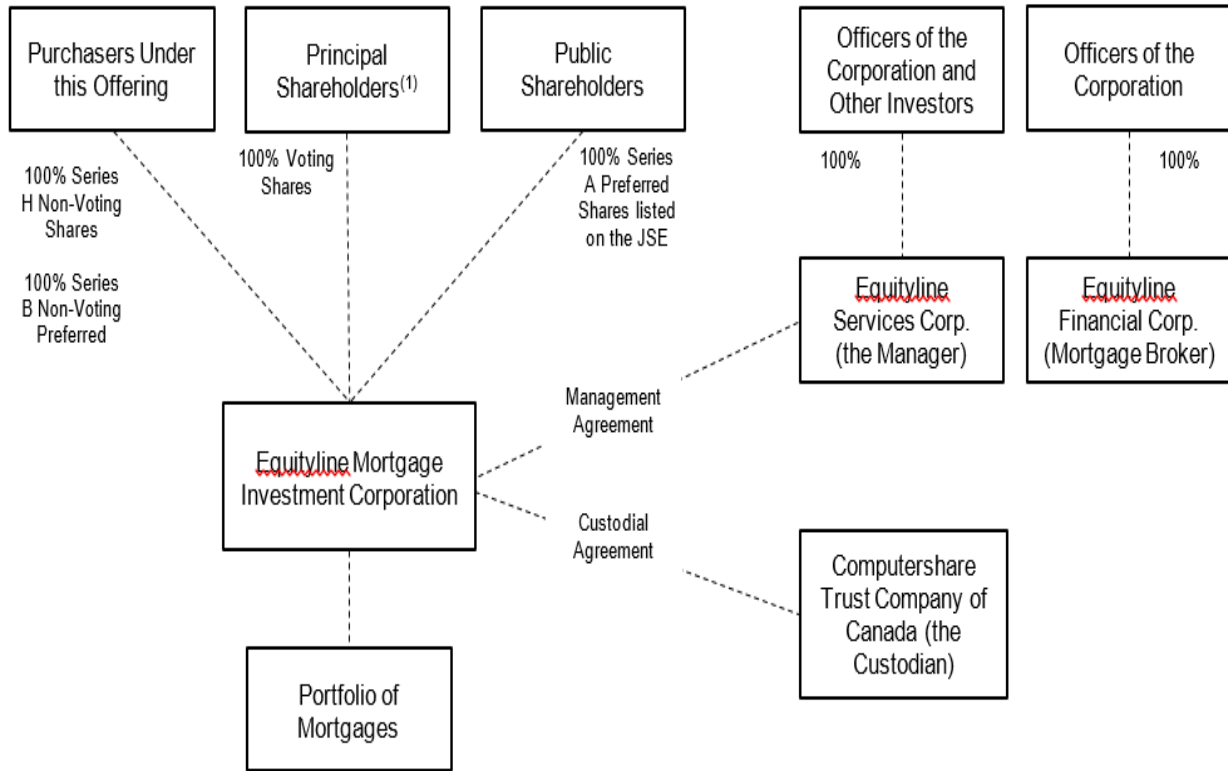
- Annual Audited Financial Statements, to be delivered in accordance with the Credit Agreement
- Unaudited Quarterly Financial Statements, to be delivered in accordance with the Credit Agreement

This is Exhibit "E" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.



(1) See Item 3.1 "Interests of Directors, Management, Promoters and Principal Holders – Compensation and Securities Held" for the principal holders and their ownership percentage.

This is Exhibit "F" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**

CREDIT AGREEMENT

dated as of August 5, 2021

among

EQUITYLINE SPV LIMITED PARTNERSHIP,

as Borrower

EQUITYLINE SPV GP INC.,

as General Partner

and

EQUITABLE BANK,

as Lender

C\$25,000,000 Senior Secured Revolving Credit Facility

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CREDIT AGREEMENT

THIS AGREEMENT made as of August 5, 2021

B E T W E N:

EQUITYLINE SPV LIMITED PARTNERSHIP, an Ontario limited partnership

(herein called the “**Borrower**”)

- and -

EQUITYLINE SPV GP INC., a corporation incorporated under the laws of the Province of Ontario

(herein called the “**General Partner**”)

- and -

EQUITABLE BANK, a Canadian chartered bank

(herein called the “**Lender**”)

WHEREAS, the Lender has agreed to extend an uncommitted senior secured revolving credit facility (the “**Facility**”) to the Borrower, consisting of Advances up to an aggregate principal amount of C\$25,000,000, the proceeds of which will be used by the Borrower to acquire Eligible Mortgages from the Originator and to pay fees and expenses related to the foregoing;

AND WHEREAS, the Borrower has agreed to secure all of its Obligations by granting to the Lender, a first priority Lien on all of its assets;

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

“**Advance**” has the meaning given to it in Section 2.2.

“**Advance Date**” means the date of an Advance.

“**Advance Rate**” means, with respect to First Lien Eligible Mortgages, 80.00%, and with respect to Second Lien Eligible Mortgages, 50.00%.

“Adverse Proceeding” means, with respect to any Person, any action, suit, proceeding (whether administrative, judicial or otherwise), any governmental investigation, exam or inquiry or any arbitration (whether or not purportedly on behalf of such Person), at law or in equity, or before or by any Governmental Authority, domestic or foreign, whether pending or, to the knowledge of such Person, threatened against or affecting such Person or its properties.

“Affiliate” means, as applied to any Person, any other Person directly or indirectly controlling (including any member of senior management of such Person), controlled by, or under common control with, that Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power (a) to vote 5% or more of the Securities having ordinary voting power for the election of directors of such Person or (b) to direct or cause the direction of the management and policies of that Person, whether through the ownership of voting securities or other beneficial interests or by contract or otherwise.

“Agreement,” “this Agreement,” “hereto,” “herein,” “hereof,” “hereby,” “hereunder” and similar expressions used herein shall refer to the whole of this Agreement (as defined in the preamble hereto) and any schedule hereto, as amended, restated, supplemented or replaced from time to time.

“Anti-Corruption Legislation” means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Special Economic Measures Act* (Canada), the *United Nations Act* (Canada), Part II.1 of the *Criminal Code* (Canada) and the *Freezing Assets of Foreign Corrupt Officials Act* (Canada), the *Corruption of Foreign Public Officials Act* (Canada) or any similar Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including, without limitation, the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and the United Nations Al-Qaida and Taliban Regulations promulgated under the *United Nations Act*.

“Applicable Laws” means, for any Person, all applicable laws, rules, regulations (including proposed, temporary and final income tax regulations), statutes, treaties, codes, ordinances, permits, certificates, orders and licenses of and interpretations by any Governmental Authority, and applicable judgments, decrees, injunctions, writs, orders or line action of any court, arbitrator or other administrative, judicial or quasi-judicial tribunal or agency of competent jurisdiction, to which such Person, or all or any portion of the Collateral, is or becomes subject from time to time.

“Approved Title Insurer” means First Canadian Title Company Limited, or such other insurer approved by the Lender.

“Authorized Officer” means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president or one of its vice presidents (or the equivalent thereof), and such Person’s chief financial officer or treasurer.

“Availability” means, as of any date of determination, the lesser of (i) the Maximum Available Amount less the aggregate principal amount of all Advances outstanding, and (ii) the Borrowing Base.

“Back-Up Servicer” means Paradigm Quest Inc. (Canada), or such other back-up servicer approved by the Lender.

“Back-Up Servicer Agreement” means the back-up servicer agreement to be entered into between the Lender, the Back-Up Servicer and the Borrower, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time in accordance with the terms thereof

“Benefit Plans” means all (including without limitation, any provincial or territorial) plans, arrangements, agreements, programs, policies, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, insured or uninsured, registered or unregistered, subject to the laws of Canada or any province or territory thereof, to which a Credit Party or any of its Subsidiaries is a party or bound or in which their employees participate or under which a Credit Party or any of its Subsidiaries has, or will have, any liability or contingent liability, or pursuant to which payments are made, or benefits are provided to, or an entitlement to payments or benefits may arise with respect to, any of their employees or former employees, their directors or officers, individuals working on contract with a Credit Party or any of its Subsidiaries or other individuals providing services to a Credit Party or any of its Subsidiaries of a kind normally provided by employees (or any spouses, dependents, survivors or beneficiaries of any such persons).

“Borrower” has the meaning set out in the preamble hereto.

“Borrowing Base” means, as of any date of determination, an amount equal to (a) the product of (i) the applicable Advance Rate, multiplied by (ii) the Eligible Mortgage Balance, minus (b) Reserves with respect to the Borrower. In no event shall exposure to (A) Second Lien Eligible Mortgages exceed 25% of the Maximum Available Amount at such time, (B) Second Lien Eligible Mortgages in Non-Urban Centres exceed 10% of the Maximum Available Amount at such time, (C) Eligible Mortgages that are secured against condominiums (other than townhouse condominiums) exceed 10% of the Maximum Available Amount at such time, (D) Eligible Mortgages that are secured against non-owner occupied properties exceed 15% of the Maximum Available Amount at such time or (E) any single Obligor exceed 5% of the Maximum Available Amount at such time.

Borrower Funded Amount” means the aggregate amount of the Purchase Price for each purchase under the Mortgage Sale and Servicing Agreement that is funded by the Borrower other than through Advances.

“Borrowing Base Certificate” means a certificate, substantially in the form of Exhibit A, executed by an Authorized Officer of the Borrower and delivered to the Lender, which sets forth the calculation of the Borrowing Base, including a calculation of each component thereof. The Borrowing Base Certificate will include, without limitation, a monthly report including: (a) opening and contractual principal balances of the Eligible Mortgages; (b) principal and interest collections on the Eligible Mortgages and application of funds; (c) various performance and metrics relating to delinquency and charged off amounts; (d) loan level status reporting; (e) weighted average Mortgage portfolio beacon score; and (f) any additional reporting requirements that the Lender may reasonably request.

“Borrowing Base Deficiency” means, as of any date of determination, the amount by which the Facility Amount exceeds the Borrowing Base.

“Business Day” means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the Province of Ontario or is a day on which banking institutions located in such jurisdictions are authorized or required by law or other governmental action to close.

“Canadian Dollars” and the sign “C\$” mean the lawful money of Canada.

“Capital Lease” means, as applied to any Person, any lease of any property (whether real, personal or mixed) by that Person (a) as lessee that, in conformity with GAAP, is or should be accounted for as a capital lease on the balance sheet of that Person or (b) as lessee which is a transaction of a type commonly known as a “synthetic lease” (i.e., a transaction that is treated as an operating lease for accounting purposes but with respect to which payments of rent are intended to be treated as payments of principal and interest on a loan for federal income tax purposes).

“Capital Stock” means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

“Cash” means money, currency or a credit balance in any demand or deposit account.

“Cash Management System” as defined in Section 5.7(a)(i).

“Change in Law” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

“Change of Control” means, at any time, (a) with respect to the Borrower, EquityLine Mortgage Investment Corporation shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of the Borrower, and (b) with respect to the General Partner, the Servicer shall cease to beneficially own and control 100% on a fully diluted basis of the economic and voting interest in the Capital Stock of the General Partner.

“Charged-Off Mortgage” means a Mortgage which (a) has any payment or portion thereof 365 days or more past due, (b) any legal process has been commenced in respect of a breach or default thereunder, (c) the Obligor of which has, to the knowledge of the Borrower or the Servicer, taken any action, or suffered any event to occur, of the type described in Section 7.1(f) or Section 7.1(g) (as if such Section referred to such Obligor instead of to the Borrower), or (d) which has or should have been written off the Borrower’s books as uncollectible in accordance with the Credit Policies.

“Closing Date” means August 5, 2021.

“**Collateral**” means, collectively, all of the personal property in which Liens are purported to be granted pursuant to the Collateral Documents as security for the Obligations; provided, however, that any Mortgage that is repurchased in accordance with and pursuant to the terms and conditions of Section 2.9(a) shall no longer constitute Collateral from and after the date of such repurchase.

“**Collateral Documents**” means this Agreement, the Security Agreement, the Pledge Agreements, the Guarantee, the Back-Up Servicer Agreement, the Collection Account Agreement, the Title Custodian Agreement and all other instruments, documents and agreements delivered by any Credit Party pursuant to this Agreement or any of the other Credit Documents in order to grant to the Lender a Lien on any real, personal or mixed property of such Credit Party as security for the Obligations.

“**Collection Account**” shall mean the account designated as the Collection Account maintained by the Collection Account Bank in the name of the Borrower and which is subject to the Collection Account Agreement.

“**Collection Account Agreement**” shall mean that certain blocked account agreement, to be entered into between the Collection Account Bank, the Lender and the Borrower, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time in accordance with the terms thereof.

“**Collection Account Bank**” shall mean a financial institution, reasonably acceptable to the Lender, which maintains the Collection Account. The initial Collection Account Bank is The Toronto-Dominion Bank.

“**Collection Account Bank Fee**” means, collectively, any fees and expenses due and owing to the Collection Account Bank.

“**Collection Period**” means, with respect to any Reporting Date or Settlement Date, the immediately preceding calendar month related to such Reporting Date or Settlement Date, as applicable.

“**Collections**” means all Cash collections on the Mortgages, including, without limitation, all Scheduled Mortgage Payments, all non-scheduled payments, all prepayments, all late fees, all other fees, payments received under any personal guarantee with respect to a Mortgage and all other payments received with respect to the Mortgages, and any Collections on any Mortgage repurchased in accordance with Section 2.8.

“**Compliance Certificate**” means a certificate, substantially in the form of Exhibit B, executed by an Authorized Officer of the Borrower and delivered to the Lender

“**Confidential Information**” as defined in Section 8.20.

“**Contractual Obligation**” means, as applied to any Person, any provision of any Security issued by that Person or any provision of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

“**Control**” means, the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other beneficial interests or by contract or otherwise.

“**Credit Document**” means any of (a) this Agreement, the Collateral Documents and the Related Agreements, and (b) all other documents, instruments or agreements executed and delivered by any Credit Party for the benefit of the Lender in connection therewith.

“**Credit Party**” means each of the Borrower, the General Partner and the Guarantor.

“**Credit Policies**” means the credit policies and practices and underwriting guidelines of the Originator in effect as of the date hereof, as such guidelines may be amended from time to time in accordance herewith.

“**Debtor Relief Laws**” means the Insolvency Legislation, and all other applicable liquidation, conservatorship, bankruptcy, moratorium, rearrangement, receivership, insolvency, reorganization, suspension of payments, readjustment of debt, marshalling of assets, assignment for the benefit of creditors or similar debtor relief laws of Canada, any state, any province, any territory or any foreign country from time to time in effect, affecting the rights of creditors generally or the rights of creditors of banks and includes the business corporations acts of Canada or any province or territory thereof.

“**Default**” means a condition or event that, after notice or lapse of time or both, would constitute an Event of Default.

“**Default Interest Rate**” has the meaning given to it in Section 2.6.

“**Delinquency Ratio**” means the sum of the Monthly Delinquent Ratios for the preceding 3 months divided by 3, tested monthly on the last Business Day of such month.

“**Delinquent Mortgage**” means a Mortgage in respect of which the related Obligor (a) has failed to pay, within 60 days of when due, all or any portion of any amounts required to be paid by such Obligor under such Mortgage, or (b) has not fully performed any of its other contractual obligations under such Mortgage, including, a Mortgage in respect of which the related Obligor has (i) failed to maintain, or provide upon request (prior to expiration) proof of adequate and proper insurance coverage for a minimum value of not less than the outstanding principal amount of such Mortgage, (ii) failed to pay when due any realty taxes on the related Underlying Collateral, or (iii) abandoned the related Underlying Collateral.

“**Demand Date**” has the meaning given to it in Section 2.8.

“**Designated Account**” means the account designated as the Designated Account maintained by the Lender.

“**Distribution Account**” means the account established and maintained by the Lender with the Collection Account Bank in the name of the Lender.

“**Eligibility Criteria**” means the criteria set forth on Appendix B.

“Eligible Mortgage” means those Mortgages originated by the Originator in the ordinary course of its business which are satisfactory to the Lender in its reasonable discretion (including renewals of such Mortgages), and with respect to which all of the Eligibility Criteria are satisfied (i) as of the date on which the related Borrowing Base Certificate (on which such Mortgage (or any renewal thereof) was first reflected) was furnished to the Lender in connection with an Advance and (ii) as of any applicable date of determination thereafter.

“Eligible Mortgage Balance” means, as of any date of determination, an amount equal to the aggregate unpaid principal balance of the Eligible Mortgages as of such date.

“Event of Default” means any of the conditions or events set forth in Section 7.1.

“Excluded Taxes” means, with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document, any of the following Taxes: (a) branch profits Taxes, Taxes measured by the Lender’s net income (or franchise taxes imposed in lieu of net income taxes) in each case (i) imposed by the jurisdiction under which the Lender is organized or in which the Lender has its principal office or applicable lending office or (ii) that are Other Connection Taxes and (b) any Canadian federal withholding Taxes imposed on the payment as a result of having been made to a Lender that, at the time of making such payment, (i) is a person with which a Credit Party does not deal at arm’s length (for the purposes of the *Income Tax Act* (Canada)), or (ii) is a “specified shareholder” (as defined in subsection 18(5) of the *Income Tax Act* (Canada)) of a Credit Party or does not deal at arm’s length (for the purposes of the *Income Tax Act* (Canada)) with such a “specified shareholder” (other than where the non-arm’s length relationship arises, or where the Lender is a “specified shareholder” or does not deal at arm’s length with a “specified shareholder”, in connection with or as a result of the Lender having become a party to, received or perfected a security interest under or received or enforced any rights under, a Credit Document).

“Facility” has the meaning set out in the recitals hereto.

“Facility Amount” means, as of any date of determination, an amount equal to the aggregate principal amount of all Advances outstanding.

“Fair Valuation” means, in respect of any Person, the value of the consolidated assets of such Person on the basis of the amount which may be realized by a willing seller within a reasonable time through collection or sale of such assets at market value on a going concern basis to an interested buyer who is willing to purchase under ordinary selling conditions in an arm’s-length transaction.

“First Lien Eligible Mortgages” means those Eligible Mortgages which constitute a first charge over the Underlying Collateral.

“Fiscal Quarter” means, with respect to a particular Fiscal Year, each fiscal quarter corresponding to such Fiscal Year.

“Fiscal Year” means for any Credit Party, any consecutive twelve-month period commencing on the date following the last day of the previous fiscal year and ending on December 31.

“**Funding Notice**” means a notice substantially in the form of Exhibit C.

“**GAAP**” means generally accepted accounting principles in effect in Canada as of the date of determination thereof as recommended in the Handbook of the Chartered Professional Accountants of Canada, which, for greater certainty, shall be interpreted to include IFRS.

“**General Partner**” has the meaning set out in the preamble hereto.

“**Governmental Authority**” means any federal, state, provincial, territorial, municipal, national or other government, governmental department, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity or officer exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government or any court, in each case whether associated with Canada, a province or territory of Canada, or any other foreign entity or government, and which has jurisdiction over the applicable Credit Party.

“**Governmental Authorization**” means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

“**Greater Toronto Area**” means the region known as the Greater Toronto Area which includes the City of Toronto and the regional municipalities of Durham, Halton, Peel, and York, but excluding the local municipalities of Caledon, Scugog, Brock, Georgina, Clarington, Halton Hills, Uxbridge and East Gwillimbury.

“**Guarantee**” means the unlimited recourse guarantee to be entered into by the Guarantor in favor of the Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Guarantor**” means EquityLine Services Corp.

“**Highest Lawful Rate**” means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to the Lender which are presently in effect (including, without limitation, the *Criminal Code* (Canada)) or, to the extent allowed by law, under such Applicable Laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than Applicable Laws now allow; for greater certainty, such rate would be less than the rate that would result in a receipt by the Lender of “**interest**” at a “**criminal rate**” (as such terms are construed under the *Criminal Code* (Canada)).

“**IFRS**” means International Financial Reporting Standards (IFRS) as adopted by the International Accounting Standards Board, in each case as in effect from time to time and determined with reference to the applicable part of the CPA Canada Handbook - Accounting, as applicable, applied on a consistent basis.

“**Indebtedness**” as applied to any Person, means, without duplication, (a) all indebtedness for borrowed money, (b) that portion of obligations with respect to Capital Leases that is properly classified as a liability on a balance sheet in conformity with GAAP, (c) notes payable and drafts accepted representing extensions of credit whether or not representing obligations for borrowed money, (d) any obligation owed for all or any part of the deferred purchase price of property or services, which purchase price is (i) due more than six (6) months from the date of incurrence of

the obligation in respect thereof or (ii) evidenced by a note or similar written instrument, (e) all indebtedness secured by any Lien on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is nonrecourse to the credit of that Person, (f) the face amount of any letter of credit issued for the account of that Person or as to which that Person is otherwise liable for reimbursement of drawings, (g) the direct or indirect guarantee, endorsement (otherwise than for collection or deposit in the ordinary course of business), co-making, discounting with recourse or sale with recourse by such Person of the obligation of another, (h) any obligation of such Person the primary purpose or intent of which is to provide assurance to an obligee that the obligation of the obligor thereof will be paid or discharged, or any agreement relating thereto will be complied with, or the holders thereof will be protected (in whole or in part) against loss in respect thereof, (i) any liability of such Person for an obligation of another through any agreement (contingent or otherwise) (A) to purchase, repurchase or otherwise acquire such obligation or any security therefor, or to provide funds for the payment or discharge of such obligation (whether in the form of loans, advances, stock purchases, capital contributions or otherwise) or (B) to maintain the solvency or any balance sheet item, level of income or financial condition of another if, in the case of any agreement described under subclauses (A) or (B) of this clause (i), the primary purpose or intent thereof is as described in clause (h) above, and (j) all obligations of such Person in respect of any exchange traded or over the counter derivative transaction, whether entered into for hedging or speculative purposes.

“Indemnified Liabilities” means, collectively, any and all liabilities, obligations, losses, damages, penalties, judgments, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the reasonable, documented, out-of-pocket fees and disbursements of counsel for Indemnitees in connection with any investigative, administrative or judicial proceeding commenced by any Person, whether or not any such Indemnitee shall be designated as a party or a potential party thereto, and any reasonable, documented, out-of-pocket fees or expenses incurred by Indemnitees in enforcing the indemnification provisions of Section 8.3), whether direct, indirect or consequential and whether based on any federal, state, provincial, territorial or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations, on common law or equitable cause or on contract or otherwise) that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby (including the Lender’s agreement to make Advances or the use or intended use of the proceeds thereof, or any enforcement of any of the Credit Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of any guarantee)).

“Indemnified Taxes” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document, and (b) to the extent not otherwise described in (a), Other Taxes.

“Indemnitee” has the meaning set out in Section 8.3(a).

“Indemnitor” has the meaning set out in Section 8.3(b).

“Independent Accountants” means any nationally recognized firm of independent certified Canadian public accountants, or such other firm of independent certified public accountants otherwise acceptable to the Lender in its Permitted Discretion.

“Insolvency Legislation” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law of Canada.

“Insolvency Proceedings” means any corporate action, legal proceedings or other procedure or step taken in relation to: (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Credit Party; (b) a composition, compromise, assignment or arrangement with any creditor of any Credit Party; (c) the appointment of a liquidator, receiver, interim receiver, receiver and manager, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Credit Party or any of its assets; or (d) enforcement of any security or lien over any assets of any Credit Party, or any analogous procedure or step taken in any jurisdiction.

“Interest Rate” means, at any time, that variable rate of interest equal to the Prime Rate plus 1.50% per annum, provided that in no event shall the Interest Rate be less than 3.70% per annum.

“Investment” means (a) any direct or indirect purchase or other acquisition by the Borrower of, or of a beneficial interest in, any of the Securities of any other Person, (b) any direct or indirect redemption, retirement, purchase or other acquisition for value, from any Person, of any Capital Stock of such Person, and (c) any direct or indirect loan, advance or capital contributions by the Borrower to any other Person, including all Indebtedness and accounts receivable from that other Person that are not current assets or did not arise from sales to that other Person in the ordinary course of business. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write ups, write downs or write offs with respect to such Investment.

“Lender” has the meaning set out in the preamble hereto.

“Lien” means (a) any lien, mortgage, pledge, assignment, security interest, hypothec, charge or encumbrance of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement, and any lease in the nature thereof) and any option, trust or other preferential arrangement having the practical effect of any of the foregoing, and (b) in the case of Securities, any purchase option, call or similar right of a third party with respect to such Securities.

“Loan to Value” means the loan to value of the Underlying Collateral with respect to a Mortgage, which shall be based upon the lesser of the purchase price of the Underlying Collateral and the appraised value of such Underlying Collateral (as evidenced by a satisfactory AACI appraisal).

“Loss Ratio” means as at the last day of each month, the ratio of (i) the monthly aggregate amount of all Eligible Mortgages which become Charged-Off Mortgages (as at the last day of such month), to (ii) the average monthly aggregate Eligible Mortgage Balance (as at the last day of such month)

of all Mortgages financed hereunder (without regard to any Charged-Off Mortgages), tested monthly on the last Business Day of each month, provided, however, that the Loss Ratio shall:

- (a) for each of the first twelve months following the Closing Date, be multiplied by twelve divided by the number of calendar months since the Closing Date; and
- (b) for the thirteenth month after the Closing Date and thereafter, be measured on the basis of a 12 month rolling average.

“Material Adverse Effect” means, a material adverse effect on (a) the business, operations, assets, condition (financial or otherwise) or liabilities of a Credit Party, (b) the ability of a Credit Party to fully and timely perform its obligations under the Credit Documents (including, without limitation, the Obligations of the Borrower), (c) the legality, validity, binding effect, or enforceability against a Credit Party of any Credit Document to which it is a party, or (d) the rights, remedies and benefits, taken as a whole, available to, or conferred upon, the Lender, under any Credit Document.

“Material Contract” means any contract or other arrangement to which a Credit Party is a party (other than the Credit Documents) for which breach, non-performance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

“Maximum Available Amount” means C\$25,000,000.

“Monthly Delinquency Ratio” means as at the last day of each month, the quotient of (i) the Eligible Mortgage Balance of all Delinquent Mortgages at the end of such month, divided by (ii) the Eligible Mortgage Balance of all Mortgages financed hereunder at the end of such month.

“Mortgage” means a residential mortgage securing real property entered into by an Obligor in favour of the Originator and sold by the Originator to the Borrower pursuant to the terms of the Mortgage Sale and Servicing Agreement.

Mortgage File” means, with respect to any Mortgage, electronic copies of (a) the fully executed copy of the document evidencing such Mortgage; (b) the duplicate registered form of Mortgage; (c) fully executed copies of the other loan and/or security agreements, if any, securing the Mortgage; (d) the original credit application fully executed by the related Obligor and all other credit information provided by the related Obligor in connection with the Mortgage; (e) a copy of a title insurance policy from an Approved Title Insurer evidencing that the Borrower has a first priority mortgage over such Underlying Collateral; (f) the insurance policy or certificate of insurance evidencing a blanket policy of insurance insuring the related Underlying Collateral showing the Originator as first mortgagee and loss payee and the Borrower as an additional insured; and (g) any and all other documents (including all electronic documents) that the Originator, the Servicer, the Title Custodian or the Borrower shall keep on file relating to such Mortgage, the related Obligor or the related Underlying Collateral.

“Mortgage Repurchase Event” means (a) with respect to any Mortgage, the failure of such Mortgage to satisfy the Eligibility Criteria as of the related Advance Date, or (b) any required repurchase of a Mortgage pursuant to Section 5.2 of the Mortgage Sale and Servicing Agreement.

“**Mortgage Repurchase Price**” means, with respect to any Mortgage and any date of determination, the unpaid Eligible Mortgage Balance of such Mortgage, plus all accrued and unpaid interest on the unpaid Eligible Mortgage Balance of such Mortgage at the applicable Interest Rate through the date on which such Mortgage is repurchased.

“**Mortgage Sale and Servicing Agreement**” means that certain Mortgage Sale and Servicing Agreement, dated as of the date hereof, between the Originator, the Servicer and the Borrower, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Net Insurance Proceeds**” means an amount equal to: (a) any Cash payments or proceeds received by the Borrower, the Originator or the Servicer in respect of any covered loss under any policy of insurance specified in Section 5.8, minus (b) any actual and reasonable costs incurred or to be incurred by the Borrower or the Servicer in connection with the adjustment or settlement of any claims of the Borrower, the Originator or the Servicer in respect thereof, minus (c) any actual and reasonable costs of repairing or replacing the subject of such covered loss.

“**Non-Urban Centre**” means a location that is within 25 kilometres of a Tier 1 Urban Centre or a Tier 2 Urban Centre.

“**Obligations**” means all obligations of every nature of the Borrower from time to time owed to the Lender under any Credit Document, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to the Borrower, would have accrued on any Obligation, whether or not a claim is allowed against the Borrower for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise.

“**Obligor**” means, with respect to any Mortgage, the borrower thereunder, or any other Person who owes or may be liable for payments under such Mortgage.

“**Organizational Documents**” means (a) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, its by-laws, as amended, and, if applicable, any shareholder agreement or shareholder declaration relating to it, as amended, (b) with respect to any limited partnership, its certificate or declaration of limited partnership, as amended, and its partnership agreement, as amended, (c) with respect to any general partnership, its partnership agreement, as amended, (d) with respect to any limited liability company, its certificate of formation, as amended, and its operating agreement, as amended, and (e) with respect to any statutory trust, its certificate of trust, as amended, and its trust agreement, as amended. In the event any term or condition of this Agreement or any other Credit Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such “**Organizational Document**” shall only be to a document of a type customarily certified by such governmental official.

“**Originator**” means EquityLine Financial Corp.

“**Other Connection Taxes**” means, with respect to the Lender, Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Tax (other than connections arising from the Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under,

engaged in any transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Advance or Credit Document).

“**Other Taxes**” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document.

“**Pension Plans**” means all Benefit Plans which are required to be registered under provincial, territorial or federal pension benefits standards legislation.

“**Permitted Discretion**” shall mean a determination or judgment made in good faith in the exercise of commercially reasonable (from the perspective of a secured lender) credit or business judgment.

“**Permitted Liens**” means:

- (a) Liens arising in favor of the Lender under the Collateral Documents;
- (b) Liens arising in favor of the Borrower under the Mortgage Sale and Servicing Agreement;
- (c) Liens imposed by law for Taxes, assessments or other governmental charges payable by the Borrower that are not yet due or are being contested in compliance with Section 5.3; and
- (d) Other Liens consented to in writing by the Lender.

“**Person**” means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, unlimited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts, statutory trusts, series trusts, or other organizations, whether or not legal entities, and Governmental Authorities.

“**Pledge Agreements**” means the pledge agreement to be entered into by each of EquityLine Mortgage Investment Corporation (with respect to the limited partnership units of the Borrower) and Sergiy Shchavyelyev (with respect to the shares of the General Partner), each in favor of the Lender, as the same may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Pledged Collateral**” has the meaning set out in each Pledge Agreement.

“**PPSA**” means the *Personal Property Security Act* (Ontario) or any other applicable Canadian federal, provincial or territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder or Ministerial orders in respect thereof, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

“**Prime Rate**” means on any day, the variable rate of interest per annum, calculated on the basis of a calendar year consisting of 365 or 366 days, as applicable, equal to the rate of interest determined and published by the Lender on such day as its prime rate for Canadian dollar commercial loans, being a variable per annum reference rate of interest adjusted automatically upon any change by the Lender to such new rate.

“**Priority Payable**” means, at any time:

- (a) the amount past due and owing by any Credit Party (or any other Person for which any Credit Party has joint and several liability) or the accrued amount for which any Credit Party has an obligation, whether to remit to a Governmental Authority or other Person, pursuant to applicable law, rule or regulation, in respect of (i) pension fund obligations, (ii) employee employment insurance, (iii) goods and services taxes, harmonized sales taxes, sales taxes, employee income taxes and other taxes payable or to be remitted or withheld, (iv) workers’ compensation, (v) wages, salaries, commission or compensation, including vacation pay, and (vi) other like charges and demands, and in each case, in respect of which any Governmental Authority or other Person may claim a security interest, hypothecation, prior claim, trust or other claim or Lien ranking or capable of ranking in priority to or *pari passu* with one or more of the Liens granted pursuant to the Credit Documents; and
- (b) the aggregate amount of any liabilities, whether payable, accrued, or inchoate at such time, of each Credit Party (or other Person for which any Credit Party has joint and several liability), without duplication of those included in (a) above, (i) in respect of which a trust has been or could be imposed on Collateral of any Credit Party to provide for payment or (ii) which are secured by a security interest, hypothecation, prior claim, pledge, charge, right or claim or other Lien on any Collateral of any Credit Party, in each case, pursuant to any applicable law, rule or regulation, and which trust, security interest, hypothecation, prior claim, pledge, charge, right or claim or other Lien ranks or is capable of ranking in priority to or *pari passu* with one or more of the Liens granted in the Credit Documents.

“**Purchase Notice**” has the meaning set out in the Mortgage Sale and Servicing Agreement.

“**Purchase Price**” has the meaning specified in the Mortgage Sale and Servicing Agreement.

“**Related Agreements**” means, collectively, the Mortgage Sale and Servicing Agreement and each Purchase Notice.

“**Related Parties**” means, with respect to any Person, its Affiliates and the officers, partners, directors, trustees, employees, members, managers, advisors and agents of the Person and its Affiliates.

“**Related Security**” as defined in the Mortgage Sale and Servicing Agreement.

“Replacement Servicer” means any independent third party selected by the Lender in its sole discretion after the occurrence and during the continuation of a Servicer Termination Event. For certainty the Replacement Servicer may, but is not required to, be the Back-Up Servicer.

“Reporting Date” means the second (2nd) calendar day following the end of each calendar month, or if such day is not a Business Day, the immediately following Business Day.

“Requirements of Law” means, as to any Person, any Applicable Law, judgment, Governmental Authorization, or regulation or determination of an arbitrator or of a Governmental Authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

“Reserves” means such reserves for unpaid and accrued sales tax, reserves for banker's liens, rights of setoff or similar rights and remedies as to deposit accounts, reserves for employee matters, reserves for potential liabilities with respect to any litigation, reserves for Taxes, fees, assessments, and other governmental charges and reserves for Priority Payables that the Lender from time to time determines in its good faith business judgment as be appropriate to reflect:

- (a) the impediments to the Lender’s ability to realize upon the Collateral included in the Borrowing Base in accordance with the Credit Documents;
- (b) claims and liabilities that will need to be satisfied, or will dilute the amounts received by the Lender, in connection with the realizations upon such Collateral; or
- (c) criteria, events, conditions, contingencies or risks that adversely affect any component of the Borrowing Base, the Collateral included therein or the validity or enforceability of the Credit Documents or any material remedies of the Lender under the Credit Documents with respect to such Collateral.

“Scheduled Mortgage Payment” means, for any Collection Period and for any Mortgage, the amount indicated as required to be paid by the Obligor in such Collection Period. If after the Closing Date the Obligor’s obligation under such Mortgage with respect to a Collection Period has been modified so as to differ from the amount specified in such Mortgage as a result of (a) the order of a court in a proceeding relating to Debtor Relief Laws as to which the Obligor is a debtor or (b) modifications or extensions of the Mortgage permitted by the Credit Documents and the Related Agreements, the Scheduled Mortgage Payment with respect to such Collection Period shall refer to the Obligor’s payment obligation with respect to such Collection Period as so modified.

“Second Lien Eligible Mortgages” means those Eligible Mortgages which constitute a second charge over the Underlying Collateral.

“Securities” means any stock, shares, partnership interests, limited liability company interests, voting trust certificates, certificates of interest or participation in any profit sharing agreement or arrangement, options, warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as **“securities”** or any certificates of interest, shares or participations in

temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

“**Security Agreement**” means the general security agreement to be entered into between the Borrower and the Lender, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Servicer**” means the Person acting as Servicer under the Mortgage Sale and Servicing Agreement. The initial Servicer will be EquityLine Services Corp.

“**Servicer Termination Event**” means any of the events as set out in Section 8.1 of the Mortgage Sale and Servicing Agreement.

“**Servicing Report**” means a report to be delivered by the Servicer to the Lender in such form as is acceptable to the Lender in its sole discretion.

“**Settlement Date**” means (a) the tenth (10th) calendar day of each month or, if any such date is not a Business Day, the next following Business Day, and (b) the Demand Date.

“**Solvent**” means, with respect to any Person, that as of the date of determination, all of (a)(i) the sum of such Person’s debt (including contingent liabilities) does not exceed the assets of such entity, at Fair Valuation, (ii) such Person’s capital is not unreasonably small in relation to its business as contemplated on the Closing Date, and (iii) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise), (b) such person is not an “insolvent person” within the definition of that term in the *Bankruptcy and Insolvency Act* (Canada), and (c) such Person is “solvent” within the meaning given that term and similar terms under Applicable Laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“**Subsidiary**” means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof; provided, in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding.

“**Taxes**” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Tier 1 Urban Centre**” means a city or town with a minimum population of 100,000.

“**Tier 2 Urban Centre**” means a city or town with a minimum population of 50,000, as well as Innisfil, Ontario, Collingwood, Ontario and Bradford, Ontario.

“**Title Custodian**” means Computershare Trust Company (Canada), or such other trust company approved by the Lender.

“**Title Custodian Agreement**” means the tripartite agreement to be entered into between the Lender, the Title Custodian and the Borrower, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time in accordance with the terms thereof.

“**Underlying Collateral**” means, with respect to a Mortgage, any real property of an Obligor pledged to secure such Mortgage.

“**Urban Centre**” means a city or town with a minimum population of 75,000.

1.2 Accounting Terms

- (a) **Generally.** All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Originator’s and the Guarantor’s audited financial statements, except as otherwise specifically prescribed herein.
- (b) **Changes in GAAP.** If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Credit Document, and any of the Borrower, the Originator or the Lender shall so request, the Lender, the Borrower and the Originator shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) the Borrower, the Originator and the Guarantor shall provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.3 Interpretation, etc.

Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word “include” or “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general

statement, term or matter. The words “hereof”, “herein”, “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless the context requires otherwise or otherwise specified in any applicable Credit Document, (a) reference to any Person includes that Person’s successors and assignees, (b) any definition of or reference to any Credit Document, agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements, or modifications set forth herein or therein), and (c) any reference to any law or regulation herein shall refer to such law or regulation as amended, modified or supplemented from time to time. Unless otherwise expressly indicated, any reference herein to the “consent,” “approval,” “authorization,” or words of similar meaning, of the Lender shall be deemed to mean the consent, approval, authorization, or words of similar meaning, as applicable, of the Lender, in its sole discretion.

1.4 Currency and Payment Obligations.

Except as otherwise expressly provided in this Agreement or in the applicable Credit Document, all dollar amounts referred to in this Agreement or any Credit Document are stated in the lawful currency of Canada and any payment contemplated by this Agreement or any Credit Document shall be made by cash, certified cheque, wire transfer or any other method that provides immediately available funds. If any payment is required to be made pursuant to this Agreement or any Related Document on a day which is not a Business Day, then such payment shall be made on the next Business Day.

ARTICLE 2 LOANS

2.1 Establishment of Facility

Subject to the terms and conditions hereof, the Lender hereby establishes in favour of the Borrower the Facility in the maximum amount equal to, at any time, the Maximum Available Amount at such time for the purposes set out herein.

2.2 Advances

- (a) Subject to the terms and conditions hereof, from time to time prior to the occurrence of the Demand Date or the occurrence of a Default or an Event of Default which has not been waived, the Borrower may, not more than four times per month, request by way of a Funding Notice that the Lender make a loan to the Borrower (each, an “**Advance**” and collectively, the “**Advances**”). The amount of each Advance may not be less than \$500,000. The aggregate amount of all Advances will not at any time exceed the lesser of (i) the Maximum Available Amount, and (ii) the Borrowing Base at such time.
- (b) Subject to Section 2.11, amounts borrowed pursuant to this Section 2.2 may be repaid and re-borrowed.

- (c) The acceptance of any Advance by the Lender shall be in its sole and absolute discretion.
- (d) The Lender may cancel the undrawn portion of the Facility at any time without notice.

2.3 Use of Proceeds

The proceeds of the Advances shall be applied by the Borrower to finance the acquisition of Eligible Mortgages from the Originator pursuant to the Mortgage Sale and Servicing Agreement.

2.4 Evidence of Indebtedness

The Lender shall open and maintain accounts wherein the Lender shall record the amount outstanding under the Facility, each Advance and each payment of principal and interest on account of each Advance under the Facility and all other amounts becoming due to and being paid to the Lender hereunder. The Lender's accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Lender hereunder.

2.5 Interest on Advances

- (a) Except as otherwise set forth herein, each Advance shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) at the Interest Rate.
- (b) Interest payable pursuant to Section 2.5(a) shall be computed on the basis of a 365 day year or 366 in the case of a leap year, in each case, for the actual number of days elapsed in the period during which it accrues. In computing interest on any Advance, the related drawdown date of such Advance shall be included, and the date of payment of such Advance shall be excluded.
- (c) For the purpose of the *Interest Act* (Canada), (i) whenever a rate of interest or fee rate hereunder is calculated on the basis of a year (the "**deemed year**") that contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest or fee rate shall be expressed as a yearly rate by multiplying such rate of interest or fee rate by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year, (ii) the principle of deemed reinvestment of interest with respect to any monetary obligation shall not apply to any interest calculation hereunder, (iii) the rates of interest with respect to any monetary obligation relating to such advances stipulated herein are intended to be nominal rates and not effective rates or yields and (iv) each of the Credit Parties confirms that it fully understands and is able to calculate the rate of interest applicable under this Agreement based on the methodology for calculating per annum rates provided in this Agreement. Each Credit Party hereby irrevocably agrees not to plead or assert, whether by way of defense or otherwise, in any proceeding relating to the Credit Documents, that the interest payable under the Credit Documents and the calculation thereof has not been adequately disclosed to the Credit Parties.

- (d) Except as otherwise set forth herein, interest on each Advance shall be payable in arrears (i) on each Settlement Date, (ii) with respect to any prepayment, in whole or in part, of such Advance, on the date of such prepayment in an amount equal to the interest accrued and unpaid on the amount so prepaid to the date of prepayment, and (iii) at maturity or acceleration of the Advances.
- (e) The Credit Parties hereby acknowledge and confirm that they understand the conversion formulas and how to calculate any annual rate of interest or any fee contemplated in this Section 2.5. The Lender agrees that promptly upon request by the Borrower from time to time it will advise the Borrower of the Prime Rate in effect at such time (or during any other period prior to such time).
- (f) Each change in the Prime Rate is effective as of the date of such change without notice to the Borrower or any other Person.

2.6 Default Interest.

Upon the occurrence and during the continuance of an Event of Default, the principal amount of all Advances outstanding and, to the extent permitted by Applicable Law, any interest payments on the Advances or any fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any proceeding under applicable Debtor Relief Laws) payable in accordance with the provisions of Section 2.11 at a rate that is 3.00% per annum in excess of the Interest Rate (the “**Default Interest Rate**”) otherwise payable hereunder with respect to the Advances until no Event of Default is then continuing. Payment or acceptance of the increased rates of interest provided for in this Section 2.6 is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Lender or the Lender. The Credit Parties acknowledge and agree that the Default Interest Rate represents a genuine pre-estimate of damages and shall not be construed as a penalty.

2.7 Fees.

- (a) The Borrower shall pay to the Lender an upfront fee in the amount equal to \$87,500, which fee shall be earned upon the execution of this Agreement. The Lender acknowledges receipt of \$43,750 on June 15, 2021.
- (b) The Borrower shall pay to the Lender an annual review fee in the amount equal to 10 basis points of the Maximum Available Amount, which fee shall be payable annually on each annual review of the Facility.
- (c) The Borrower will pay to the Lender a draw fee simultaneously with each Advance in the amount of \$250. Once paid, such draw fee shall be non-refundable.
- (d) On each Settlement Date starting on the first Settlement Date after the date that is 3 months after the Closing Date, and on the Demand Date, the Borrower shall pay to the Lender, in arrears, a standby fee, calculated and accruing daily from the date of the execution and delivery of this Agreement at the rate per annum, calculated on the basis of a year of 365 days or 366 days in the case of a leap year, equal to

0.1% times the aggregate of the unutilized portion of the Maximum Available Amount during the previous month or other period, as the case may be.

2.8 Demand

The aggregate Obligations outstanding under the Facility shall be repaid by the Borrower to the Lender on written demand being made on the Borrower by the Lender (such date of demand hereinafter referred to as the “**Demand Date**”). Notwithstanding the representations, warranties, covenants, conditions and Events of Default contained herein, the Borrower hereby acknowledges and confirms that the Facility is a true demand loan, that the entire Facility is wholly discretionary on the part of the Lender, that the Lender may terminate any further use of the Facility and demand payment of the outstanding Obligations at any time thereafter and that, upon such written demand (subject to the foregoing notice provision), all of the outstanding Obligations shall be due and payable forthwith.

2.9 Prepayments

- (a) **Mortgage Repurchase Events.** Upon the occurrence of a Mortgage Repurchase Event, the Borrower shall cause the Originator to (i) repurchase each affected Mortgage pursuant to the terms of the Mortgage Sale and Servicing Agreement at a price equal to the Mortgage Repurchase Price and (ii) deposit the Mortgage Repurchase Price for each affected Mortgage directly into the Collection Account upon repurchase thereof. All amounts deposited into the Collection Account pursuant to this Section 2.9(a) shall be applied as Collections on the related Settlement Date pursuant to Section 2.11. At the option of the Borrower, the Borrower may replace such affected Mortgage with an Eligible Mortgage of equal or greater value, in which case the Borrower shall not be required to deposit the Mortgage Repurchase Price into the Collection Account.
- (b) **Voluntary Prepayments.** The Borrower shall have the right to prepay the total principal amount of all Advances outstanding hereunder together with all accrued and unpaid interest at any time without penalty.

2.10 Accounts

- (a) On or prior to the Closing Date, the Borrower shall cause to be established and maintained, a segregated deposit account at the Collection Account Bank, in the name of the Borrower, designated as the Collection Account, and to be subject to the Collection Account Agreement.
- (b) The Borrower will cause all payments to be made with respect to Mortgages to be deposited directly into the Collection Account.
- (c) All funds received or deposited into the Collection Account will be remitted, through a monthly sweep arrangement on the tenth (10th) calendar day of each month, within 48 hours to the Distribution Account or such other bank account of the Lender as the Lender may from time to time designate for such purpose.

- (d) On each Settlement Date the Lender shall disburse all funds in the Distribution Account in accordance with Section 2.11. The Borrower shall treat all income from amounts on deposit in the Distribution Account as its income for federal, provincial, territorial and local income tax purposes.

2.11 Application of Collections

- (a) So long as no Event of Default has occurred and is continuing (after giving effect to the application of funds in accordance herewith on the relevant date), the Lender will apply amounts in the Distribution Account on each Settlement Date in the following amounts and priority:
 - (i) First, on a *pari passu* basis, until paid in full, (A) to the Back-Up Servicer, any fees, reimbursable expenses (including, without limitation, any transition costs) and indemnification amounts of the Back-Up Servicer accrued and unpaid as of the last day of the prior Collection Period, (B) to any Replacement Servicer, any fees, reimbursable expenses (including, without limitation, any transition costs) and indemnification amounts of the Replacement Servicer accrued and unpaid as of the last day of the prior Collection Period, and (C) to the Collection Account Bank, the Collection Account Bank Fees, reimbursable expenses and indemnification amounts of the Collection Account Bank accrued and unpaid as of the last day of the prior Collection Period;
 - (ii) Second, to the Lender, to pay any accrued but unpaid interest, fees, indemnification amounts and expenses of the Lender in connection with this Agreement and any other Credit Document;
 - (iii) Third, to the Lender, any amounts necessary to reduce the Borrowing Base Deficiency, if any, to zero;
 - (iv) Fourth, to the Borrower, to reduce the Borrower Funded Amount, until such time as the Borrower Funded Amount has been reduced to zero; and
 - (v) Fifth, provided that no Borrowing Base Deficiency would occur after giving effect to such distribution, any remainder to the Borrower for its own account or as otherwise directed by the Borrower, free and clear of liens and restrictions under the Credit Documents.
- (b) Notwithstanding anything herein to the contrary, upon the occurrence and during the continuance of an Event of Default and on the Demand Date, whether or not an Event of Default has occurred, the Lender will apply all amounts in the Distribution Account on each Settlement Date as follows:
 - (i) First, to the payment of, and in the same priority as, items (i) – (iii) in Section 2.11(a) above;

- (ii) Second, to the Lender to reduce the outstanding principal balance on the Advances to zero and to pay all other Obligations or any other amount due hereunder;
- (iii) Third, to the Borrower, to reduce the Borrower Funded Amount, until such time as the Borrower Funded Amount has been reduced to zero; and
- (iv) Fourth, any remainder to the Borrower for its own account, free and clear of liens and restrictions under the Credit Documents.

2.12 General Provisions Regarding Payments

- (a) All payments by the Borrower of principal, interest, fees and other Obligations shall be made in Canadian Dollars in immediately available funds, without defense, recoupment, setoff or counterclaim, free of any restriction or condition, and delivered to the Lender, for its own account, as applicable, not later than 3:00 p.m. (Toronto time) on the date due via wire transfer of immediately available funds to the Designated Account (or at such other location or bank account as may be designated by the Lender from time to time); funds received by the Lender after that time on such due date shall be deemed to have been paid by the Borrower on the next Business Day.
- (b) All payments in respect of the principal amount of any Advance shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid.
- (c) Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in the computation of the payment of interest hereunder.
- (d) The Lender shall give prompt telephonic notice to the Borrower upon it becoming aware that any payment is not made in conformity with this Section 2.12. Interest shall continue to accrue on any principal as to which a non-conforming payment is made until such funds become available funds (but in no event less than the period from the date of such payment to the next succeeding applicable Business Day) at the Interest Rate, from the date such amount was due and payable until the date such amount is paid in full.

2.13 Increased Costs; Capital Adequacy.

- (a) Subject to the provisions of Section 2.14 (which shall be controlling with respect to the matters covered thereby), in the event that the Lender shall have reasonably determined in good faith (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any law, treaty or governmental rule, regulation or order, or any change therein or in the interpretation, administration or application thereof (including the introduction of any new law, treaty or governmental rule, regulation or order), or any determination

of a court or governmental authority, in each case that becomes effective after the date hereof, or compliance by the Lender with any guideline, request or directive issued or made after the date hereof by any central bank or other governmental or quasi-governmental authority (whether or not having the force of law): (i) subjects the Lender (or its applicable lending office) to any additional Tax (other than any Indemnified Tax, Excluded Tax or Other Tax) with respect to this Agreement or any of the other Credit Documents or any of its obligations hereunder or thereunder or any payments to the Lender (or its applicable lending office) of principal, interest, fees or any other amount payable hereunder, (ii) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of the Lender (other than any such reserve or other requirements), or (iii) imposes any other condition (other than with respect to a Tax matter) on or affecting the Lender (or its applicable lending office) or its obligations hereunder or the London interbank market; and the result of any of the foregoing is to increase the cost to the Lender of agreeing to make, making or maintaining the Advances hereunder or to reduce any amount received or receivable by the Lender (or its applicable lending office) with respect thereto; then, in any such case, the Borrower shall pay to the Lender within ten (10) Business Days of receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as the Lender in its sole good faith discretion shall determine) as may be necessary to compensate the Lender for any such increased cost or reduction in amounts received or receivable hereunder. The Lender shall deliver to the Borrower (with a copy to the Lender) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to the Lender under this Section 2.13(a), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

- (b) In the event that the Lender shall have determined that the adoption, effectiveness, phase in or applicability after the Closing Date of any law, rule or regulation (or any provision thereof) regarding capital adequacy, or any change therein or in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Lender (or its applicable lending office) with any guideline, request or directive regarding capital adequacy (whether or not having the force of law) of any such Governmental Authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on the capital of the Lender or any corporation controlling the Lender as a consequence of, or with reference to, the Lender's Advances or participations therein or other obligations hereunder with respect to the Advances to a level below that which the Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of the Lender or such controlling corporation with regard to capital adequacy), then from time to time, within ten (10) Business Days after

receipt by the Borrower from the Lender of the statement referred to in the next sentence, the Borrower shall pay to the Lender such additional amount or amounts as will compensate the Lender or such controlling corporation on an after tax basis for such reduction. The Lender shall deliver to the Borrower (with a copy to the Lender) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to the Lender under this Section 2.13(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

2.14 Taxes; Withholding; Payments Free of Taxes

- (a) Any and all payments by or on account of any obligation of a Credit Party under any Credit Document shall be made free and clear of and without deduction or withholding for any Taxes; provided that if any Applicable Law requires the deduction or withholding of any Tax from any such payment, then such Credit Party shall make such deduction and timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after making all such deductions (including such deductions applicable to additional sums payable under this Section 2.14) the Lender or the Lender receive an amount equal to the sum it would have received had no such deductions been made.
- (b) Each applicable Credit Party shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, or at the option of the Lender timely reimburse it for the payment of, any Other Taxes of such Credit Party.
- (c) Each Credit Party shall indemnify the Lender pursuant to this Section 2.14 within ten (10) days after written demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 2.14) payable or paid by the Lender or the Lender and any reasonable expenses arising therefrom or with respect thereto. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Lender), or by the Lender on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error. In addition, each Credit Party shall indemnify the Lender or the Lender within ten (10) days after written demand therefor, for any incremental Taxes that may become payable by the Lender or the Lender as a result of any failure of any Credit Party to pay any Taxes when due to the appropriate Governmental Authority or to deliver to the Lender, pursuant to clause (d), documentation evidencing the payment of Taxes.
- (d) As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 2.14, such Credit Party shall deliver to the Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Lender.

- (e) Each party's obligations under this Section 2.14 shall survive any assignment of rights by, or the replacement of, a Lender, the termination of the Facility and the repayment, satisfaction or discharge of all obligations under any Credit Document.

ARTICLE 3 CONDITIONS PRECEDENT

3.1 Closing Date

The obligation of the Lender to make the initial Advance hereunder is subject to the satisfaction, or waiver, of the following conditions on or before the Closing Date:

- (a) **Credit Documents.** The Lender shall have received copies of each Credit Document executed and delivered by each applicable Credit Party and the original, executed equity interests of each of the Borrower and the General Partner, in each case representing 100% of all outstanding equity interests of the Borrower and the General Partner, along with originally executed assignments in blank with respect thereto.
- (b) **Organizational Documents; Incumbency.** At least two (2) Business Days prior to the Closing Date, the Lender shall have received copies of (i) each Organizational Document executed and delivered by each Credit Party, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, (ii) signature and incumbency certificates of the officers of each Credit Party, (iii) resolutions of the board of directors, shareholders (if required pursuant to the terms of a shareholder agreement or declaration) or similar governing body of each Credit Party approving and authorizing the execution, delivery and performance of this Agreement and the other Credit Documents to which it is a party, as applicable, or by which it or its assets may be bound as of the Closing Date, certified as of the Closing Date by an Authorized Officer as being in full force and effect without modification or amendment, (iv) a good standing certificate from the applicable Governmental Authority of each Credit Party's jurisdiction of incorporation, organization or formation, each dated a recent date prior to the Closing Date, each in form and substance reasonably satisfactory to the Lender.
- (c) **Due Organization and Good Standing.** Each Credit Party shall be duly organized and in good standing in the jurisdiction of its organization and qualified to do business in any other jurisdiction where it conducts its business other than in jurisdictions where the failure to be so qualified has not had, and could not be reasonably expected to have, a Material Adverse Effect.
- (d) **Governmental Authorizations and Consents.** Each Credit Party shall have obtained all Governmental Authorizations and all consents of other Persons, in each case, that are necessary or advisable in connection with the transactions contemplated by the Credit Documents to which it is a party and each of the foregoing shall be in full force and effect and in form and substance reasonably satisfactory to the Lender. All applicable waiting periods shall have expired

without any action being taken or threatened by any Governmental Authority which would restrain, prevent or otherwise impose adverse conditions on the transactions contemplated by the Credit Documents or the financing thereof and no action, request for stay, petition for review or rehearing, reconsideration, or appeal with respect to any of the foregoing shall be pending, and the time for any applicable agency to take action to set aside its consent on its own motion shall have expired.

- (e) **Collateral.** In order to create in favor of the Lender, a valid, perfected first priority Lien in the Collateral, the Lender shall have received:
- (i) evidence satisfactory to the Lender of the compliance by the Credit Parties with their obligations under the Collateral Documents and the Related Agreements (including, without limitation, their obligations to authorize or execute, as the case may be, and deliver any required PPSA filings, originals of securities, instruments and chattel paper and any agreements governing deposit accounts as provided therein);
 - (ii) the results of a recent search of (A) each Credit Party's corporate history, (B) all PPSA filings (or equivalent filings) in any relevant Canadian province or territory in respect of the Borrower) and the Originator, together with copies of all such filings disclosed by such search, which shall be provided by the Credit Parties if requested by the Lender, (C) all execution searches, if applicable, in any relevant Canadian province or territory, (D) all bankruptcy and insolvency registries, and (E) all litigation registries in any relevant Canadian province or territory;
 - (iii) termination statements (or similar documents) duly approved by all applicable Persons for filing in all applicable jurisdictions as may be necessary to terminate any effective PPSA filings (or equivalent filings) disclosed in such searches with respect to the Collateral (other than any PPSA filings filed in connection with the transactions contemplated under the Credit Documents);
 - (iv) estoppel letters, acknowledgement and confirmation letters or similar comfort letters addressed to and in form satisfactory to the Lender, as may be required by the Lender in respect to any prior secured parties;
 - (v) evidence that each of the Borrower and the Originator shall have taken or caused to be taken any other action, executed and delivered or caused to be executed and delivered any other agreement, document and instrument and made or caused to be made any other filing and recording (other than as set forth herein) reasonably required by the Lender or the Lender; and
 - (vi) evidence that any Indebtedness (other than the Obligations) secured by the Collateral has been paid in full.
- (f) **Opinions of Counsel to Credit Parties.** The Lender shall have received originally executed copies of the favorable written opinion of Cassels Brock & Blackwell

LLP, counsel for the Credit Parties, as to (i) corporate and enforceability matters, (ii) the creation and perfection of the security interests (A) in favor of the Lender in the Collateral under the Collateral Documents and (B) in favor of the Borrower in the Mortgages under the Mortgage Sale and Servicing Agreement, (iii) true-sale opinions and (iv) such other matters as the Lender may reasonably request, dated as of the Closing Date and otherwise in form and substance reasonably satisfactory to the Lender and its counsel.

- (g) **Fees and Expenses.** The Credit Parties shall have paid all fees due to the Lender (including without limitation the balance of the upfront fee referred to in Section 2.7(a)) and all outstanding expenses due to the Lender shall have been paid by the Credit Parties or reimbursed to the Lender, as applicable.
- (h) **No Litigation.** There shall not exist any action, suit, investigation, litigation or proceeding or other legal or regulatory developments, pending or threatened in any court or before any arbitrator or Governmental Authority with respect to any of the Credit Parties that, in the reasonable opinion of the Lender, singly or in the aggregate, materially impairs the transactions contemplated by the Credit Documents, or that could reasonably be expected to have a Material Adverse Effect, except as has been previously disclosed in writing to the Lender and deemed acceptable to the Lender in its Permitted Discretion.
- (i) **Servicing Report.** The Lender shall have approved the form of Servicing Report, acceptable to the Lender in its sole discretion.
- (j) **Evidence of Insurance.** The Lender shall have received certificates from the Originator's and the Borrower's insurance broker, or other evidence satisfactory to it that all insurance required to be maintained hereunder is in full force and effect, and the Lender shall have completed its review of the insurance coverage for the Originator and the Borrower and the results of such review shall be satisfactory to the Lender.
- (k) **Diligence.**
 - (i) The Lender shall have completed its diligence, including but not limited to, legal, financial and business diligence, regulatory review and due diligence on the Credit Parties and the portfolio of Mortgages, the results of such diligence are satisfactory to the Lender in its sole discretion and the Lender shall have received final investment committee approval;
 - (ii) The Lender shall be satisfied, in its sole discretion, with the results of background investigations, if any, performed on each Credit Party and any other principals and employees of any Credit Party;
 - (iii) The Lender shall be satisfied, in its sole discretion, with all financial information and portfolio information reasonably requested by the Lender;

- (iv) The Lender shall be satisfied, in its sole discretion, with each of the Borrower's, the Servicer's and the Originator's cash management systems and each of the Borrower's, the Servicer's and the Originator's operating and reporting procedures and systems, and the Borrower shall have executed account control agreements and acknowledgements satisfactory to the Lender in its sole discretion;
 - (v) The Lender shall be satisfied, in its sole discretion, with the results of its review of the Credit Policies;
 - (vi) The Lender shall be satisfied, in its sole discretion, with the Originator's "know your customer" and anti-money laundering policies and procedures, with any material deficiencies rectified by the Originator prior to the Closing Date; and
 - (vii) At least three (3) Business Days prior to the Closing Date, the Lender shall have received all documentation and other information required by the Purchaser under applicable "know your customer" and anti-money laundering rules and regulations, including identification verification forms from up to three (3) authorized signing officers of each Credit Party, as well as information on all individuals that own, control, hold or otherwise possess, directly or indirectly through any other entities, in the aggregate, 25% or more of any of the Credit Parties.
- (l) **Field Exam.** The Lender shall have received and be satisfied with in its sole discretion a field exam of EquityLine Mortgage Investment Corporation's assets by an external accounting firm (which shall not be the same accounting firm preparing the Originator's or the Borrower's year-end audited financial statements), the cost of which audit shall be the sole responsibility of the Borrower.
 - (m) **Financial Statements.** The Lender shall have received and be satisfied with in its sole discretion the audited financial statements for each of the Originator and the Servicer for Fiscal Year 2020, and the management prepared financial statements for each of the Originator and the Servicer for the first Fiscal Quarter of 2021.

3.2 Conditions to Each Advance

- (a) **Conditions Precedent.** The obligation of the Lender to make any Advance and for the Borrower to draw down any Advance, on any Advance Date, is subject to the satisfaction, or waiver, of the following conditions precedent:
 - (i) each Credit Document shall be in full force and effect, shall include terms and provisions reasonably satisfactory to the Lender (provided that the terms and provisions set forth in the Credit Documents as of the Closing Date shall be deemed satisfactory to the Lender) and no provision thereof shall have been amended, restated, supplemented, modified or waived in any respect determined by the Lender to be material, in each case, without the consent of the Lender;

- (ii) the Lender shall have received a fully executed Funding Notice together with a Borrowing Base Certificate and the related Purchase Notice no later than 10:00 a.m. (Toronto time) at least two (2) Business Days prior to such Advance Date, setting forth the amount of the requested Advance, and evidencing sufficient Availability with respect to the requested Advance together with a schedule of Mortgages listing the Mortgages to be pledged in connection with the Advance;
- (iii) the Lender shall have received a copy of those Mortgage Files pertaining to Eligible Mortgages that are the subject matter of such Advance that have been requested by Lender, acting reasonably;
- (iv) the Lender shall have received any updated financial information or portfolio information as it may reasonably request;
- (v) as of such Advance Date, immediately prior to and after giving effect to such Advance, a Borrowing Base Deficiency shall not exist;
- (vi) as of such Advance Date, the representations and warranties made by the applicable Credit Parties contained herein and in the other Credit Documents to which it is a party shall be true and correct in all material respects on and as of that Advance Date to the same extent as though made on and as of that date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects on and as of such earlier date;
- (vii) as of such Advance Date, after giving effect to such Advance, no event shall have occurred and be continuing or would result from the consummation of the applicable Advance that would constitute an Event of Default or a Default.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

In order to induce the Lender to enter into this Agreement and to make each Advance to be made hereunder, each Credit Party, severally and not jointly, as to itself only, represents and warrants to the Lender, on the Closing Date and on each Advance Date, that the following statements are true and correct (it being understood and agreed that the representations and warranties made on the Closing Date are deemed to be made concurrently with the consummation of the transactions contemplated by the Credit Documents):

4.1 Organization; Requisite Power and Authority; Qualification; Other Names

Each Credit Party (a) is duly organized or formed, validly existing and in good standing under the laws of Ontario, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted, to enter into the Credit Documents to which it is a party, and to carry out the transactions contemplated thereby and fulfill

its Obligations thereunder, and (c) is qualified to do business and is in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except in jurisdictions where the failure to be so qualified or in good standing has not had, and could not be reasonably expected to have, a Material Adverse Effect. Neither the Borrower nor the Originator operates or does business under any assumed, trade or fictitious name. Neither the Borrower nor the Originator has French version of its name. The Borrower has no Subsidiaries.

4.2 Due Authorization

The execution, delivery and performance of the Credit Documents to which each Credit Party is a party have been duly authorized by all necessary action on the part of such Credit Party.

4.3 No Conflict

The execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party and the consummation of the transactions contemplated by the Credit Documents do not and will not (a)(i) violate any provision of any law or any governmental rule or regulation applicable to such Credit Party, (ii) violate any of the Organizational Documents of such Credit Party, or (iii) violate any order, judgment or decree of any court or other agency of government binding on such Credit Party, (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of such Credit Party, except as could not reasonably be expected to result in a Material Adverse Effect, (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of such Credit Party (other than any Permitted Liens), or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of such Credit Party, except for such approvals or consents which will be obtained on or before the Closing Date and delivered to the Lender.

4.4 Governmental Consents

The execution, delivery and performance by each Credit Party of the Credit Documents to which it is a party and the consummation of the transactions contemplated by the Credit Documents do not and will not require any registration with; consent or approval of; permit, license, authorization, plan or directive from; notice to; or other action to, with or by, any Governmental Authority or any other Person, except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Lender for filing and/or recordation, as of the Closing Date.

4.5 Binding Obligation

Each Credit Document to which each Credit Party is a party has been duly executed and delivered by such Credit Party and is the legally valid and binding obligation of such Credit Party and is in full force and effect, enforceable against such Credit Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

4.6 Mortgages

Each Mortgage that is identified by the Borrower as an Eligible Mortgage on a Borrowing Base Certificate, satisfies each item set forth in the Eligibility Criteria.

4.7 No Material Adverse Effect

Since December 31, 2020, no event, circumstance or change has occurred that has caused or evidences, either individually or in the aggregate, a Material Adverse Effect.

4.8 Adverse Proceedings, etc.

There are no Adverse Proceedings pending, individually or in the aggregate, that could reasonably be expected to have a Material Adverse Effect. No Credit Party is (a) in violation of any Applicable Laws that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (b) subject to or in default with respect to any final judgments, writs, injunctions, decrees, rules or regulations of any court or any federal, state, provincial, territorial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.9 Payment of Taxes

Except as otherwise permitted under Section 5.3, (i) all income tax returns and all other material tax returns and reports of the Credit Parties required to be filed have been timely filed, and (ii) all income Taxes and all other material Taxes due and payable, and all assessments, fees and other governmental charges upon the Credit Parties and upon its properties, assets, income, businesses and franchises which are due and payable have been timely paid when due and payable. None of the Credit Parties knows of any threatened or proposed Tax assessment against it which is not being actively contested by such Credit Party, as applicable, in good faith and by appropriate proceedings; provided, that such reserves or other appropriate provisions, if any, as shall be required in conformity with GAAP shall have been made or provided therefor.

4.10 Title to Assets

The Borrower has good and valid title to all of its assets. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens, other than Permitted Liens.

4.11 No Indebtedness

The Borrower does not have any Indebtedness, other than Indebtedness incurred under (or contemplated by) the terms of this Agreement, the other Credit Documents or otherwise permitted hereunder.

4.12 No Defaults

No Credit Party is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any of its Contractual Obligations, and to each Credit Party's

actual knowledge, no condition exists which, with the giving of notice or the lapse of time or both, could constitute such a default, except where, (a) such defaults have been waived, or (b) individually or in the aggregate, the consequences, direct or indirect, of such default or defaults, if any, could not reasonably be expected to have a Material Adverse Effect.

4.13 Pension or Benefit Plans.

No Credit Party has at any time in the past or present established or been associated with any Pension Plans or any Benefit Plans other than the Existing Originator Benefit Plan.

4.14 Solvency and Fraudulent Conveyance

Each Credit Party is and, upon the incurrence of any Advance by the Borrower on any date on which this representation and warranty is made, will be, Solvent. No Credit Party is transferring any Collateral with any intent to hinder, delay or defraud any of its creditors. No Credit Party shall use the proceeds from the transactions contemplated by this Agreement to give preference to any class of creditors. The Borrower has given fair consideration and reasonably equivalent value in exchange for the sale of the Mortgages by the Originator under the Mortgage Sale and Servicing Agreement.

4.15 Compliance with Statutes, etc.

Each Credit Party is in compliance with all applicable statutes, laws, rules, regulations and orders of, and all applicable restrictions imposed by, all Governmental Authorities, in respect of the conduct of its business (including, without limitation, the underwriting, originating, ownership and servicing of Mortgages) and the ownership of its property, except such non-compliance that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

4.16 Disclosure

No report, financial statement, certificate or other information furnished (whether in writing or orally) by or at the direction of any Credit Party to the Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Credit Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Credit Parties represent only that such information was prepared in good faith based upon assumptions believed by the preparer thereof to be reasonable at the time. There are no facts known to any Credit Party (other than matters of a general economic nature) that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect and that have not been disclosed herein or in such other documents, certificates and statements furnished to the Lender for use in connection with the transactions contemplated hereby.

4.17 Security Interest

- (a) The Security Agreement creates a valid and continuing security interest in the Collateral (as defined thereunder) in favor of the Lender, which security interest ranks in priority to all other liens;
- (b) Immediately upon the pledge by the Borrower of the Mortgages and the Related Security to the Lender under the Security Agreement, the Lender, shall have a valid and enforceable security interest in the Collateral, free and clear of all liens, encumbrances, security interests and rights of others, other than Permitted Liens; and
- (c) All other Collateral Documents and filings (including, without limitation, PPSA filings or other actions) necessary in any jurisdiction to give the Lender, a first priority perfected security interest in all assets of the Borrower, to the extent such security interests can be perfected by filing under the PPSA, have been executed and delivered, made, given, taken or performed.

4.18 Accounts; etc.

The Borrower shall ensure that all Obligor with respect to any Eligible Mortgages pay all Collections directly into the Collection Account.

ARTICLE 5 AFFIRMATIVE COVENANTS

Each of the Borrower and each of the other Credit Parties, as applicable, covenants and agrees that until payment in full of all of the Obligations (other than contingent indemnification obligations), it shall perform, and ensure that each applicable Affiliate perform, all covenants applicable to it in this Article 5.

5.1 Reports

Unless otherwise provided below, the applicable Credit Parties specified below shall deliver, or cause to be delivered, to the Lender:

- (a) **Borrowing Base Certificate.** On each Reporting Date, and at such other times as the Lender shall request, the Borrower shall deliver a Borrowing Base Certificate to the Lender, in form and substance satisfactory to the Lender. Each Borrowing Base Certificate delivered to the Lender shall bear a signed statement by an Authorized Officer certifying the accuracy and completeness of all information included therein. The execution and delivery of a Borrowing Base Certificate shall in each instance constitute a representation and warranty by the Borrower to the Lender that each Eligible Mortgage included therein satisfies the Eligibility Criteria. In the event any Borrowing Base Certificate with respect to an Advance or other information required by this Section 5.1(a) is delivered to the Lender by the Borrower electronically or otherwise without signature, such Borrowing Base Certificate or other information shall, upon such delivery, be deemed to be signed

and certified on behalf of the Borrower by an Authorized Officer and constitute a representation to the Lender as to the authenticity thereof.

- (b) **Compliance Certificate.** On each Reporting Date, the Borrower shall provide to the Lender a Compliance Certificate which shall include, without limitation, the opening and contractual principal balances of the Eligible Mortgages, principal and interest collections on the Eligible Mortgages and application of funds, various performance and trigger tests relating to Delinquent Mortgages and Charged-Off Mortgages, including a calculation of the Delinquency Ratio and the Loss Ratio and Mortgage level status reporting.
- (c) **Servicer Reporting.** On each Reporting Date, the Servicer shall deliver the Servicing Report to the Lender, in form and substance satisfactory to the Lender. Each Servicing Report delivered to the Lender shall bear a signed statement by an Authorized Officer of the Servicer certifying the accuracy and completeness of all information included therein. In the event any Servicing Report is delivered to the Lender by the Servicer electronically or otherwise without signature, such Servicer Report shall, upon such delivery, be deemed to be signed and certified on behalf of the Servicer by an Authorized Officer and constitute a representation to the Lender as to the authenticity thereof.
- (d) **Notice of Default and Servicer Termination Event.** Promptly upon any Authorized Officer of any Credit Party obtaining knowledge (i) of any condition or event that constitutes a Default, an Event of Default or a Servicer Termination Event, (ii) that any Person has given any notice to any Credit Party or take any other action with respect to any event or condition set forth in Section 7.1, or (iii) of the occurrence of any event or change that has caused or evidences, either individually or in the aggregate, a Material Adverse Effect, a certificate of one of its Authorized Officers specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default or Servicer Termination Event, event or condition, and what action the applicable Credit Party has taken, is taking and proposes to take with respect thereto;
- (e) **Notice of Litigation and Other Matters.** Promptly upon any Authorized Officer of any Credit Party obtaining actual knowledge of (i) the institution of, or non-frivolous threat of, any Adverse Proceeding against a Credit Party not previously disclosed in writing by the Borrower to the Lender, or (ii) any material development in any Adverse Proceeding against any Credit Party that, if adversely determined, is reasonably likely to result in a judgment in an amount in excess of C\$150,000, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, written notice thereof together with such other information as may be reasonably available to the Credit Parties to enable the Lender and its counsel to evaluate such matters;
- (f) **Breach of Representations and Warranties.** Promptly upon any Credit Party becoming aware of a material breach with respect to any representation or warranty

made or deemed made by any Credit Party in any Credit Document or in any certificate at any time given by any Credit Party in writing pursuant hereto or thereto or in connection herewith or therewith, a certificate of an Authorized Officer specifying the nature and period of existence of such breach and what action such Credit Party has taken, is taking and proposes to take with respect thereto;

- (g) **Information Regarding Collateral.** Except for any Collateral in transit in the ordinary course of business, prior to acquiring any Collateral outside of the jurisdictions where the Lender has a validly registered and perfected security interest or moving any Collateral from one jurisdiction to another jurisdiction where the movement of such Collateral would cause the Lien created by the Security Agreement over such Collateral to cease to be perfected under Applicable Law, the applicable Credit Party (a) shall first give ten (10) days prior written notice thereof to the Lender, and (b) shall first execute and deliver to the Lender all security agreements or related instruments and all financing or registration statements in form and substance satisfactory to the Lender together with such supporting certificates, resolutions, opinions and other documents as the Lender may deem necessary or desirable in connection with such security and registrations. Each Credit Party will furnish to the Lender at least ten (10) Business Days prior written notice of any change to its (i) corporate name, or (ii) identity, organizational structure or jurisdiction of organization. Each Credit Party agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the PPSA or otherwise that are required in order for the Lender to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral. Each Credit Party agrees to promptly notify the Lender if any material portion of the Collateral is damaged or destroyed;
- (h) **Tax Returns.** As soon as practicable and in any event within fifteen (15) days following the filing thereof, the Borrower shall provide to the Lender copies of each income tax return or information return or report filed by or on behalf of the Borrower; and
- (i) **Credit Policies.** In accordance with Section 6.13, the Originator shall provide (i) at least ten (10) Business Days prior written notice to the Lender of any material change to the Credit Policies, and (ii) prompt written notice to the Lender of any non-material change to the Credit Policies.
- (j) **Annual Field Exam.** The Borrower shall arrange for an annual field exam of its assets by an external accounting firm (which shall not be the same accounting firm preparing the Originator's, the Borrower's or the Guarantor's year-end audited financial statements). The cost of which field exam shall be the sole responsibility of the Borrower and for clarity, is not included in the annual review fee contained in Section 2.7(b).

5.2 Existence

Each Credit Party shall at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business.

5.3 Payment of Taxes and Claims

Each Credit Party shall pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon, and all claims (including claims for labor, services, materials and supplies) for sums that have become due and payable and that by law have or may become a Lien upon any of its properties or assets, prior to the time when any penalty or fine shall be incurred with respect thereto; provided, that no such Tax or claim need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as (a) adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor, and (b) in the case of a Tax or claim which has or may become a Lien (other than a Permitted Lien) against any of the Collateral, such contested proceedings conclusively operate to stay the sale of any portion of the Collateral to satisfy such Tax or claim. No Credit Party shall file or consent to the filing of any consolidated income tax return with any Person (other than the Originator or any of its Subsidiaries).

5.4 Compliance with Laws

Each Credit Party shall be in compliance with the Requirements of Law.

5.5 Further Assurances

At any time or from time to time upon the request of the Lender, each Credit Party will, at its expense, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Lender or the Lender may reasonably request of such Credit Party in order to effect fully the purposes of the Credit Documents.

5.6 Separateness

The Borrower acknowledges that the Lender is entering into this Agreement in reliance upon the Borrower's identity as a legal entity that is separate from any other Person. Therefore, from and after the date of this Agreement, the Borrower shall take all reasonable steps, including without limitation, all steps that the Lender may from time to time reasonably request, to maintain the Borrower's identity as a separate legal entity and to make it manifest to third parties that the Borrower is a separate legal entity. Without limiting the generality of the foregoing, the Borrower agrees that it has not and shall not:

- (a) fail to maintain its existence and make independent decisions with respect to its daily operations and business affairs and, other than decisions of its partners pursuant to the terms of the limited partnership agreement of the Borrower, to be controlled in making such decisions by any Affiliate thereof or any other Person;

- (b) fail to file its own tax returns, if any, as may be required under Applicable Law, to the extent it is (i) not part of a consolidated group filing a consolidated return or returns, or (ii) not treated as a division for tax purposes of another taxpayer, and pay any taxes so required to be paid under Applicable Law;
- (c) fail to pay its own liabilities only out of its own funds; provided, however, that the foregoing shall not require the partners of the Borrower to make any additional capital contributions to the Borrower;
- (d) other than distributions permitted by Section 2.3, make or declare any dividends or other distributions of cash or property to the holders of its equity securities or make redemptions or repurchases of its equity securities, in either case, on a periodic basis any more frequently than monthly or otherwise, in certain other irregular cases, in accordance with appropriate corporate formalities and consistent with sound business judgment;
- (e) engage, either directly or indirectly, in any business or activity other than the acquisition, ownership, financing and disposition of the Mortgages in accordance with the Credit Documents and activities incidental thereto;
- (f) acquire or own any material asset other than the Collateral and proceeds thereof;
- (g) merge into, amalgamate or consolidate with any Person or entity or dissolve, terminate or liquidate in whole or in part, transfer or otherwise dispose of all or substantially all of its assets or change its legal structure, without in each case, to the extent permitted by law, the Lender's consent;
- (h) fail to preserve its existence as an entity duly organized, validly existing and in good standing (if applicable) under the laws of the jurisdiction of its formation, or without the prior written consent of the Lender, amend, modify, change, repeal, terminate or fail to comply with the provisions of the Borrower's certificate of formation, or its limited partnership agreement, as the case may be;
- (i) own any Subsidiary or make any investment in, any Person or entity without the consent of the Lender;
- (j) commingle its assets with the assets of any of its general partners, members, Affiliates, principals or any other Person or entity;
- (k) incur any Indebtedness except the Obligations;
- (l) fail to maintain its records, books of account and bank accounts, separate and apart from those of the general partners, members, principals and Affiliates of the Borrower or the Affiliates of a general partner or member of the Borrower or any other Person;
- (m) except for the Credit Documents, and as otherwise expressly permitted by the Credit Documents, enter into any contract or agreement with any other Credit Party

or any general partner, member, principal or Affiliate of any other Credit Party, except with the Lender's consent and upon terms and conditions that are intrinsically fair and substantially similar to those that would be available on an arms-length basis with third parties other than any general partner, member, principal or Affiliate of the Originator, any other Credit Party, or any general partner, member, principal or Affiliate thereof or fail to maintain separate financial statements from those of its general partners, members, principal and Affiliates; provided, however, that the Borrower's financial position, assets, liabilities, net worth and operating results may be included in the consolidated financial statements of the Originator and its Affiliates; provided, further, that such consolidated financial statements disclose that the Borrower is a separate legal entity and that its assets are not generally available to satisfy the claims of creditors of the Originator and its Affiliates;

- (n) seek the dissolution or winding up, in whole or in part, of the Borrower or take any action that would cause the Borrower to become insolvent;
- (o) fail to take reasonable efforts to correct any misunderstanding known to the Borrower regarding the separate identity of the Borrower;
- (p) maintain its assets in such a manner that it will be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;
- (q) except as provided in the Credit Documents, assume or guarantee the debts of any other Person, hold itself out to be responsible for the debts of any other Person, or otherwise pledge its assets for the benefit of any other Person or hold out its credit as being available to satisfy the obligations of any other Person;
- (r) except as provided in the Credit Documents, make any loans or advances to any third party, including any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate thereof;
- (s) fail either to hold itself out to the public as a legal entity separate and distinct from any other entity or Person or to conduct its business solely in its own name in order not (i) to mislead others as to the identity with which such other party is transacting business, or (ii) to suggest that the Borrower is responsible for the debts of any third party (including any general partner, member, principal or Affiliate of the Borrower, or any general partner, member, principal or Affiliate thereof);
- (t) file or consent to the filing of any petition, either voluntary or involuntary, to take advantage of any applicable insolvency, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors;
- (u) hold itself out as or be considered as a department or division (other than for tax purposes) of any general partner, principal, member or Affiliate of the Borrower or any other Person or entity;

- (v) fail to allocate fairly and reasonably shared expenses (including, without limitation, shared office space and services performed by an employee of an Affiliate) among the Persons sharing such expenses and to use separate stationery, invoices and checks;
- (w) acquire obligations or securities of its partners, members, shareholders or other Affiliates, as applicable;
- (x) fail to have Organizational Documents that provide that, so long as the Obligations of the Borrower shall be outstanding, the Borrower shall not seek the dissolution or winding up in whole, or in part, of the Borrower; and
- (y) fail to observe all requisite organizational formalities under Canadian federal, provincial or territorial law.

In the event of any inconsistency between the covenants set forth in this Section 5.6 or the other covenants set forth in this Agreement, or in the event that any covenant set forth in this Section 5.6 poses a greater restriction or obligation than is set forth elsewhere in this Agreement, the covenants set forth in this Section 5.6 shall control.

5.7 Cash Management Systems

The Borrower shall establish and maintain cash management systems as set forth below.

- (a) **Cash Management System.**
 - (i) The Borrower shall have established, in the name of the Borrower, under the control of the Lender, the Collection Account as described in Section 2.10 (the “**Cash Management System**”), into which all Collections in respect of the Eligible Mortgages shall be deposited.
 - (ii) The Borrower shall not establish any new Cash Management System without the prior written consent of the Lender in its Permitted Discretion.
 - (iii) Without the prior written consent of the Lender, the Borrower shall not, in a manner adverse to the Lender, (A) change the general instructions given to the Servicer in respect of payments on account of Eligible Mortgages to be deposited in the Cash Management System, or (B) change any instructions given to any bank or financial institution which in any manner redirects the proceeds of any Collections in the Cash Management System to any account which is not the Collection Account.
 - (iv) The Borrower acknowledges and agrees that the Collections on deposit in the Cash Management System shall continue to be collateral security for the Obligations secured thereby.
- (b) **Mortgage Payment Collection.** The Borrower agrees (i) to ensure that each Obligor will make all payments with respect to Eligible Mortgages directly to the

Cash Management System, and (ii) promptly (and, except as set forth in the proviso to this Section 5.7(b), in no event later than two (2) Business Days following receipt) to deposit all Collections received by the Borrower, whether in the form of cash, cheques, notes, drafts, bills of exchange, money orders or otherwise, into the Cash Management System in precisely the form in which they are received (but with any endorsements of the Borrower, necessary for deposit or collection), and until they are so deposited to hold such payments in trust for and as the property of the Lender; provided, however, that with respect to any payment received that does not contain sufficient identification of the account number to which such payment relates or cannot be processed due to an act beyond the control of the Borrower, such deposit shall be made no later than the second (2nd) Business Day following the date on which such account number is identified or such payment can be processed, as applicable.

5.8 Insurance.

The Borrower shall maintain in force (a) an “errors and omissions” insurance policy in an amount not less than \$2,000,000, (b) an employee fidelity insurance policy in an amount not less than \$2,000,000, and (c) property and casualty insurance in an amount reasonably acceptable to the Lender, in each case, (i) in a form acceptable to the Lender, acting reasonably, (ii) with an insurance company reasonably acceptable to the Lender, and (iii) naming the Lender, as beneficiary and additional loss payee. Unless otherwise directed by the Lender, each of the Borrower and the Originator shall prepare and present, on behalf of itself and the Lender, claims under any such policy in a timely fashion in accordance with the terms of such policy, and upon the filing of any claim on any policy described in this Section 5.8, the Borrower or the Originator, as the case may be, shall promptly notify the Lender of such claim and deposit, or cause to be deposited, the Net Insurance Proceeds of any such claim into the Collection Account. Prior to the Closing Date and annually thereafter, each of the Borrower and the Originator shall deliver copies of such policies to the Lender together with a certification from the applicable insurance company that such policy is in force on such date. Each of the Borrower and the Originator shall deliver proof of maintenance of such policies and payment of premiums no less frequently than annually, in form and substance reasonably acceptable to the Lender.

5.9 Financial Statements.

- (a) As soon as available and no later than one hundred and twenty (120) days following the end of each Fiscal Year, the Borrower shall deliver, or cause to be delivered, to the Lender, a copy of the audited financial statements of each of the Borrower, the Originator and the Guarantor.
- (b) As soon as available and no later than forty-five (45) days after the last day of each Fiscal Quarter, the Borrower shall deliver, or cause to be delivered, to the Lender a copy of the management prepared financial statements of each of the Borrower, the Originator and the Guarantor.
- (c) Concurrently with the delivery of the financial statements referred to in clauses (a) and (b) above, the Borrower shall deliver to the Lender a duly executed and

completed Compliance Certificate, setting forth in reasonable detail the computations necessary to determine whether the Borrower is in compliance with the terms of this Agreement, including a calculation of the financial ratios set out in Section 5.11, and confirming that no Default has occurred which is continuing.

- (d) The Borrower shall deliver such additional financial or operating reports or statements as the Lender may, from time to time, reasonably require with respect to the completion of an annual review.

5.10 Due Diligence; Access to Certain Documentation

- (a) The Lender (and their respective agents or professional advisors) shall have the right under this Agreement, from time to time (but not more than twice per calendar year unless an Event of Default has occurred and is continuing), at their discretion and, prior to the occurrence of an Event of Default that is continuing, upon thirty (30) days' prior notice to the relevant party, to examine, audit and make copies of, during regular business hours, any and all of the books, records, financial statements, credit and collection policies, legal and regulatory compliance, operating and reporting procedures and information systems (including without limitation customer service and/or whistleblower hotlines), directors, officers and key employees of the Credit Parties, or held by another for a Credit Party or on its behalf, concerning or otherwise affecting the Mortgages or the Credit Documents. The Lender (and its agents and professional advisors) shall treat as confidential any information obtained during the aforementioned examinations which is not already publicly known or available; provided, however, that the Lender (and its agents or professional advisors) may disclose such information if required to do so by law or by any regulatory authority.
- (b) During regular business hours and, prior to the occurrence of an Event of Default that is continuing, upon five (5) Business Days' prior notice, each Credit Party agrees to promptly provide the Lender (and their respective agents or professional advisors) with access to, copies of and extracts from any and all documents, records, agreements, instruments or information (including, without limitation, any of the foregoing in computer data banks and computer software systems) which the Lender (and its agents or professional advisors) may reasonably require in order to conduct periodic due diligence relating to the Credit Parties in connection with the Mortgages and the Credit Documents. For the avoidance of doubt, the Lender (and its agents or professional advisors) may remove any such copies and/or extracts obtained in connection with this Section 5.10(b) from the related Credit Party's offices or premises, subject to the confidentiality provisions set forth in Section 8.20.
- (c) Each Credit Party will make available to the Lender (and its agents or professional advisors) knowledgeable financial, accounting, legal and compliance officers for the purpose of answering questions with respect to the Credit Parties and the Mortgages and to assist in the Lender's and the Lender's diligence. In addition, the Borrower shall provide, or shall cause the Servicer to provide, the Lender with

remote access to any electronic Mortgages and any related documents. Each Credit Party and the Lender shall mutually agree to confirm any information relating to the Mortgages directly with the applicable Obligor; provided, that (i) any such confirmation shall be in writing on letterhead of the Originator, (ii) the letter shall request responses to be mailed to a P.O. Box address of the Lender and (iii) the Lender will provide self-addressed stamped envelopes for such responses.

- (d) To the extent there is any material exception in any audit conducted pursuant to this Section 5.10, such Credit Party shall be required to cure such material exception within fifteen (15) Business Days of the earlier to occur of an Authorized Officer of the applicable Credit Party having knowledge thereof or an Authorized Officer of the applicable Credit Party receiving written notice thereof from the Lender.
- (e) Without limiting the foregoing, the Borrower acknowledges and agrees that the Lender will conduct an annual business and legal due diligence review of the Borrower, which may include, but not be limited to, an specified procedures report, audit of the portfolio of Mortgages, the Originator's know-your-client and underwriting policies and procedures, and an inspection of any of the premises of the Borrower or the Originator.

5.11 Financial Covenants

- (a) At no time shall the Loss Ratio exceed 3.00%, tested monthly.
- (b) At no time shall the Delinquency Ratio exceed 5.00%, tested monthly.
- (c) The weighted average yield of the portfolio of Eligible Mortgages shall at all times be at least 1.00% greater than the Interest Rate, tested monthly.
- (d) The Originator shall maintain a minimum contribution of equity equal to at least 5.00% of the Eligible Mortgage Balance.

ARTICLE 6 NEGATIVE COVENANTS

Each of the Borrower and each other Credit Party, as applicable, covenants and agrees that until payment in full of all of the Obligations (other than contingent indemnification obligations), it shall perform, and ensure that each applicable Affiliate performs, all covenants applicable to it in this Section 6.

6.1 Indebtedness

The Borrower shall not directly or indirectly, create, incur, assume or guarantee, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except the Obligations.

6.2 Liens

The Borrower shall not, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to any property or asset of any kind (including any document or instrument in respect of goods or accounts receivable) of the Borrower whether now owned or hereafter acquired, or any income or profits therefrom, or file or permit the filing of, or permit to remain in effect, any financing statement or other similar notice of any Lien with respect to any such property, asset, income or profits under the PPSA or under any similar recording or notice statute, except (a) Liens in favor of the Lender granted pursuant to any Credit Document, and (b) Permitted Liens. The Originator shall not, directly or indirectly, create, incur, assume or permit to exist any Lien on or with respect to the Pledged Collateral except (a) Liens in favor of the Lender granted pursuant to any Credit Document, and (b) Permitted Liens.

6.3 Investments

The Borrower shall not make or own any Investment, except Investments in Cash and Mortgages and those Investments contemplated by the Credit Documents.

6.4 Fundamental Changes; Disposition of Assets; Acquisitions

The Borrower shall not (a) enter into any transaction of merger, amalgamation or consolidation, or liquidate, wind up in whole, or in part, or dissolve itself (or suffer any liquidation or dissolution), or (b) convey, sell, lease or sub lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its business, assets (including, but not limited to, the Mortgages) or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired, except for distributions to the Originator of funds received by the Borrower pursuant to Section 2.11 and as otherwise permitted in the Credit Documents, (c) file or consent to the filing of any petition, either voluntary or involuntary, or commence a case under any Debtor Relief Laws, bankruptcy, liquidation or reorganization statute, or make an assignment for the benefit of creditors without the consent of the Independent Director, or (d) acquire by purchase or otherwise the business, property or fixed assets of, or stock or other evidence of beneficial ownership of, any Person or any division or line of business or other business unit of any Person, except Investments made in compliance with Section 6.3. No other Credit Party shall (a) enter into any transaction of merger, amalgamation or consolidation in which such Credit Party is not the surviving entity, liquidate, wind-up or dissolve itself (or suffer any liquidation or dissolution), or (b) convey, sell, lease or sub lease (as lessor or sublessor), exchange, transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its business, assets (including, but not limited to, the Mortgages) or property of any kind whatsoever, whether real, personal or mixed and whether tangible or intangible, whether now owned or hereafter acquired except as otherwise permitted in the Credit Documents, in each case, without the prior written consent of the Lender.

6.5 Material Contracts and Organizational Documents

The Borrower shall not (a) enter into any Material Contract with any Person, (b) agree to any material amendment, restatement, supplement or other modification to, or waiver of, any of its material rights under any Related Agreement after the Closing Date, or (c) materially amend or

permit any material amendments to its Organizational Documents, without in each case obtaining the prior written consent of the Lender to such entry, amendment, restatement, supplement, modification or waiver, as the case may be.

6.6 Sales and Lease Backs

The Borrower shall not directly or indirectly become or remain liable as lessee or as a guarantor or other surety with respect to any lease of any property (whether real, personal or mixed), whether now owned or hereafter acquired, which the Borrower, (a) has sold or transferred or is to sell or to transfer to any other Person, or (b) intends to use for substantially the same purpose as any other property which has been or is to be sold or transferred by the Borrower to any Person in connection with such lease.

6.7 Transactions with Shareholders and Affiliates

The Borrower shall not directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any of its Affiliates other than the transactions contemplated by the Credit Documents.

6.8 Conduct of Business

From and after the Closing Date, the Borrower shall not engage in any business other than the businesses engaged in by the Borrower on the Closing Date.

6.9 Fiscal Year.

No Credit Party shall change its Fiscal Year without the prior written consent of the Lender, which consent shall not be unreasonably withheld.

6.10 Accounts

The Borrower shall be permitted to establish or maintain an operating account that is not subject to a "blocked accounts agreement" in favor of the Lender; provided, that, the Borrower shall not, nor direct any Person to, deposit Collections in a deposit account or a securities account that is not the Collection Account.

6.11 Prepayments of Certain Indebtedness

The Borrower shall not, directly or indirectly, voluntarily purchase, redeem, defease or prepay any principal of, premium, if any, interest or other amount payable in respect of any Indebtedness prior to its scheduled maturity, other than the Obligations.

6.12 Mortgage Sale and Servicing Agreement

The Borrower shall not terminate or materially amend the Mortgage Sale and Servicing Agreement without the prior written consent of the Lender.

6.13 Changes to the Credit Policies

No Credit Party shall make or authorize any material changes or modifications to the Credit Policies without the prior written consent of the Lender. The Credit Parties shall provide the Lender with prompt written notice of any non-material changes or modifications to the Credit Policies that do not require the consent of the Lender.

6.14 Benefit Plans

No Credit Party shall, nor shall it permit any of its Subsidiaries to, (a) establish or commence contribution to or otherwise participate in any retirement or pension arrangement that provides defined benefits; (b) acquire an interest in any Person if such Person sponsors, administers, participates in, or has any liability in respect of, any retirement or pension arrangement that provides defined benefits; or (c) establish a Pension Plan or Benefit Plan.

ARTICLE 7 EVENTS OF DEFAULT

7.1 Events of Default

Each of the following conditions or events shall constitute an “**Event of Default**” hereunder:

- (a) **Failure to Make Payments When Due.** The failure by the Borrower to make payments of any principal, interest or fees due to the Lender, including without limitation any amounts due on the Demand Date, or the failure of any Credit Party to make any other payment or deposit required to be made under any Credit Documents within two (2) Business Days of the date such payment or deposit is due; or
- (b) **Cross Defaults.** The occurrence of any default by any Credit Party or any of their respective Affiliates, which failure extends beyond any applicable grace period provided therefor, under any facility with respect to any Indebtedness in excess of C\$50,000; or
- (c) **Breach of Certain Covenants.** Failure of any Credit Party, as applicable, to perform or comply with any covenant or other agreement contained in Sections 5.2, 5.3, 5.6, 5.7, 5.8, 5.11 or 6; or
- (d) **Breach of Representations, etc.** Any representation, warranty, certification or other statement made or deemed made by any Credit Party in any Credit Document to which it is a party or in any statement or certificate at any time given by any Credit Party or any of its Subsidiaries in writing pursuant hereto or thereto or in connection herewith or therewith, other than any representation, warranty, certification or other statement which gives rise to a Mortgage Repurchase Event, shall be false in any material respect as of the date made or deemed made and which (if reasonably subject to cure or remediation) shall not have been cured or remedied within fifteen (15) Business Days after the earlier of (i) an Authorized Officer of

such Credit Party becoming aware of such falsity, or (ii) receipt by such Credit Party of written notice from the Lender or the Lender of such falsity; or

- (e) **Other Defaults Under Credit Documents.** Any Credit Party shall default in any material respect in the performance of or compliance with any covenant or other term contained herein or any of the other Credit Documents to which it is a party, other than any such term referred to in any other provision of this Section 7.1, and (if reasonably subject to cure or remediation) shall not have been cured or remedied within fifteen (15) Business Days after the earlier of (i) an Authorized Officer of such Credit Party becoming aware of such default, or (ii) receipt by such Credit Party of written notice from the Lender of such default; or
- (f) **Involuntary Bankruptcy; Appointment of Receiver, etc.** (i) A court of competent jurisdiction shall enter a decree or order for relief (other than a decree or order described in clause (ii)) in respect of any Credit Party in an involuntary case under any applicable Debtor Relief Laws now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any Applicable Law, or (ii) an involuntary case shall be commenced against any Credit Party under any applicable Debtor Relief Law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, interim receiver, receiver and manager, liquidator, sequestrator, trustee, custodian or other officer having similar powers over such Credit Party shall have been entered; or there shall have occurred the involuntary appointment of an interim receiver, receiver and manager, trustee or other custodian of such Credit Party, and any such event described in this clause (ii) shall continue for sixty (60) days without having been dismissed, bonded or discharged; or
- (g) **Voluntary Bankruptcy; Appointment of Receiver, etc.** (i) Any Credit Party shall commence a voluntary case under any applicable Debtor Relief Law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, interim receiver, receiver and manager, trustee or other custodian for all or a substantial part of its property; or any such Credit Party shall make any assignment for the benefit of creditors, or (ii) any Credit Party shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or the board of directors (or similar governing body) of such Credit Party (or any committee thereof) shall adopt any resolution or otherwise authorize any action to approve any of the actions referred to herein or in Section 7.1(h); or
- (h) **Judgments and Attachments.** Any money judgment, writ or warrant of attachment or similar process involving in the aggregate at any time an amount in excess of C\$50,000 with respect to each Credit Party, to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has not denied coverage, shall be entered or filed against such Credit Party or any of its assets and (i) shall remain undischarged, unvacated, unbonded or unstayed for a

period of sixty (60) days (or in any event later than five (5) days prior to the date of any proposed sale thereunder in connection with any enforcement proceedings commenced by a creditor upon such judgment, writ, warrant of attachment or similar process), or (ii) a decree or order is entered for the appointment of a receiver, receiver and manager, liquidator, sequestrator, trustee or custodian assignee for the benefit of creditors (or other officer having similar powers) over such assets; or

- (i) **Dissolution.** Any order, judgment or decree shall be entered against any Credit Party decreeing the dissolution, winding up or split up of such Credit Party and such order shall remain undischarged or unstayed for a period in excess of sixty (60) days; or
- (j) **Change of Control.** A Change of Control shall occur or any Credit Party shall enter into any transaction of merger, amalgamation or consolidation in which it is not the surviving entity, in each case, without the prior written consent of the Lender, which consent shall not be unreasonably withheld; or
- (k) **Borrowing Base Deficiency.** A Borrowing Base Deficiency exists and is not cured within five (5) Business Days of the date such Borrowing Base Deficiency occurred; or
- (l) **Collateral Documents and other Credit Documents.** At any time after the execution and delivery thereof, (i) this Agreement or any Collateral Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations in accordance with the terms hereof) or shall be declared null and void or the enforceability thereof shall be impaired in any material respect, or the Lender shall not have or shall cease to have a valid and perfected Lien in any Collateral purported to be covered by the Collateral Documents with the priority required by the relevant Collateral Document, in each case for any reason other than the failure of the Lender to take any action within its control, or (ii) any of the Credit Documents identified in clause (a) of the definition thereof for any reason, other than the satisfaction in full of all Obligations (other than contingent indemnification obligations), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or a party thereto, as the case may be, shall repudiate its obligations thereunder or shall contest the validity or enforceability of any Credit Document in writing; or
- (m) **Mortgage Sale and Servicing Agreement.** A Servicer Termination Event shall have occurred and has not been cured as permitted under the Mortgage Sale and Servicing Agreement; or
- (n) **Financial Statement Qualifications.** The auditor's opinion accompanying the audited financial statements of any Credit Party delivered hereunder or under the Mortgage Sale and Servicing Agreement is qualified in any material manner; or

- (o) **Material Adverse Effect.** The occurrence of any event (including a change in law or regulation) that could reasonably be expected to have a Material Adverse Effect; or
- (p) **Action by an Administrative Body.** A decree or order is entered by an administrative body (including, without limitation, an administrative order of any Governmental Authority) or by a court of competent jurisdiction, whether or not such decree or order is appealable or is being appealed, in connection with a proceeding brought against any Credit Party or one or more of its Affiliates (i) for the payment of “restitution,” “disgorgement or compensation for unjust enrichment,” “refund of moneys or return of real property” and/or “payment of damages or other monetary relief,” or any similar characterization (other than for civil monetary penalties), (ii) for the payment of civil monetary penalties, or (iii) pursuant to which a Credit Party or one or more of its Affiliates consent or agree to remedies, whether conduct- or monetary-based, in connection with allegations by such administrative body, in such decree or order, resulting from (or relate to remediation of) unfair, deceptive or abusive acts or practices by such Credit Party or any such Affiliate, whether or not such Credit Party or such Affiliate admits that such acts or practices were, in fact, unfair, deceptive or abusive; which, in the case of any of (i), (ii), or (iii) above, results in a Material Adverse Effect on such Credit Party or one or more of its Affiliates;

THEN, (A) upon the occurrence of any Event of Default described in Sections 7.1(f), 7.1(g), 7.1(h) or 7.1(i), automatically, and (B) upon the occurrence and during the continuance of any other Event of Default, at the request of (or with the consent of) the Lender, upon written notice to the Borrower by the Lender, (x) no additional Advances shall be funded hereunder; (y) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Credit Party: (1) the unpaid principal amount of and accrued interest on the Advances and (2) all other Obligations (other than contingent indemnification obligations); and (z) the Lender shall be entitled to enforce any and all Liens and security interests created pursuant to the Collateral Documents, pursuant to the exercise of any and all available remedies, at law or equity.

Upon the occurrence and during the continuance of an Event of Default, the principal amount of all Mortgages outstanding and, to the extent permitted by Applicable Law, any interest payments on the Mortgages or any fees or other amounts owed hereunder, shall thereafter bear interest (including post-petition interest in any proceeding under any applicable Debtor Relief Laws) payable in accordance with the provisions of Section 2.6 at the Default Interest Rate until no Event of Default is then continuing.

7.2 Replacement Servicer

If a Servicer Termination Event has occurred, the Lender may designate as the Replacement Servicer any Person to succeed the Servicer or any successor Replacement Servicer with respect to the Collateral and may do so on such terms, whether similar or dissimilar to the obligations of the Servicer hereunder, as the Lender and the Replacement Servicer may agree to.

ARTICLE 8 MISCELLANEOUS

8.1 Notices

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given to any Credit Party or the Lender shall be sent to such Person's address as set forth on Appendix A or in the other relevant Credit Document. Each notice hereunder shall be in writing and may be personally served, sent by telefacsimile (with telephonic confirmation of receipt), courier service or email (to the extent that an email address shall have been provided for the recipient) and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of telefacsimile or email.

8.2 Expenses

Whether or not the transactions contemplated hereby shall be consummated, the Borrower agrees to pay promptly (a) all of the Lender's actual and reasonable, documented, out-of-pocket costs and expenses of due diligence and the preparation and negotiation of the Credit Documents and any consents, amendments, waivers or other modifications thereto, (b) all of the reasonable, documented fees, expenses and disbursements of counsel and other service providers, or consultants or agents to the Lender in connection with the due diligence, negotiation, preparation, execution, administration and enforcement of the Credit Documents and any consents, amendments, waivers or other modifications thereto and any other documents or matters requested by the Borrower, (c) all the actual costs and reasonable, documented, out-of-pocket expenses of creating and perfecting Liens in favor of the Lender, including filing and recording fees, expenses and Taxes, stamp or documentary Taxes, search fees, title insurance premiums and reasonable fees, expenses and disbursements of counsel to the Lender, (d) to the extent applicable, the Lender's actual costs and reasonable documented out of pocket fees, expenses, for, disbursements of any of the Lender's auditors, accountants, consultants or appraisers whether internal or external, and all reasonable, documented legal fees (including expenses and disbursements of outside counsel) incurred by the Lender, (e) all the actual costs and reasonable, documented, out-of-pocket expenses (including the reasonable fees, expenses and disbursements of any appraisers, consultants, advisors and agents employed or retained by the Lender and its counsel) in connection with the custody or preservation of any of the Collateral, (f) all other actual and reasonable, documented out-of-pocket costs and expenses incurred by the Lender in connection with the syndication of the Advances and the negotiation, preparation and execution of the Credit Documents and any consents, amendments, waivers or other modifications thereto and the transactions contemplated thereby, and (g) after the occurrence of a Default or an Event of Default, all documented costs and expenses, including, without limitation, reasonable attorneys' fees and costs of settlement, incurred by the Lender in enforcing any Obligations of or in collecting any payments due from any Credit Party hereunder or under the other Credit Documents by reason of such Default or Event of Default (including in connection with the sale of, collection from, or other realization upon any of the Collateral) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work out" or pursuant to any insolvency or bankruptcy cases or proceedings.

8.3 Indemnity.

- (a) **Borrower.** In addition to the payment of expenses pursuant to Section 8.2, whether or not the transactions contemplated hereby shall be consummated, the Borrower (individually, the “**Borrower Indemnitor**”) agrees to defend (subject to Indemnitee’s selection of counsel), indemnify, pay and hold harmless, the Lender, and its related parties (each, an “**Indemnitee**”), from and against any and all Indemnified Liabilities arising from the performance and non-performance of the Borrower’s Obligations hereunder and under the other Credit Documents, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory, or sole negligence of such Indemnitee; provided, the Borrower Indemnitor shall not have any Obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of such Indemnitee, as determined by a court of competent jurisdiction in a final non-appealable order or judgment. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 8.3 may be unenforceable in whole or in part because they are violative of any law or public policy, the Borrower Indemnitor shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all of its Indemnified Liabilities arising from the performance and non-performance of the Borrower Indemnitor’s Obligations hereunder and under the other Credit Documents incurred by all Indemnitees or any Indemnitee.
- (b) **The Originator.** Whether or not the transactions contemplated hereby shall be consummated, the Originator (individually, the “**Originator Indemnitor,**” and together with the Borrower Indemnitor, the “**Indemnitor**”) agrees to defend (subject to indemnitor’s selection of counsel), indemnify, pay and hold harmless, the Lender, and its related parties (each, an “**Indemnitee**”), from and against any and all **Indemnified Liabilities** arising from (i) the performance and non-performance of the Obligations of the Originator hereunder and under the other Credit Documents and (ii) the performance and non-performance of the Borrower’s Obligations hereunder and under the other credit documents to the extent that such Indemnified Liabilities arose due to the performance or non-performance of the Originator’s Obligations hereunder or under the other Credit Documents, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory, or sole negligence of such indemnitor; provided, the Originator Indemnitor shall not have any Obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities to the extent such Indemnified Liabilities arise from the gross negligence or willful misconduct of any Indemnitee, as determined by a court of competent jurisdiction in a final non-appealable order or judgment. For the avoidance of doubt, the Originator Indemnitor shall not have any Obligation to any Indemnitee hereunder with respect to indemnified losses consisting of liabilities, obligations, losses, damages, penalties, claims, costs, expenses and disbursements resulting from credit losses on or diminution in value of receivables or other collateral unless such credit loss or diminution in value was a result of the action or inaction of the Originator Indemnitor in contravention of

the Credit Documents. To the extent that the undertakings to defend, indemnify, pay and hold harmless set forth in this Section 8.3 may be unenforceable in whole or in part because they are violative of any law or public policy, the Originator Indemnitor shall contribute the maximum portion that it is permitted to pay and satisfy under applicable law to the payment and satisfaction of all Indemnified Liabilities arising under this Section 8.3.

- (c) If any claim or action for Indemnified Liabilities shall be brought against an Indemnitee, it shall notify each Indemnitor thereof, and each Indemnitor shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified Indemnitor, to assume the defense thereof with counsel reasonably satisfactory to the Indemnitee, unless such Indemnitee reasonably objects to such assumption on the ground that there may be legal defenses available to it which are different from or in addition to those available to such Indemnitor. After notice from an Indemnitor to the Indemnitee of its election to assume the defense of such claim or action, except to the extent provided in the following paragraph, such Indemnitor shall not be liable to the Indemnitee under this Section 8.3 for any fees and expenses of counsel subsequently incurred by the Indemnitee in connection with the defense thereof other than reasonable costs of investigation.
- (d) Any Indemnitee shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnitee unless: (i) the employment thereof has been specifically authorized by each Indemnitor in writing, (ii) such Indemnitee shall have been advised by such counsel that there may be one or more legal defenses available to it which are different from or additional to those available to each Indemnitor and in the reasonable judgment of such counsel it is advisable for such Indemnitee to employ separate counsel, or (iii) the Indemnitor has failed to assume the defense of such action and employ counsel reasonably satisfactory to the Indemnitee, in which case, if such Indemnitee notifies the Indemnitor in writing that it elects to employ separate counsel at the expense of the Indemnitor, the Indemnitor shall not have the right to assume the defense of such action on behalf of such Indemnitee, it being understood, however, the Indemnitor shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys (in addition to local counsel) at any time for all such Indemnitees, which firm shall be designated in writing by the Lender, but in either case reasonably satisfactory to the Indemnitee.
- (e) Each Indemnitee, as a condition of the indemnity agreement contained in the foregoing subparagraph (a), shall use its reasonable efforts to cooperate with the Indemnitor in the defense of any such action or claim. No Indemnitor shall be liable for any settlement of any such action effected without its written consent, but if settled with its written consent or if there be a final judgment for the plaintiff in any such action, the Indemnitor agrees to indemnify and hold harmless any Indemnitee from and against any Indemnified Liabilities by reason of such settlement or

judgment. No Indemnitor shall, without the prior written consent of the Indemnitee, affect any settlement of any pending or threatened action in respect of which such Indemnitee is or could have been a party and indemnity could have been sought hereunder by such Indemnitee unless such settlement (i) includes an unconditional release of such Indemnitee from all liability on any claims that are the subject matter of such action, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such Indemnitee.

- (f) To the extent permitted by Applicable Law, neither the Borrower, nor the Originator shall assert, and each of the Borrower and the Originator hereby waives, any claim against the Lender and its Affiliates, directors, employees, attorneys or agents, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of, or in any way related to, this Agreement or any Credit Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, any Advance or the use of the proceeds thereof or any act or omission or event occurring in connection therewith, and each of the Borrower and the Originator hereby waives, releases and agrees not to sue upon any such claim or any such damages, whether or not accrued and whether or not known or suspected to exist in its favor.

8.4 Set-Off

In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, upon the occurrence and continuance of any Event of Default, the Lender and its Affiliates each is hereby authorized by the Borrower at any time or from time to time subject to the consent of the Lender, without notice to the Borrower or to any other Person (other than the Lender) except to the extent required by Applicable Law, any such notice being hereby expressly waived to the maximum extent under Applicable Law, and subject to any requirements or limitations imposed by Applicable Law, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts (in whatever currency)) and any other Indebtedness at any time held or owing by the Lender to or for the credit or the account of the Borrower (in whatever currency) against and on account of the obligations and liabilities of the Borrower to the Lender arising hereunder or under the other Credit Documents, including all claims of any nature or description arising out of or connected hereto or with any other Credit Document, irrespective of whether or not (a) the Lender shall have made any demand hereunder, (b) the principal of or the interest on the Advances or any other amounts due hereunder shall have become due and payable pursuant to Section 2 and although such obligations and liabilities, or any of them, may be contingent or unmatured or (c) such obligation or liability is owed to a branch or office of the Lender different from the branch or office holding such deposit or obligation or such Indebtedness.

8.5 Amendments and Waivers.

This Agreement may be amended, supplemented, modified, restated or replaced by written instrument only signed by the Borrower, the Originator and the Lender; provided that if pursuant to the express terms of this Agreement a Schedule may be amended or replaced by only one party, then such Schedule may be amended or replaced subject to and in accordance with such express terms. No waiver of any provision of this Agreement, nor consent to any departure by any party therefrom, shall in any event be effective unless the same shall be in writing and signed by such party, and then said waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. No failure on the part of any party to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof.

8.6 Successors and Assigns; Participations

- (a) This Agreement will be binding upon and enure to the benefit of the Borrower, the Originator and the Lender and their respective successors and permitted assigns. Neither the Borrower nor the Originator shall assign any of its rights, benefits or obligations (including any beneficial interest) under or in respect of this Agreement or any Credit Document, without the Lender's prior written consent. The Lender's rights, benefits or obligations (including any beneficial interest) under or in respect of this Agreement or any Credit Document may, without notice to or the consent of the Borrower or the Originator, in whole or in part, be participated or transferred to one or more Persons or become subject to a Lien granted to one or more Persons.
- (b) The Borrower and the Originator agree to co-operate in good faith with the Lender in connection with any participation, transfer or grant of a Lien permitted by Section 8.6(a), including providing such documents, information and other data (collectively, "**Information**") which would typically be required by a purchaser, transferee, assignee, servicer, participant, investor, credit enhancer, liquidity lender, hedging counterparty or rating agency involved with respect to such participation, transfer and/or grant. The Borrower and the Originator hereby consent to the release and disclosure of any of such Information, subject to and in accordance with Section 8.20.

8.7 Independence of Covenants

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists.

8.8 Survival of Representations, Warranties and Agreements

All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Advance. Notwithstanding anything herein or implied by law to the contrary, the agreements of the Borrower and where applicable, the Lender, set forth in Sections 2.13, 2.14, 8.2, 8.3, 8.4, and 8.20 shall survive the payment of the Advances and the termination hereof.

8.9 No Waiver; Remedies Cumulative

No failure or delay on the part of the Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Credit Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

8.10 Marshalling; Payments Set Aside

The Lender shall not be under any obligation to marshal any assets in favor of the Borrower or any other Person or against or in payment of any or all of the Obligations. To the extent that any Credit Party makes a payment or payments to the Lender or the Lender enforces any security interests or exercise its rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver, receiver and manager or any other party under any bankruptcy law, any other state, provincial, territorial or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

8.11 Severability

In case any provision or obligation hereunder or any other Credit Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

8.12 Headings

Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

8.13 Applicable Law

This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the Province of Ontario without regard to conflict of laws principles thereof.

8.14 Consent to Jurisdiction

All judicial proceedings brought against the Borrower or the Originator arising out of or relating hereto or any other Credit Document, or any of the Obligations, may be brought in the Province of Ontario. By executing and delivering this Agreement, each of the Borrower and the Originator, for itself and in connection with its properties, irrevocably (i) accepts generally and unconditionally the nonexclusive jurisdiction and venue of such courts, (ii) waives any defense of forum non conveniens, (iii) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the Borrower or the Originator, as applicable, at its address provided in accordance with Section 8.1 and to any process agent appointed in accordance with subparagraph (b) below is sufficient to confer personal jurisdiction over the Borrower or the Originator, as applicable, in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect, and (iv) agrees that the Lender retains the right to serve process in any other manner permitted by law or to bring proceedings against the Borrower or the Originator, as applicable, in the courts of any other jurisdiction.

8.15 Waiver of Jury Trial

Each of the Borrower, the Originator and the Lender hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising hereunder or under any of the other Credit Documents or any dealings between it relating to the subject matter of this loan transaction or the Lender/Borrower relationship that is being established. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the Borrower, the Originator and the Lender acknowledges that this waiver is a material inducement to enter into a business relationship, that it has already relied on this waiver in entering into this Agreement, and that it will continue to rely on this waiver in its related future dealings. Each of the Borrower, the Originator and the Lender further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 8.15 and executed by each of the parties hereto), and this waiver shall apply to any subsequent amendments, renewals, supplements or modifications hereto or any of the other Credit Documents or to any other documents or agreements relating to the loans made hereunder. In the event of litigation, this agreement may be filed as a written consent to a trial by the court.

8.16 Usury Savings Clause

Notwithstanding any other provision herein, the aggregate interest rate charged or agreed to be paid with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under Applicable Law shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Advances made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates

of interest set forth in this Agreement had at all times been in effect. In addition, if when the Advances made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, the Borrower shall pay to the Lender an amount equal to the difference between the amount of interest paid and the lesser of (a) the amount of interest which would have been paid if the stated rates of interest set forth in this Agreement had at all times been in effect and (b) the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of the Lender and the Borrower to conform strictly to any applicable usury laws. Accordingly, if the Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at the Lender's option be applied to the outstanding amount of the Advances made hereunder or be refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Lender or a Lender exceeds the Highest Lawful Rate, such Person may, to the extent permitted by Applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate, and spread in equal or unequal parts the total amount of interest, throughout the contemplated term of the Obligations hereunder.

8.17 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be as effective as delivery of a manually signed counterpart of this Agreement.

8.18 Effectiveness

This Agreement shall become effective upon the execution and delivery of a counterpart hereof by each of the parties hereto.

8.19 Prior Agreements

This Agreement and the other Credit Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Agreement and the other Credit Documents and unless specifically set forth in a writing contemporaneous herewith the terms, conditions and provisions of any and all such prior agreements do not survive execution of this Agreement.

8.20 Confidentiality

- (a) Unless required by law or regulation to do so or otherwise expressly permitted by the Credit Documents, neither the Lender, on the one hand, nor any Credit Party, on the other hand, shall publish or otherwise disclose any information relating to the material terms of the Facility, any of the Credit Documents, the transactions

contemplated hereby or thereby or any information obtained by the Lender in connection with the exercise of its audit rights pursuant to Sections 5.10(a) or (b) which is not already publically known or available (collectively, “**Confidential Information**”) to any Person. No party shall publish any press release naming the other party without the prior written consent of the other (which consent shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, but subject to the requirements of any applicable privacy laws, each party may disclose the Confidential Information (a) to any of their respective Affiliates and to their and their respective Affiliates’ officers, directors, managers, investors, potential investors, administrators, trustees, employees, agents, accountants, legal counsel and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and instructed to keep such information confidential), (b) to the extent required by Applicable Law, regulation, subpoena or other legal process, (c) to the extent requested by any governmental or regulatory authority purporting to have jurisdiction over such party (including any self-regulatory authority), (d) to any other party involved in the Facility, (e) in connection with the exercise of any remedies hereunder or under any of the other Credit Documents or any action or proceeding relating to this Agreement or any other Credit Document or the enforcement of rights hereunder or thereunder, (f) pursuant to Section 5.10, (g) with the consent of the other parties, (h) to any equity investors, institutional creditors or lenders or potential equity investors, institutional creditors or lenders of such party and/or its Affiliates, or (i) to the extent that such information (j) was or becomes available to such party from a source other than a party hereto other than as a result of a breach under this Section 8.20, (ii) has been independently acquired or developed by any such party without violating any of their respective obligations under this Agreement, or (iii) becomes publicly available other than as a result of a breach of this Section 8.20; provided, however, that in the case of any disclosure of information by any Person other than a Credit Party or their Affiliates, which includes, directly or indirectly, the identity of any Obligor, the Person disclosing such information shall provide to the Servicer and the Borrower not less than ten (10) Business Days’ prior notice of such disclosure. This confidentiality agreement shall apply to any and all information relating to the Facility, any of the Credit Documents and the transactions contemplated hereby and thereby at any time on or after the Closing Date.

- (b) Notwithstanding anything in this Agreement to the contrary, in the event the Lender becomes legally compelled to disclose any Confidential Information obtained in connection with the exercise of its audit rights under Section 5.10(a), the Lender shall use commercially reasonable efforts to provide the Borrower with reasonable notice (solely to the extent legally permissible to do so) so that the Borrower may timely seek a protective order or other appropriate remedy. In the event a protective order cannot be or has not been obtained, the Lender shall furnish only that portion of the Confidential Information that it is legally required to provide.

8.21 Judgment Currency

The Obligations of the Borrower due to any party hereto shall, notwithstanding any judgment in a currency (the “**judgment currency**”) other than Canadian Dollars, be discharged only to the extent that on the Business Day following receipt by such party of any sum adjudged to be so due in the judgment currency such party may, in accordance with normal banking procedures, purchase Canadian Dollars with the judgment currency; if the amount of Canadian Dollars so purchased is less than the sum originally due to such party in Canadian Dollars, the Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such party against such loss; if the amount of Canadian Dollars so purchased exceeds the sum originally due to any party to this Agreement, such party agrees to remit to the Borrower such excess.

8.22 Limitations

Each of the parties hereto agree that any and all limitation periods provided for in any applicable law in respect of any action that may be commenced in respect of any Obligation, including the *Limitations Act*, 2002 (Ontario), shall be excluded from application to the Obligations and any undertaking, covenant, indemnity or other agreement of any Credit Party provided for in any Credit Document to which it is a party in respect thereof, in each case to fullest extent permitted by such Applicable Law.

8.23 Joint and Several Obligations

Notwithstanding any other provision contained herein or in any other Credit Document, if a “secured creditor” (as that term is defined under the *Bankruptcy and Insolvency Act* (Canada)) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint or joint and several basis, then the Obligations of each Credit Party, to the extent such Obligations are secured, shall be several obligations and not joint or joint and several obligations.

8.24 Subordination

With respect to each Credit Party, no reference in this Agreement to Liens being permitted hereunder (including Permitted Liens), including any statement or provision as to the acceptability of any such Liens (including Permitted Liens), shall in any way constitute or be construed as to provide for an implied subordination of any rights of the Lender hereunder or arising under any of the other Credit Documents entered into by such Credit Party in favor of such Liens.

8.25 Anti-Money Laundering Legislation.

Each of the Credit Parties acknowledges that, pursuant to the Anti-Corruption Legislation, the Lender may be required to obtain, verify and record information regarding the Credit Parties, any of the Obligors, their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Credit Parties or any of the Obligors and the transactions contemplated hereby. Each of the Credit Parties shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by the Lender or any prospective assign or participant of the Lender, in order to comply with any applicable Anti-Corruption Legislation, whether now or hereafter in existence. Each of

the Credit Parties further acknowledges that Anti-Corruption Legislation administered by, among others, Foreign Affairs and International Trade Canada and the Department of Public Safety Canada (collectively, the “**Departments**”) prohibits the Lender from, among other things, engaging in transactions with, and the provision of services to, Persons on the lists created under any applicable Anti-Corruption Legislation (including under the *Criminal Code* (Canada), under the United Nations Al Qaida and Taliban Regulations and under the United Nations Regulations on the Suppression of Terrorism) and blocked persons and foreign countries and territories subject to Canadian sanctions administered by, among others, the Departments.


[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**EQUITYLINE SPV LIMITED
PARTNERSHIP,**


as Borrower

By: EQUITYLINE SPV GP INC., its general partner

By: 
Name: Segiy Shchavyelyev
Title: President

By: _____
Name:
Title:

EQUITYLINE SPV GP INC.


Name: Segiy Shchavyelyev
Title: President

Name:
Title:

**EQUITABLE BANK
as Lender**

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

**EQUITYLINE SPV LIMITED
PARTNERSHIP,
as Borrower
By: EQUITYLINE SPV GP INC., its general
partner**

By: _____
Name:
Title:

By: _____
Name:
Title:

EQUITYLINE SPV GP INC.

Name:
Title:

Name:
Title:

**EQUITABLE BANK
as Lender**

By:  _____
Name: Mark Richter
Title: Sr. Director

By:  _____
Name: Darren Lorimer
Title: SVP & Group Head

**APPENDIX A
TO CREDIT AGREEMENT**

NOTICES

Equityline SPV Limited Partnership/Equityline SPV GP Inc.
550 Highway 7 Avenue East, Suite
Suite 338
Richmond Hill, Ontario L4B 3Z4

Attention: Sergiy Shchavyelyev
E-mail: sergiy@equitylinemic.com

Equitable Bank
Equitable Bank Tower
30 St. Clair Avenue W., Suite 700
Toronto, ON M4V 3A1

Attention: Brendan Smith
Email address: bsmith@eqbank.ca

**APPENDIX B
TO CREDIT AGREEMENT**

ELIGIBILITY CRITERIA

1. The following are the criteria for a Mortgage to be an Eligible Mortgage:
2. The Obligor has been credit approved by the Originator in accordance with the Credit Policies;
3. Such Mortgage shall conform to the representations, warranties and covenants made by the Borrower and the Originator (as applicable) in the Collateral Documents;
4. Such Mortgage is not a Delinquent Mortgage or a Charged-Off Mortgage;
5. Such Mortgage arises from a bona fide mortgage made to the Obligor thereunder and, at the time of entering into such Mortgage and at all times up to the Advance Date, such Obligor was dealing and continues to deal at arms' length with the Originator, the Borrower, the Servicer, any Affiliate thereof or any officer, director or shareholder thereof;
6. Such Mortgage (i) has been duly authorized, executed and delivered by the parties thereto, without any fraud or misrepresentation on the part of the Borrower, the Originator or the related Obligor, (ii) are in full force and effect and (iii) constitute a genuine, legal, valid and binding obligation of such Obligor, enforceable against such Obligor in accordance with its terms;
7. No right of rescission, cancellation, set-off, counter-claim or defence has been asserted or threatened with respect to, and no Person shall have asserted or contested the validity of, such Mortgage, and there are no facts which, with the giving of notice or lapse of time or both, would entitle the Obligor in respect thereof to any right of rescission, cancellation, set-off, counter-claim or defence under such Mortgage; and such Mortgage includes an express waiver of set-off by such Obligor or an express waiver of set-off by such Obligor as against any assignee of such Mortgage or any part thereof;
8. There exists no event of default under such Mortgage and no event has occurred which, with the giving of notice or lapse of time or both, would constitute an event of default thereunder and neither the Borrower nor the Originator has given any consents, approvals or waivers under or in respect of such Mortgage;
9. Such Mortgage has not been amended, cancelled or modified, except where such amendment or modification has been previously disclosed to the Lender;
10. The terms of such Mortgage do not contravene any laws or regulations applicable thereto;
11. There has been no prepayment under such Mortgage which has not been disclosed in writing to the Lender;

12. Such Mortgage is similar in all material respects to one of the standard forms which have been previously delivered to, and approved by, the Lender;
13. All necessary registrations relating to such Mortgage have been made and are in good standing and such Mortgage constitutes a First Lien Eligible Mortgage or a Second Lien Eligible Mortgage;
14. The Underlying Collateral with respect to such Mortgage is residential in nature and consists of dwellings containing no more than 4-bedrooms;
15. Such Mortgage is title insured by Approved Title Insurer;
16. The Loan to Value with respect to the Underlying Collateral shall not exceed 80%;
17. The Underlying Collateral is located in Ontario;
18. The Underlying Collateral is located within a Tier 1 Urban Center, a Tier 2 Urban Centre, a Non-Urban Center or the Greater Toronto Area;
19. The Mortgage does not exceed, where it is (i) a Second Lien Eligible Mortgage, \$500,000, (ii) a First Lien Eligible Mortgage in a Tier 1 Urban Centre, \$1,000,000, (iii) a First Lien Eligible Mortgage in a Tier 2 Urban Centre, \$750,000, (iv) a First Lien Eligible Mortgage in a Non-Urban Centre, \$500,000 and (v) a First Lien Eligible Mortgage in the Greater Toronto Area, \$1,500,000;
20. Such Mortgage, in combination with all other Eligible Mortgages at such time, has a weighted average beacon score of at least 650;
21. Such Mortgage has a minimum beacon score of 620;
22. Such Mortgage has a maximum term of 12 months;
23. Such Mortgage is not be used for the purpose of financing the construction of a new residence;
24. Such Mortgage shall not be secured by Underlying Collateral that is used primarily for ongoing commercial operations;
25. The Borrower is the beneficial owner of the Mortgage;
26. Such Mortgage is not cross-collateralized or cross-defaulted to any other security; and
27. Such other criteria as may be established by the Lender in good faith and in exercise of reasonable business judgement.

**EXHIBIT A
TO CREDIT AGREEMENT**

FORM OF BORROWING BASE CERTIFICATE

BORROWING BASE CERTIFICATE

TO: Equitable Bank
30 St Clair Ave W., Suite 700
Toronto, ON M4V 3A1

Attention: _____

Reference is made to the Credit Agreement, dated as of August 5, 2021 (as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “**Credit Agreement**”), among Equityline SPV Limited Partnership (the “**Borrower**”), Equityline SPV GP Inc. (the “**General Partner**”) and Equitable Bank (the “**Lender**”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

I, the undersigned [Authorized Officer] of the Borrower, certify, without personal liability, to the Lender, that:

1. I have read the provisions of the Credit Agreement which are relevant to this Borrowing Base Certificate and have made or caused to be made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this Borrowing Base Certificate.
2. With respect to the period [●] to [●] [**preceding month**], the following calculations were true and correct:

| | |
|--|-------|
| Eligible Mortgage Balance (First Lien Eligible Mortgage) | \$[●] |
| <i>Times: Advance Rate</i> | 80% |
| Eligible Mortgage Balance (Second Lien Eligible Mortgage) | \$[●] |
| <i>Times: Advance Rate</i> | 50% |
| | <hr/> |
| | \$[●] |
| <i>Less accrued but unpaid interest, fees, expenses, indemnified amounts</i> | \$[●] |
| <i>Less Reserves</i> | \$[●] |
| | <hr/> |

Borrowing Base

\$(●)

3. The calculations attached at Schedule I of Exhibit A are true and correct in all material respects, as of the dates or for the periods, as applicable, specified on such Schedule I of Exhibit A.
4. The Borrower hereby represents and warrants that this Certificate is a correct statement regarding the status of the Borrowing Base and the amounts set forth herein are in compliance with the provisions of the Credit Agreement. The Borrower further represents and warrants that, in relation to calculation of the Borrowing Base there have been no changes to accounting policies, practices and calculation methods from the accounting policies, practices and methods used by the Borrower as at the date of the Credit Agreement.

[Remainder of this page has been intentionally left blank]

DATED: _____, 2020

**EQUITYLINE SPV LIMITED PARTNERSHIP,
as Borrower
By: EQUITYLINE SPV GP INC., its general partner**

By: _____
Name:

**Schedule I
Calculations**

[To be attached]

**EXHIBIT B
TO CREDIT AGREEMENT**

FORM OF COMPLIANCE CERTIFICATE

COMPLIANCE CERTIFICATE

TO: Equitable Bank
30 St Clair Ave W., Suite 700
Toronto, ON M4V 3A1

Attention: _____

Reference is made to the Credit Agreement, dated as of August 5, 2021 (as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “**Credit Agreement**”), among Equityline SPV Limited Partnership (the “**Borrower**”), Equityline SPV GP Inc. (the “**General Partner**”) and Equitable Bank (the “**Lender**”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

I, the undersigned [Authorized Officer] of the Borrower, certify, without personal liability, to the Lender, that:

1. I have read the provisions of the Credit Agreement which are relevant to this Compliance Certificate and have made or caused to be made such examinations or investigations as are necessary to enable me to express an informed opinion on the matters contained in this Compliance Certificate.
2. The Borrower is in compliance with all of the financial covenants set forth in Section 5.11 of the Credit Agreement for the month ended as of the _____ further to the following calculations:

| | <u>Actual Amount</u> | <u>Required Limit</u> |
|--|----------------------|-----------------------|
| (a) Loss Ratio | [●]% | 3.00% |
| (b) Delinquency Ratio | [●]% | 5.00% |
| (c) Weighted Average Yield of Eligible Mortgages | [●]% | 1.00% |
| (d) Minimum equity | [●]% | 5.00% |

Detailed calculations of the ratios and the amounts referenced above are attached as Schedule I of Exhibit B, Schedule II of Exhibit B, Schedule III of Exhibit B and Schedule IV of Exhibit B.

3. As at this date:

- (a) No Default or Event of Default has occurred under the Credit Agreement or any other Credit Document and is continuing;
- (b) No Credit Party is in breach of any of the covenants, terms and conditions of the Credit Agreement and the other Credit Documents to be observed or performed by it thereunder;
- (c) The representations and warranties of each of the Credit Parties referred to in Article 4 of the Credit Agreement and each other Credit Document to which such Credit Party is a party are true and correct as though made on this date, except to the extent any such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date;
- (d) The financial information, calculations and other information attached at Schedule I of Exhibit B, Schedule II of Exhibit B, Schedule III of Exhibit B, Schedule IV of Exhibit B and Schedule V of Exhibit B, are true and correct in all material respects, as of the dates or for the periods, as applicable, specified on such Schedule; and
- (e) The financial statements delivered pursuant to Section 5.9 of the Credit Agreement for the **[fiscal year/fiscal quarter]** ended as of _____ (i) have been prepared in accordance with GAAP in effect on the date of such financial statements consistently applied and the information contained therein is true and correct in all material respects, and (ii) present fairly the results of operations and changes in the financial position of the Credit Parties as of and to this date. There has been no material change in the financial position of the Credit Parties since the date of the most recent financial statements delivered pursuant to Section 5.9 of the Credit Agreement.

[Remainder of this page has been intentionally left blank]

DATED : _____, 20__

**EQUITYLINE SPV LIMITED PARTNERSHIP,
as Borrower
By: EQUITYLINE SPV GP INC., its general partner**

By: _____
Name:

**Schedule I
Loss Ratio**

[To be attached]

**Schedule II
Delinquency Ratio**

[To be attached]

Schedule III
Weighted Average Yield of Eligible Mortgages

[To be attached]

**Schedule IV
Minimum Equity**

[To be attached]

EXHIBIT C
TO CREDIT AGREEMENT
FORM OF FUNDING NOTICE
FUNDING NOTICE

Reference is made to the Credit Agreement, dated as of August 5, 2021 (as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof, the “**Credit Agreement**”), among Equityline SPV Limited Partnership (the “**Borrower**”), Equityline SPV GP Inc. (the “**General Partner**”) and Equitable Bank (the “**Lender**”). Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Credit Agreement.

1. Pursuant to Section 2.2 of the Credit Agreement, the Borrower desires that the Lender make an Advance to the Borrower in the amount of \$[____,____,____] in accordance with the applicable terms and conditions of the Credit Agreement on [_____, 20__] (the “**Advance Date**”).

2. The Borrower hereby certifies that:
 - (i) as of the date hereof and with regards to the Facility:
 1. Facility Amount: \$[____,____,____]
 2. Borrowing Base: \$[____,____,____]

 - (ii) after making the Advance requested on the Advance Date, the sum of the principal amount of the Advance outstanding shall not exceed the Maximum Committed Amount;

 - (iii) as of the Advance Date, each Credit Document is in full force and effect and no provision thereof has been amended, restated, supplemented, modified or waived in any material respect without the consent of the Lender;

 - (iv) as of the Advance Date, after giving effect to the Advance requested on the Advance Date, a Borrowing Base Deficiency shall not exist;

 - (v) as of the Advance Date, the representations and warranties made by each of the Credit Parties contained in each of the Credit Documents to which it is a party are true and correct in all material respects on and as of such Advance Date to the same extent as though made on and as of such date, except to the extent such representations and warranties specifically relate to an earlier date, in which case such representations and warranties are true and correct in all material respects on and as of such earlier date; and

(vi) as of the Advance Date, after giving effect to the Advance requested on the Advance Date, no event has occurred and is continuing or would result from the consummation of the borrowing contemplated hereby that would constitute an Event of Default or a Default.

[Remainder of this page has been intentionally left blank]

DATED: _____, 20__

**EQUITYLINE SPV LIMITED PARTNERSHIP,
as Borrower
By: EQUITYLINE SPV GP INC., its general partner**

By: _____
Name:

45079116.9

This is Exhibit "G" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**

GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of August 5, 2021.

BETWEEN:

EQUITYLINE SPV LIMITED PARTNERSHIP, an Ontario limited partnership

(the “**Borrower**”)

- and -

EQUITABLE BANK, a Canadian Schedule I Bank

(the “**Lender**”)

WHEREAS, reference is made to that certain Credit Agreement, dated as of the date hereof (as it may be amended, restated, supplemented, replaced or otherwise modified from time to time in accordance with the terms thereof, the “**Credit Agreement**”), among the Borrower, as borrower, EquityLine SPV GP Inc. (the “**General Partner**”) and the Lender; and

WHEREAS, in consideration of the extensions of credit and other accommodations of the Lender as set forth in the Credit Agreement, the Borrower has agreed to secure its Obligations under the Credit Documents as set forth herein.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the Borrower and the Lender agree as follows:

**ARTICLE 1
DEFINITIONS; GRANT OF SECURITY**

Section 1.1 Terms Generally. Except as otherwise provided herein, all capitalized terms used herein without definition shall have the meanings as assigned to such terms in the Credit Agreement.

Section 1.2 Terms Defined in the Personal Property Security Act. The following terms shall have the meaning assigned to such terms in the PPSA: “account” “chattel paper,” “document of title,” “entitlement holder,” “financial asset,” “financing change statement,” “financing statement,” “futures account,” “goods,” “instrument,” “intangible,” “investment property,” “money,” “proceeds,” “securities account,” “securities intermediary,” and such other terms as the context may otherwise indicate.

Section 1.3 Additional Definitions. In this Security Agreement, the following terms shall have the following meanings:

“**Borrower**” shall have the meaning set forth in the preamble.

“**Collateral**” shall have the meaning set forth in Section 2.1.

“**Credit Agreement**” shall have the meaning set forth in the recitals.

“**General Partner**” shall have the meaning set forth in the preamble.

“**Lender**” shall have the meaning set forth in the recitals.

“**PPSA**” means the *Personal Property Security Act* (Ontario) or any other applicable Canadian federal, provincial or territorial statute pertaining to the granting, perfecting, priority or ranking of security interests, liens, hypothecs on personal property, and any successor statutes, together with any regulations thereunder or Ministerial orders in respect thereof, in each case as in effect from time to time. References to sections of the PPSA shall be construed to also refer to any successor sections.

“**Sale Agreement**” means that certain Mortgage Sale and Sale Agreement, dated as of the date hereof, between the Originator and the Borrower, as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

“**Secured Obligations**” shall have the meaning assigned in Section 2.2.

“**Security Agreement**” shall have the meaning set forth in the preamble.

“**Servicer**” means the Person acting as Servicer under the Sale Agreement. The initial Servicer will be EquityLine Services Corp.

ARTICLE 2 GRANT OF SECURITY

Section 2.1 Grant of Security. As security for payment and performance of the Obligations, the Borrower hereby grants to the Lender a continuing security interest in and the assignment of any and all right, title and interest of the Borrower in and to all personal property of the Borrower of whatever type or description, all of the Borrower’s right, title and interest, whether now owned or hereafter acquired, in, to and under all accounts, certificates of deposit, chattel paper, documents of title, goods, instruments, intangibles, investment property (including securities accounts, futures accounts and financial assets credited thereto), money and supporting obligations, including, without limitation, (a) the Mortgages, (b) all Collections, money, instruments, investment property and other property distributed or distributable in respect of (together with all earnings, dividends, distributions, income, issues, and profits relating to) the Mortgages, (c) all books, documents of title, instruments and records (including electronic records) evidencing or relating to the Mortgages, (d) the Collection Account and all money, investment property, instruments, financial assets and other property on deposit from time to time in, or credited to any such account, and all interest, dividends, earnings, income and other distributions from time to time received, receivable or otherwise distributed or distributable thereto or in respect thereof, (e) all rights, remedies, powers, privileges and claims of the Borrower under or with respect to the Sale Agreement, all other related security, the Sale Agreement and any other Credit Document to which it is a party (whether arising pursuant to the terms of any such agreement or otherwise available to the Borrower at law or in equity), including the rights of the Borrower to enforce the Sale Agreement, all other related security, the Sale Agreement and any other Credit Document and to give or withhold any and all consents, requests, notices, directions, approvals, extensions or waivers under

or with respect to any such agreement, (f) all present and future claims, demands, causes and choses in action in respect of any or all of the foregoing, and (g) all payments on or under and all proceeds of every kind and nature whatsoever in respect of any or all of the foregoing, including all cash and non-cash proceeds, and other property consisting of, arising from or relating to all or any part of any of the foregoing (collectively, the “**Collateral**”).

Without limiting the preceding part of this Section, a security interest is taken in all of the Borrower’s present and after acquired personal property, excluding (A) any consumer goods, (B) the last day of the term of any lease or any agreement to lease held by the Borrower now or in the future as more fully described in Section 2.2 of this Security Agreement and (C) any Restricted Property as more fully described in Section 2.3 of this Security Agreement.

Section 2.2 Last Day of Lease. As the Collateral does not include the last day of the term of any lease or any agreement to lease held by the Borrower now or in the future, should the Liens created by this Security Agreement become enforceable the Borrower shall hold the last day in trust for the Lender and shall assign it to any person acquiring that term or the part of the term that is mortgaged and charged in the course of any enforcement of the Liens or any realization of the Collateral. Alternately, the Lender may assign the last day as attorney of the Borrower or may appoint any person acquiring the term or any other person or persons as a new trustee or trustees of the last day, free of any obligation regarding the last day.

Section 2.3 Restricted Property. The Collateral shall not include any lease, agreement, contractual right, franchise, licence or approval (other than an account, a contract or agreement that is the whole of an account, or chattel paper) held by the Borrower now or in the future if the Liens created by this Security Agreement would otherwise result in a breach, forfeiture or termination of the Restricted Property unless any necessary consent or waiver is obtained (collectively, “**Restricted Property**”). The Borrower shall, on request by the Lender, promptly use all commercially reasonable efforts to seek any necessary consent or waiver to have the Restricted Property form part of the Collateral and to any disposition of the Restricted Property upon enforcement of this Security Agreement. If a consent or waiver is obtained, the applicable Restricted Property shall form part of the Collateral without any further action. If any consent or waiver is not obtained, the Borrower shall hold any Restricted Property for which a consent or waiver has not been obtained and its benefits in trust for the Lender (including, without limitation, the Borrower’s beneficial interest in any contract or agreement which may be held in trust for the Borrower by a third party), shall perform its obligations and exercise and enforce its rights under that Restricted Property, including rights of disposition, at the direction of the Lender and shall deliver up all such benefit to the Lender, promptly upon demand by the Lender.

Section 2.4 Security for Obligations. This Security Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under any Debtor Relief Laws) of all Obligations (the “**Secured Obligations**”).

Section 2.5 Attachment. The Borrower acknowledges that value has been given. The security interest created herein is intended to attach, as to all of the Collateral, upon the execution by the Borrower of this Security Agreement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties. The Borrower hereby represents and warrants to the Lender on the Closing Date and on each Advance Date, that:

- (a) This Security Agreement creates a valid and continuing security interest (as defined in the PPSA) in the Collateral in favour of the Lender, which security interest is perfected and prior to all other Liens other than Permitted Liens or as otherwise permitted by the Credit Agreement, free and clear of Liens other than Permitted Liens or as otherwise permitted by or provided under the Credit Agreement or any other Credit Document, and is enforceable as such as against creditors of and purchasers from the Borrower.
- (b) The Borrower owns the Collateral including, without limitation, each Mortgage, together with the Related Security, books, documents of title, instruments and records evidencing or relating thereto, free and clear of Liens (other than Permitted Liens) or any adverse claims, and no financing statement or other instrument similar in effect covering any Collateral (including any Mortgage, any interest therein, or any Related Security or related books, instruments, documents of title, documents or Records) is on file in any recording office except such as may be filed (i) naming the Originator, as debtor, and the Borrower, as secured party, in accordance with the Sale Agreement, (ii) naming the Borrower, as debtor, and the Lender, as the secured party, in accordance with this Security Agreement, or (iii) filed in connection with other Permitted Liens.
- (c) The Borrower has received all consents and approvals required by the terms of any material item of Collateral to the grant of a security interest to the Lender in its interest and rights in the Collateral hereunder.
- (d) With respect to the Collection Account, the Borrower has not entered into any control agreement or blocked account agreement other than the Collection Account Agreement.
- (e) The Borrower's name in which it has executed this Security Agreement is the exact name as it appears in the Borrower's organizational documents as filed with the Borrower's jurisdiction of organization.
- (f) No authorization, approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body is required for either (i) the pledge or grant by the Borrower of the Liens purported to be created in favour of the Lender hereunder, or (ii) the exercise by Lender of any rights or remedies in respect of any Collateral (whether specifically granted or created hereunder or created or provided for by Applicable Law), except for the filings contemplated and described in clause (b) above.
- (g) The Borrower only carries on business in or has assets located in the jurisdictions listed in Exhibit A hereto and the chief executive office, registered office and the

location of all books and records relating to the Collateral are located in the jurisdictions noted in Exhibit A.

ARTICLE 4 COVENANTS

Section 4.1 General Affirmative Covenants. From the date of this Security Agreement until payment in full of all of the Obligations (other than contingent indemnification obligations), the Borrower agrees that:

- (a) The Borrower will from time to time prepare, or cause to be prepared, execute and deliver all such financing statements, financing change statements, instruments of further assurance and other instruments (including, without limitation, registrations under the PPSA), and will take such other action as the Lender may reasonably request to:
 - (i) maintain or preserve the lien (and the priority thereof) of this Security Agreement or to carry out more effectively the purposes hereof; and
 - (ii) preserve and defend title to the Collateral securing the Secured Obligations and the rights therein of the Lender secured thereby against the claims of all Persons and parties that are adverse to the Lender, other than claims in connection with Permitted Liens.
- (b) The Borrower, on its own behalf and on behalf of the Lender, shall enforce all covenants and obligations of the Originator under the Sale Agreement in a timely manner.
- (c) Upon the occurrence of an Event of Default that is continuing, promptly following a request from the Lender to do so, the Borrower agrees to take all such lawful action as the Lender may request to compel or secure the performance and observance by the Originator of its obligations under or in connection with the Sale Agreement in accordance with the terms thereof and the Servicer of its obligations as Servicer under or in connection with the Sale Agreement in accordance with the terms thereof, and to exercise any and all rights, remedies, powers and privileges lawfully available to the Borrower under or in connection with the Sale Agreement or the Sale Agreement to the extent and in the manner directed by the Lender, including the transmission of notices of default thereunder and the institution of legal or administrative actions or proceedings to compel or secure performance by the Originator or the Servicer of their respective obligations under the Sale Agreement or the Sale Agreement.
- (d) The Borrower agrees to use its commercially reasonable efforts to assist and aid the Lender to obtain as soon as practicable upon the request of the Lender any necessary approvals or consents of any Governmental Authority or any other Person for the exercise of any remedies, voting or consensual rights or attorney in fact powers set forth in this Security Agreement.

Section 4.2 Delivery of Instruments, Securities, Chattel Paper and Negotiable Documents.

As to all instruments, securities, chattel paper and negotiable documents constituting part of the Collateral, if any, and except as otherwise provided in the Sale Agreement and other than any such instruments, securities, chattel paper or negotiable documents representing ordinary course collections delivered in accordance with the Sale Agreement and the other Credit Documents, upon the request of the Lender, the Borrower will deliver to the Lender the originals of any such instruments, securities, chattel paper and negotiable documents constituting Collateral in the possession of the Borrower.

Section 4.3 Authorization for Registrations under the PPSA. The Borrower hereby agrees to assist the Lender with the filing of any financing statement or financing change statements (including, without limitation, all registrations under the PPSA), in all jurisdictions and with all filing offices as the Lender may determine, acting reasonably, is necessary or advisable to perfect (or maintain) the security interest granted to the Lender in connection herewith. Such financing statements may describe the Collateral in the same manner as described herein or may contain an indication or description of the Collateral that describes such property in any other manner as the Lender may determine, acting reasonably, is necessary, advisable or prudent to ensure the perfection of the security interest in the Collateral granted to the Lender in connection herewith, including describing such property as “all assets,” “all personal property” or “all present and after acquired personal property of the debtor and all proceeds thereof.”

**ARTICLE 5
REMEDIES**

Section 5.1 Remedies.

- (a) If any Event of Default shall have occurred and be continuing, the Lender may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Lender on default under the PPSA (whether or not the PPSA applies to the affected Collateral, to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, including without limitation, without notice except as specified below or under Applicable Law, to sell, assign, lease, license (on an exclusive or nonexclusive basis) or otherwise dispose of the Collateral or any part thereof in one or more parcels at public or private sale, at any of the Lender’s offices or elsewhere, for cash, on credit or for future delivery, at such time or times and at such price or prices and upon such other terms as the Lender may deem commercially reasonable . The Lender may, if an Event of Default shall have occurred and be continuing, require the Borrower to assemble all or any part of the Collateral at such location or locations within the jurisdiction(s) of the Borrower’s principal office(s) or at such other locations as the Lender may reasonably designate.
- (b) The Borrower acknowledges that any private sale may be at prices and on terms less favorable to the seller than the prices and other terms which might have been obtained at a public sale and, notwithstanding the foregoing, agrees that any such private sale conducted in accordance with Applicable Law shall be deemed to have

been made in a commercially reasonable manner. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of the Borrower, and the Borrower hereby waives (to the extent permitted by Applicable Law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. The Lender shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Lender may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned. If the sale proceeds of any sale or other disposition of the Collateral are insufficient to pay all of the Secured Obligations, the Borrower shall be liable for the deficiency and the fees of any attorneys or other agents employed by the Lender to collect such deficiency.

- (c) The Lender may be the purchaser of any or all of the Collateral at any public or private (to the extent the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations and the price paid for such Collateral is consistent with such recognized market or price quotations, as applicable) sale and the Lender shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Lender at such sale. The Borrower hereby waives (to the extent permitted by Applicable Law) any claims against the Lender arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale conducted in accordance with Applicable Law was less than the price which might have been obtained at a public sale.
- (d) The Lender may sell the Collateral without giving any warranties as to the Collateral. The Lender may specifically disclaim or modify any warranties of title or the like. This procedure will not be considered to adversely affect the commercial reasonableness of any sale of the Collateral.
- (e) Upon the occurrence of any Default or Event of Default which is continuing, the Lender may exercise all rights, remedies, powers, privileges and claims of the Borrower against the Originator or the Servicer under or in connection with the Sale Agreement or the Sale Agreement, including the right or power to take any action to compel or secure performance or observance by the Originator or the Servicer of their respective obligations to the Borrower thereunder and to give any consent, request, notice, direction, approval, extension or waiver thereunder.
- (f) Upon the occurrence of any Event of Default which is continuing, the Lender may appoint or reappoint by instrument in writing, any Person or Persons, whether an officer or officers or an employee or employees of the Lender or not, to be an interim receiver, receiver, receivers, receiver and manager, liquidator, trustee in bankruptcy or similar Person (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/its stead. Any such Receiver shall, so far as concerns responsibility for his/her/its acts, be deemed the agent of each Borrower and not of 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 or his/her/its servants, agents or employees. Except as may be otherwise directed by the Lender, all money or proceeds received from time to time by such Receiver in carrying out his/her/its appointment shall be received in trust for and be paid over to the Lender. Every such Receiver may be vested with all or any of the rights and powers of the Lender. The identity of the Receiver, its replacement and its remuneration shall be within the sole and unfettered discretion of the Lender. Where the "Lender" is referred to in this Section 6.1(f), the reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents, or such receiver.

- (g) 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, other than in respect of its willful misconduct or gross negligence. Furthermore, the Lender shall not have any obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper, whether Collateral or not, and whether or not in the Lender's possession, and shall not be liable or accountable for failure to do so.

Section 5.2 Application of Proceeds. Except as expressly provided elsewhere in this Security Agreement, all proceeds received by the Lender in respect of any sale, any collection from, or other realization upon all or any part of the Collateral shall be remitted by the Lender to the Collection Account Bank for the benefit of the Administrative Agent and be applied in full or in part by the Administrative Agent against the Secured Obligations in accordance with Section 2.11 of the Credit Agreement.

Section 5.3 Power of Attorney. The Borrower irrevocably, constitutes and appoints the Lender as the Borrower's true and lawful attorney, and in such capacity the Lender shall have the right upon the occurrence of an Event of Default that is continuing, with power of substitution for the Borrower and in the Borrower's name or otherwise, for the use and benefit of the Lender:

- (a) to receive, endorse, assign and/or deliver any and all notes, acceptances, cheques, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof;
- (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral;
- (c) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise realize on all or any of the Collateral or to enforce any rights in respect of any Collateral;

- (d) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral;
- (e) to notify, or to require the Borrower to notify, parties holding Collateral in accordance with the Lender's instructions; and
- (f) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Security Agreement, as fully and completely as though the Lender were the absolute owner of the Collateral for all purposes; provided, however, that nothing herein contained shall be construed as requiring or obligating the Lender to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Lender, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby, and no action taken or omitted to be taken by the Lender with respect to the Collateral or any part thereof shall give rise to any defense, counterclaim or offset in favor of the Borrower or to any claim or action against the Lender.

It is understood and agreed that the appointment of the Lender as the power of attorney of the Borrower for the purposes set forth above is coupled with an interest and is irrevocable.

ARTICLE 6 RELEASE OF COLLATERAL; ELIGIBLE LOAN DOCUMENTS

Section 6.1 Duties of the Lender. When permitted by the provisions of the Credit Agreement, the Lender shall execute instruments and take such other actions reasonably necessary to release property from the lien of this Security Agreement, or convey the Lender's interest in the same, in a manner and under circumstances that are not inconsistent with the provisions of the Credit Agreement.

Section 6.2 Duties of the Servicer. In order to facilitate the servicing of the Mortgages by the Servicer, the Lender may authorize the Servicer to execute in the name and on behalf of the Lender instruments of satisfaction or cancellation, or of partial or full release or discharge, and other comparable instruments with respect to the Mortgages, subject to the provisions of the Sale Agreement.

Section 6.3 Release Upon Repurchase. Upon the repurchase of any Mortgage in accordance with and pursuant to the terms and conditions of Section 2.9(a) of the Credit Agreement and the deposit of the related Mortgage Repurchase Price into the Collection Account, such Mortgage shall no longer constitute Collateral and shall be released from the lien of this Security Agreement from and after the date of such repurchase.

ARTICLE 7
CONTINUING SECURITY INTEREST; TRANSFER OF LOANS.

Section 7.1 Continuing Security Interest; Transfer of Mortgages. This Security Agreement shall create a continuing security interest in the Collateral, shall remain in full force and effect until the payment in full of all Secured Obligations (other than contingent indemnification obligations) and shall be binding upon the Borrower, its successors and assigns, and inure, together with the rights and remedies of the Lender hereunder, to the benefit of the Lender and its successors, transferees and assigns. Without limiting the generality of the foregoing, if the Lender assigns or otherwise transfers any of its rights, benefits or obligations under any Credit Document to any other Person in accordance with Section 8.6 of the Credit Agreement, such other Person shall thereupon become vested with all the benefits in respect thereof granted to the Lender herein. Upon the payment and performance in full of all Secured Obligations (other than contingent indemnification obligations) and the termination of all commitments under the Credit Documents, the security interest granted hereby shall automatically terminate hereunder and all rights to the Collateral shall revert to the Borrower. Upon any such termination the Lender shall, at the Borrower's expense, execute and deliver to the Borrower or otherwise authorize the filing of such documents as the Borrower shall reasonably request, including financing change statements and discharges (including, without limitation, registrations under the PPSA) and notices to securities intermediaries and depository institutions party to a control agreement or blocked account agreement, to evidence such termination. Upon any disposition of property permitted by the Credit Agreement, the Liens granted herein shall be deemed to be automatically released and all rights to such property shall automatically revert to the Borrower or the Borrower's assignee with no further action on the part of any Person.

ARTICLE 8
STANDARD OF CARE; LENDER MAY PERFORM

Section 8.1 Standard Of Care; Lender May Perform. The powers conferred on the Lender hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. Except for the exercise of reasonable care in the custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder, the Lender shall have no duty as to any Collateral or as to the taking of any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral. The Lender shall be deemed to have exercised reasonable care in the custody and preservation of Collateral in its possession if such Collateral is accorded treatment substantially equal to that which the Lender accords its own property. Neither the Lender nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of the Borrower or otherwise. If the Borrower fails to perform any agreement contained herein, the Lender may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Lender incurred in connection therewith, shall be payable by the Borrower under Section 8.2 of the Credit Agreement.

ARTICLE 9 MISCELLANEOUS

Section 9.1 Miscellaneous Provisions. Any notice required or permitted to be given under this Security Agreement shall be given in accordance with Section 8.1 of the Credit Agreement. No failure or delay on the part of the Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein or shall constitute a course of dealing, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Security Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Security Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is expressly prohibited by any covenant herein (the “**Prohibitive Covenant**”), the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a breach of the Prohibitive Covenant if such action is taken or condition exists. This Security Agreement shall be binding upon and inure to the benefit of the Lender and the Borrower and their respective successors and assigns. The Borrower shall not, without the prior written consent of the Lender given in accordance with the Credit Agreement or this Security Agreement, assign any right, duty or obligation hereunder. This Security Agreement and the other Credit Documents embody the entire agreement and understanding between the Borrower and the Lender and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. In the event of any conflict between this Security Agreement and the Credit Agreement, the provisions of the Credit Agreement shall govern.

Section 9.2 Applicable Law. This Security Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its conflicts of law provisions, except that matters concerning the validity and perfection of security interests covered thereby shall be governed by the conflicts of law provisions of the PPSA, as applicable.

Section 9.3 Consent To Jurisdiction.

- (a) All judicial proceedings brought against the Borrower arising out of or relating hereto may be brought in the Province of Ontario. By executing and delivering this Security Agreement, the Borrower, for itself and in connection with its properties, irrevocably (i) accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts; (ii) waives any defence of forum non conveniens; (iii) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the Borrower at its address provided in accordance with Section 8.1 of the Credit Agreement and to

any process agent selected in accordance with subparagraph (b) is sufficient to confer personal jurisdiction over the Borrower in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect; and (iv) agrees that Lender retains the right to serve process in any other manner permitted by law or to bring proceedings against the Borrower in the courts of any other jurisdiction.

- (b) To the extent permitted by applicable law, the Borrower hereby agrees that process may be served on it by certified mail, return receipt requested, to the addresses pertaining to it as specified in Section 8.1 of the Credit Agreement, any and all service of process and any other notice in any such action, suit or proceeding shall be effective against the Borrower if given by registered or certified mail, return receipt requested, or by any other means or mail which requires a signed receipt, postage prepaid, mailed as provided above.

Section 9.4 Security Interest Absolute. All rights of Lender hereunder, the grant of a security interest in the Collateral and all obligations of the Borrower hereunder, shall be absolute and unconditional irrespective of:

- (a) Any claim as to the validity, regularity or enforceability of the Credit Agreement, any other Credit Document, this Security Agreement, or any other agreement or instrument relating to any of the foregoing;
- (b) Any change in the time, manner or place of payment of, or in any other term of, all of or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from the Credit Agreement, any other Credit Document or any other agreement or instrument relating to any of the foregoing;
- (c) Any change in the Applicable Laws;
- (d) The occurrence of any Event of Default;
- (e) Any exchange, release or non-perfection of Lender's security interest in any other collateral, or any release or amendment or waiver of or consent to or departure from any guaranty, for all or any of the Secured Obligations; or
- (f) Any other circumstance that might otherwise constitute a defence available to, or a discharge of, the Borrower in respect of the Secured Obligations or in respect of this Security Agreement (other than the indefeasible payment in full of all Secured Obligations and the termination of all commitments under the Credit Documents).

Section 9.5 Counterparts. This Security Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Security Agreement by facsimile transmission or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be as effective as delivery of a manually signed counterpart of this Security Agreement.

Section 9.6 Waiver of Jury Trial. Each of the Borrower and the Lender hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising hereunder or under any of the other Credit Documents or any dealings between it relating to the subject matter of this Security Agreement or this loan transaction. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the Borrower and the Lender acknowledges that this waiver is a material inducement to enter into a business relationship, that it has already relied on this waiver in entering into this Security Agreement, and that it will continue to rely on this waiver in its related future dealings. Each of the Borrower and the Lender further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 9.6 and executed by each of the parties hereto), and this waiver shall apply to any subsequent amendments, renewals, supplements or modifications hereto or any of the other Credit Documents or to any other documents or agreements relating to the Mortgages made under the Credit Agreement. In the event of litigation, this Security Agreement may be filed as a written consent to a trial by the court.

Section 9.7 Amalgamation. The Borrower acknowledges and agrees that, in the event the Borrower amalgamates with any other company or companies, it is the intention of the parties hereto that the term “Borrower,” 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 amalgamation and to any “Collateral” thereafter owned or acquired by the amalgamated company, and (ii) shall secure all Secured Obligations of each of the amalgamating companies and the amalgamated company to the Lender at the time of amalgamation and all Secured Obligations of the amalgamated company thereafter arising. The security interest shall attach to all “Collateral” owned by each company amalgamating with the Borrower, and shall attach to all “Collateral” thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

Section 9.8 Financing Statements. To the extent permitted by Applicable Law, the Borrower waives the Borrower’s right to receive a copy of any financing statement or financing change statement registered by or on behalf of the Lender, or of any verification statement with respect to any financing statement or financing change statement registered by or on behalf of the Lender.

Section 9.9 Limitations. To the fullest extent permitted by law, the Borrower waives all of the rights, benefits and protections that is given by the provisions of any law that imposes limitations upon the powers, rights or remedies of a secured party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other law.

Section 9.10 Waivers. The Lender may (a) grant extensions of time, (b) take and perfect or abstain from taking and perfecting security, (c) give up any security, (d) accept compositions or compromises, (e) grant releases and discharges, and (f) otherwise waive rights against the Borrower, debtors of the Borrower, guarantors and others and with respect to the Collateral and

other security as the Lender sees fit. No such action or omission will reduce the Obligations or affect the Lender's rights hereunder.

Section 9.11 Conflict with Credit Agreement. If there is any conflict inconsistency, ambiguity or difference between the terms of the Credit Agreement and the terms of this Security Agreement, the provisions of the Credit Agreement shall prevail, and such provision of this Security Agreement be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Security Agreement which may be in addition to the rights and remedies contained in the Credit Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

Section 9.12 Copy of Agreement. The Borrower hereby acknowledges receipt of a copy of this Security Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Borrower and the Lender have caused this Security Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

EQUITYLINE SPV LIMITED PARTNERSHIP,
as Borrower
By: EQUITYLINE SPV GP INC., its general partner

By: _____
Name:
Title:

EQUITABLE BANK,
as Lender

By:  _____
Name: Mark Richter
Title: Sr. Director

By:  _____
Name: Darren Lorimer
Title: SVP & Group Head

EXHIBIT A
LIST OF JURISDICTIONS IN WHICH BORROWER CONDUCTS BUSINESS

Ontario

45300293.2

This is Exhibit "H" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**

RUN NUMBER : 130
RUN DATE : 2024/05/09
ID : 20240509122807.36

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(11798)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : EQUITYLINE SPV LIMITED PARTNERSHIP

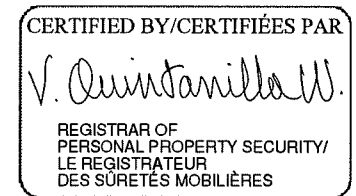
FILE CURRENCY : 08MAY 2024

ENQUIRY NUMBER 20240509122807.36 CONTAINS 3 PAGE(S), 1 FAMILY(IES).

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.

AIRD & BERLIS LLP
ATTN: JENAYA MCLEAN
HOLD FOR PICKUP
TORONTO ON M5J2T9

CONTINUED... 2



(crj6 05/2022)



RUN NUMBER : 130
RUN DATE : 2024/05/09
ID : 20240509122807.36

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 2
(11799)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : EQUITYLINE SPV LIMITED PARTNERSHIP
FILE CURRENCY : 08MAY 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
774877473

01 CAUTION PAGE TOTAL MOTOR VEHICLE REGISTRATION REGISTERED REGISTRATION
FILING NO. OF PAGES SCHEDULE NUMBER UNDER PERIOD
001 1 20210728 1758 1793 8717 P PPSA 5

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME EQUITYLINE SPV LIMITED PARTNERSHIP
04 ADDRESS 550 HIGHWAY 7 AVENUE EAST, SUITE 338 RICHMOND HILL ON L4B3Z4
ONTARIO CORPORATION NO.

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME EQUITYLINE SPV GP INC.
07 ADDRESS 550 HIGHWAY 7 AVENUE EAST, SUITE 338 RICHMOND HILL ON L4B3Z4
ONTARIO CORPORATION NO.

08 SECURED PARTY / EQUITABLE BANK
09 LIEN CLAIMANT ADDRESS 30 ST. CLAIR AVE. W., SUITE 700 TORONTO ON M4V3A1

10 COLLATERAL CLASSIFICATION
CONSUMER MOTOR VEHICLE AMOUNT DATE OF NO FIXED
GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER INCLUDED MATURITY OR MATURITY DATE
X X X X X

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AIRD & BERLIS LLP (164293)
17 AGENT ADDRESS 181 BAY STREET, SUITE 1800 TORONTO ON M5J2T9

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

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crj1fv 05/2022)



RUN NUMBER : 130
RUN DATE : 2024/05/09
ID : 20240509122807.36

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 3
(11800)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : EQUITYLINE SPV LIMITED PARTNERSHIP
FILE CURRENCY : 08MAY 2024

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

| FILE NUMBER | REGISTRATION NUMBER | REGISTRATION NUMBER | REGISTRATION NUMBER | REGISTRATION NUMBER |
|-------------|---------------------|---------------------|---------------------|---------------------|
| 774877473 | 20210728 | 1758 | 1793 | 8717 |

1 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crf6 05/2022)

This is Exhibit "I" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**

CUSTODIAL AGREEMENT

EQUITYLINE SPV LIMITED PARTNERSHIP

and

COMPUTERSHARE TRUST COMPANY OF CANADA
Custodian

CUSTODIAL AGREEMENT

Dated as of August 5, 2021

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CUSTODIAL AGREEMENT

THIS CUSTODIAL AGREEMENT dated as of August 5, 2021 (the “**Custodial Agreement**”), between EQUITYLINE SPV LIMITED PARTNERSHIP, a limited partnership established and validly existing under the laws of the Canada (hereinafter referred to as “**Equityline SPV**”) and COMPUTERSHARE TRUST COMPANY OF CANADA (the “**Custodian**”), a trust company existing under the laws of Canada, and duly authorized to carry on the business of a trust company in each Province of Canada.

WITNESSETH:

WHEREAS Equityline SPV may from time to time purchase and/or originate Mortgage Loans from various originators from time to time;

AND WHEREAS Equityline SPV is in the business of originating or purchasing single family and multi-unit residential mortgage loans from time to time;

AND WHEREAS Equityline SPV wishes to cause all documents, agreements, instruments and security related to the Mortgage Loans to be registered in the name of and/or entered into, by the Custodian as agent, nominee and bailee for and on behalf of Equityline SPV;

AND WHEREAS the above representations are made by Equityline SPV and not by the Custodian;

AND WHEREAS the Custodian has agreed to act as a custodian in the manner contemplated by this Custodial Agreement;

NOW THEREFORE THIS CUSTODIAL AGREEMENT WITNESSETH THAT in consideration of the covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties), the parties hereby covenant and agree as follows:

ARTICLE ONE

DEFINITIONS

1.1 Definitions List

Capitalized terms used herein that are not otherwise defined are to have the respective meaning ascribed thereto in Exhibit “A” hereto.

1.2 Exhibits

The following are the Exhibits attached hereto and incorporated by reference and deemed to be part hereof:

| | | |
|-----------|---|---|
| Exhibit A | - | Definitions List |
| Exhibit B | - | Schedule of Fees |
| Exhibit C | - | Initial Deposit List; Monthly Update List |
| Exhibit D | - | Written Request |
| Exhibit E | - | Request for Release of Mortgage File |
| Exhibit F | - | Secondary Transaction Notice |
| Exhibit G | - | Title Certification |
| Exhibit H | - | Discrepancy Report |

ARTICLE TWO

REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties

Equityline SPV hereby represents and warrants to the Custodian that:

- (a) it is a limited partnership established and validly subsisting as such under the laws of the Province of Ontario;
- (b) the execution, delivery and performance of this Custodial Agreement are within its powers; that all requisite action necessary to approve, deliver and perform this Custodial Agreement have been taken; that this Custodial Agreement constitutes a legal, valid and binding obligation of Equityline SPV, enforceable in accordance with its terms.

ARTICLE THREE

CUSTODIAL SERVICES

3.1 Appointment

(1) The Custodian is hereby appointed, and does hereby agree, to act as custodian, agent nominee and bailee for and on behalf of Equityline SPV hereunder and in such capacity, to hold registered title to the Mortgage Loans appearing on the Initial Deposit List and each Monthly Update List, and all related Deposited Property, as agent, nominee and bailee, and so far as is required for the purposes of the laws of the Province of Quebec, as mandatory within the meaning of the Civil Code of Quebec, for the benefit of Equityline SPV and to hold in safekeeping the Mortgage File delivered to the Custodian. The Custodian agrees to perform the functions and services and exercise the authority conferred on it by Equityline SPV pursuant to this Custodial Agreement.

(2) It is agreed that any Mortgage Loan registered in the name of the Custodian, as mortgagee

- (a) in any province or territory of Canada (other than the Province of Quebec), will be registered substantially as follows:

Computershare Trust Company of Canada
c/o Equityline Services Corp.
550 Hwy 7 Ave. E., Suite 338
Richmond Hill, Ontario L4B 3Z4

- (b) in the Province of Quebec, will be registered substantially as follows:

Computershare Trust Company of Canada/
Societe de Fiducie Computershare du Canada
100 University Ave, 11th Floor
Toronto, Ontario M5J 2Y1

3.2 Direction re Payments

Upon written request by Equityline SPV or the applicable Servicer, the Custodian shall execute and deliver a direction to each Mortgagor under a Mortgage Loan that has become part of the Deposited Property to make all payments due in respect of the Mortgage Loan to the applicable Servicer or such other Person as Equityline SPV may designate. Such direction shall be prepared by Equityline SPV or its Servicer and provided to the Custodian for execution.

3.3 Appointment of Servicer; Acknowledgement

Equityline SPV may appoint a Servicer in respect of any of the Deposited Property. Different Servicers may be appointed by Equityline SPV with respect to the Mortgage Loans forming part of the Deposited Property. In the absence of the appointment of a Servicer, for purposes of this Custodial Agreement, Equityline SPV will be deemed to be the Servicer for the components of the Deposited Property for which a Servicer has not been appointed. Equityline SPV may notify the Custodian in writing of the appointment of a Servicer or Servicers, and, if it does so, will contemporaneously therewith deliver to the Custodian a true copy of the related Servicing Agreement or such other written confirmation acceptable to the Custodian, written notification of the Deposited Property in respect of which a Servicer will act as servicer pursuant to the applicable Servicing Agreement and the address of such Servicer and of primary individuals employed by such Servicer with whom the Custodian is to be in contact on matters relating to this Custodial Agreement. If the Custodian receives notice of the appointment of a Servicer as provided in the preceding sentence, until the Custodian receives notice to the contrary from Equityline SPV, the Custodian will accept instructions and deliveries from, and give notices or deliveries to, the applicable Servicer with respect to the Deposited Property, subject to the terms and conditions of a Servicing Agreement and in each instance where this Custodial Agreement specifies that Equityline SPV or a Servicer may give instructions or receive deliveries with respect to such Deposited Property.

3.4 Register of Mortgages

The Custodian will maintain and update the Register based upon information contained in the Initial Deposit List, Monthly Update List and any other electronic mortgage list provided to it by Equityline SPV or a Servicer, as applicable, and upon request will provide a confirmation to Equityline SPV of all Mortgage Loans being held pursuant to the Register. The Register and any deposited Mortgage Files will be open for inspection by Equityline SPV or a Servicer during normal business hours of the Custodian, and Equityline SPV or the Servicer may make copies of the Register from time to time.

ARTICLE FOUR

OWNERSHIP OF DEPOSITED PROPERTY

4.1 Ownership of Deposited Property

The Deposited Property with respect to each Mortgage Loan and the proceeds thereof, are at all times the sole and exclusive property of Equityline SPV, as the sole beneficial owner thereof. Such ownership interest in the Deposited Property entitles Equityline SPV solely and exclusively to the proceeds from the Deposited Property and to the assignment and transfer of such Deposited Property in accordance with this Custodial Agreement.

4.2 No Ownership in Custodian

It is hereby acknowledged and agreed that the Custodian has no beneficial interest whatsoever in the Deposited Property and that the Deposited Property is not subject at any time to any right, charge, security interest, lien, claim, hypothec or encumbrance of any kind whatsoever in favour of the Custodian or any Person claiming through the Custodian. Without limiting the generality of the foregoing, the Custodian will not at any time exercise or seek to enforce any claim, right or remedy, including any statutory or common law right of set-off, that the Custodian may otherwise have against all or part of the proceeds of any Deposited Property. The Custodian will not transfer, assign, hypothecate, pledge or otherwise dispose of or encumber the Deposited Property or any portion thereof except as expressly permitted by the provisions of this Custodial Agreement. The Custodian will maintain the Deposited Property separate and apart from its own property and from the property of any of its other clients.

4.3 Rights to Transfer and Assignment of Deposited Property

Equityline SPV, or a Servicer on its behalf, will promptly give notice to the Custodian, via the Monthly Update List sent pursuant to Section 6.1 and in accordance with Section 10.4, when Equityline SPV has (a) caused an assignment and transfer back to Equityline SPV or any other Person, as Equityline SPV may elect, of any or all of the Deposited Property then held by the Custodian or (b) sold, transferred and assigned all of its right, title and interest in any or all of the Deposited Property pursuant to a Third Party Sale or a Private Securitization. Equityline SPV or a Servicer will prepare, or cause to be prepared, the necessary documentation required to be executed by the Custodian for purposes of any such assignment and transfer (except for corporate resolutions and similar corporate documentation of the Custodian, if required, which will be prepared by the Custodian). Equityline SPV will reimburse the Custodian for all reasonable costs and expenses incurred by the Custodian in executing any documentation required for assigning and transferring the Deposited Property pursuant to this Section 4.3.

4.4 Discharge of Interest

Any and all rights and claims of Equityline SPV with respect to any Deposited Property or arising under this Custodial Agreement are to be conclusively satisfied, discharged and extinguished (i) upon the completion of a valid, binding and effective assignment and transfer of such Deposited Property by the Custodian to Equityline SPV or to whom Equityline SPV may in writing direct pursuant to Section 4.3, (ii) at such time as the related Mortgage Loan and Mortgage Loan Documents have been discharged, released or reassigned by the Custodian to the Mortgagor or as it may direct, all in accordance with the written instructions of Equityline SPV or the applicable Servicer, and (iii) as provided in Article 7; provided, however, that nothing contained in this Section 4.4 will result in the satisfaction, discharge or extinguishment of any liability or obligation, in contract or tort or otherwise, of the Custodian to Equityline SPV in respect of any Deposited Property (other than a claim to the Deposited Property itself) which arises or has arisen prior to the date that Equityline SPV's interest in such Deposited Property has been satisfied, discharged and extinguished in accordance with this Section 4.4.

4.5 Mortgage Files

(1) Should Equityline SPV require Title Certification for any Mortgage Loans pursuant to Section 6.2 hereof, Equityline SPV shall deliver or cause the applicable Servicer to deliver to the Custodian the Mortgage File for each relevant Mortgage Loan in individual file folders labelled with the Mortgagor's name and the applicable Servicer's loan reference number. The Custodian may, at its sole discretion, return the Mortgage Files to Equityline SPV or the applicable Servicer, at the cost of Equityline SPV or the applicable Servicer, if the foregoing requirements are not met.

(2) The Custodian shall make all reasonable efforts to deliver any requested Mortgage File to Equityline SPV or its Servicer upon 5 Business Days' notice provided that if such delivery date is not a Business Day, such delivery shall take place on the next Business Day. The form of notice for release of Mortgage Files is attached hereto as Exhibit "E". The Mortgage Files may be delivered to the Custodian in paper form or in electronic form.

ARTICLE FIVE

PASS THROUGH OF PAYMENTS

5.1 Responsibility for Payments

If the Custodian receives any payments in respect of the Deposited Property, the Custodian will promptly make such payments to the applicable Servicer, or as otherwise directed by Equityline SPV, without any deduction, abatement or set-off whatsoever. The Custodian is not liable or otherwise responsible for any payments due or payable in respect of any Deposited Property, absent gross negligence, bad faith or wilful misconduct.

ARTICLE SIX

DEPOSIT LISTS

6.1 Initial Deposit List; Monthly Update List

Equityline SPV will provide, or cause to be provided by the applicable Servicer, to the Custodian a list in electronic format of all Mortgages that form part of the Deposited Property and are registered in the name of the Custodian pursuant to the terms of this Custodial Agreement (an "**Initial Deposit List**"). The Initial Deposit List will include the applicable Servicer's loan identification number, registration numbers issued by the relevant land registry or land titles office for the registered security, the address pertaining to the Mortgaged Property, the Mortgagor's name, the original principal balance of the Mortgage and insurance number. On a monthly basis, within ten (10) days following the end of each month while this Custodial Agreement is in effect, Equityline SPV will give, or cause to be given by the applicable Servicer, to the Custodian an updated list in electronic format, showing any additional Mortgages that form part of the Deposited Property and are registered in the name of the Custodian, and any such Mortgages in the name of the Custodian that have been discharged, assigned or transferred (such updated list being a "**Monthly Update List**"). The Initial Deposit List and the Monthly Update List shall be substantially in the form of Exhibit "C" hereto (subject to such modifications as the Custodian may require from time to time). If there are any Mortgages identified in a Monthly Update List that form part of the Deposited Property, which have been registered in the name of the Custodian since the Initial Deposit List or the previous Monthly Update List, as the case may be, the Monthly Update List is to include the same information for such Mortgages as in the Initial Deposit List. The Custodian is under no obligation to verify the accuracy of the information contained in the Initial Deposit List or any Monthly Update List other than in connection with its obligations under Section 6.2 hereof.

6.2 Title Certification

If Equityline SPV requires Title Certification for any Mortgage Loans, the Custodian hereby agrees that within sixty (60) Business Days following the receipt by the Custodian of the relevant Mortgage Files, the Initial Deposit List and each subsequent Monthly Update List, the Custodian will provide Title Certification to Equityline SPV in substantially the form attached hereto as Exhibit "G". Prior to any Title Certification, the Custodian will review the Mortgage Files, as delivered to the Custodian by Equityline

SPV or by the applicable Servicer and compare them to the information contained in the Register in order for the Custodian to be able to prepare such Title Certification. For greater certainty, the Custodian will not be required to provide any Title Certification if the relevant Mortgage Files have not been delivered to the Custodian within the deadlines pursuant to Section 6.2. It is expressly understood that the Custodian is not making any representations or warranties as to the validity of any mortgage registered in its name. Should the Custodian discover any discrepancies or deficiencies while preparing a Title Certification, the Custodian will provide a report (a “**Discrepancy Report**”) to Equityline SPV and the applicable Servicer, substantially in the form of Exhibit “H” hereto. To the extent any discrepancies or deficiencies in a Discrepancy Report remain unresolved at the time of the delivery of the Title Certification by the Custodian to Equityline SPV or to its Servicer pursuant to Section 6.2(a) hereof, such Title Certification will be delivered subject to the resolution of such discrepancies or deficiencies. Upon receipt of notice by the Custodian that such reported discrepancies or deficiencies have been resolved, the Custodian will as soon as practicable deliver an updated Title Certification to Equityline SPV or to its Servicer that is no longer subject to any discrepancies or deficiencies.

6.3 Validity of Mortgages

It is expressly understood that the Custodian is not making any representations or warranties as to the validity of any Mortgage registered in the Custodian’s name. Nothing in this Custodial Agreement requires the Custodian to make a representation or warranty to any third party as to the validity of any of the Mortgages that are registered in its name and form part of the Deposited Property. This clause survives the termination of this Custodial Agreement and the resignation or removal of the Custodian.

ARTICLE SEVEN

SECONDARY TRANSACTIONS

7.1 Third Party Sale

From time to time, Equityline SPV may complete a Third Party Sale with respect to certain Deposited Property. The Custodian shall update its Register upon receiving from Equityline SPV or its Servicer a Third Party Sale Notice and Monthly Update List detailing the Mortgage Loans subject to the Third Party Sale. The following shall apply to the Deposited Property in respect of a Third Party Sale:

- (a) From time to time, Equityline SPV may give a written notice (a “**Third Party Sale Notice**”) to the Custodian that it intends to complete a Third Party Sale with respect to Deposited Property described in the Third Party Sale Notice, substantially in the form of Exhibit “F” hereto. A Third Party Sale Notice shall be given to the Custodian within five (5) Business Days prior to or on the related Sale Date;
- (b) On the Sale Date in respect of a Third Party Sale, Equityline SPV shall provide to the Custodian, in electronic format, a list of the Deposited Property subject to the Third Party Sale in the same format as a Monthly Update List;
- (c) On the Sale Date for a Third Party Sale, this Custodial Agreement will cease to apply to such Deposited Property subject to a Third Party Sale as of and from the related Sale Date and the Custodian is released and discharged from any obligations or liabilities with respect to such Deposited Property arising after the Sale Date, save and except as resulted from its gross negligence, bad faith or wilful misconduct on or prior to the Sale Date;

- (d) If the Custodian is to remain as title holder, the transferee must enter into or have in place a relevant custodial agreement with the Custodian and the Custodian will thereafter hold the Deposited Property in accordance with the terms and conditions of the transferee's custodial agreement with the Custodian;
- (e) Should the transferee not have in place a custodial agreement with the Custodian and does not wish to enter into a custodial agreement with the Custodian, title to such Deposited Property must be removed from the Custodian's name forthwith and the Custodian will deliver the related Mortgage Files in its possession to the applicable Servicer or as directed by Equityline SPV;
- (f) Should legal title to the Deposited Property need to be transferred by the Custodian to Equityline SPV or to another Person, the Custodian acting in accordance with this Custodial Agreement will execute all such documents as may be required to effect such transfers;
- (g) All reasonable legal and other costs relating to the transfer of legal title of the Deposited Property, including, without limitation, reasonable legal fees relating to the preparation of transfer documents and registration fees, are to be paid by Equityline SPV;
- (h) Should the transferee have a custodial agreement with the Custodian, on the Sale Date, and only if Equityline SPV requires the delivery of the Mortgage Files in accordance with Section 6.2, Equityline SPV agrees to deliver or cause its Servicer to deliver, to the Custodian the Mortgage File, to the extent the contents of the Mortgage File have not already been delivered to the Custodian in accordance with this Custodial Agreement, of each Mortgage Loan subject to the Third Party Sale; and
- (i) If a Mortgage File is to be delivered to the Custodian in accordance with Section 7.1(h), Equityline SPV agrees to deliver or cause its Servicer to deliver, to the Custodian the Mortgage File, if applicable, of each Mortgage Loan in individual file folders labelled with the Mortgagor's name and loan reference number. The Custodian may, at its sole discretion, return the Mortgage Files to Equityline SPV or its Servicer, at the cost of Equityline SPV, if the foregoing requirements are not met.

7.2 Private Securitization

From time to time, Equityline SPV may complete a Private Securitization with respect to certain Deposited Property. The Custodian shall update its Register upon receiving from Equityline SPV or its Servicer a Private Securitization Notice and Monthly Update List detailing the Mortgage Loans subject to the Private Securitization. The following shall apply to the Deposited Property in respect of a Private Securitization:

- (a) From time to time, Equityline SPV may give a written notice (a "**Private Securitization Notice**") to the Custodian that it intends to complete a Private Securitization with respect to Deposited Property described in the Private Securitization Notice, substantially in the form of Exhibit "F" hereto. A Private Securitization Notice shall be given to the Custodian within five (5) Business Days prior to or on to the related Securitization Date;
- (b) On the Securitization Date in respect of a Private Securitization, Equityline SPV shall, or shall cause its Servicer to provide to the Custodian, in electronic format, a list of the

Deposited Property subject to the Private Securitization in the same format as a Monthly Update List;

- (c) On the Securitization Date, this Custodial Agreement will cease to apply to such Deposited Property subject to a Private Securitization as of and from the related Securitization Date and the Custodian will be released and discharged from any obligations or liabilities with respect to such Deposited Property under this Custodial Agreement arising after the Securitization Date, save and except as resulted from its gross negligence, bad faith or wilful misconduct on or prior to the Securitization Date;
- (d) If the Custodian is to remain as title holder, the transferee must enter into or have in place a relevant custodial agreement with the Custodian and the Custodian will thereafter hold the Deposited Property in accordance with the terms and conditions of the transferee's custodial agreement with the Custodian;
- (e) Should the transferee not have in place a custodial agreement with the Custodian and does not wish to enter into a custodial agreement with the Custodian, title to such Deposited Property must be removed from the Custodian's name forthwith and the Custodian will deliver the related Mortgage Files in its possession to the applicable Servicer or as otherwise directed by Equityline SPV;
- (f) Should legal title to the Deposited Property need to be transferred by the Custodian to Equityline SPV or to another Person, the Custodian acting in accordance with this Custodial Agreement will execute all such documents as may be required to effect such transfers;
- (g) All reasonable legal and other out-of-pocket costs relating to the transfer of legal title of the Deposited Property, including, without limitation, reasonable legal fees relating to the preparation of transfer documents and registration fees, are to be paid by Equityline SPV;
- (h) Should the transferee have a custodial agreement with the Custodian, on the Securitization Date, and only if Equityline SPV requires the delivery of the Mortgage Files in accordance with Section 6.2, Equityline SPV agrees to deliver or cause its Servicer to deliver to the Custodian the Mortgage File, to the extent the contents of the Mortgage File have not already been delivered to the Custodian in accordance with this Custodial Agreement, of each Mortgage Loan subject to the Private Securitization;
- (i) If a Mortgage File is to be delivered to the Custodian in accordance with Section 7.2(h), Equityline SPV agrees to deliver or cause its Servicer to deliver to the Custodian the Mortgage File, if applicable, of each Mortgage Loan in individual file folders labelled with the Mortgagor's name and loan reference number. The Custodian may, at its sole discretion, return the Mortgage Files to Equityline SPV or its Servicer, at the cost of Equityline SPV, if the foregoing requirements are not met; and
- (j) Equityline SPV shall confirm any representations and warranties with respect to the Deposited Property as may be required by the purchaser.

ARTICLE EIGHT

DUTIES, RIGHTS AND COMPENSATION OF CUSTODIAN

8.1 Standard of Care

The Custodian undertakes to perform such duties and only such duties as are specifically set forth in this Custodial Agreement, with the degree of skill, care and diligence as would a prudent custodian, and no implied covenants or obligations are to be read into this Custodial Agreement against the Custodian. The Custodian will hold the Deposited Property at all times subject to the same degree of care as the Custodian would exercise in respect of its own property and the property of third parties of a similar kind being kept by the Custodian, and, in the performance of its obligations hereunder, the Custodian will exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. The Custodian is not required to give any bond or security in respect of the performance of its duties under this Custodial Agreement, or otherwise in respect of the Deposited Property, or any ownership interest therein. The Custodian is not required to expend or risk its own funds or otherwise incur financial liability in the performance of its duties or in the exercise of any of its rights or powers hereunder.

8.2 Limitation of Liability of Custodian

Notwithstanding anything in this Custodial Agreement to the contrary:

- (a) neither Equityline SPV, nor any Servicer nor the successors or assigns of any of such Person, has or will have any claim, remedy or right to proceed against the Custodian in its individual corporate capacity for the payment of any deficiency or any other sum owing on account of the Deposited Property, or for the payment of any liability resulting from any fraud, negligence, bad faith or wilful misconduct by any Person other than the Custodian or those for whom it is in law responsible;
- (b) Equityline SPV waives and releases any personal liability of the Custodian (other than any fraud, gross negligence, bad faith or wilful misconduct of the Custodian or any Person for whom it is in law responsible) in its individual corporate capacity for and on account of such obligation or such liability, and save as aforesaid, Equityline SPV agrees to look solely to the Deposited Property for the payment of such obligations or satisfaction of such liability;
- (c) the Custodian is not responsible for the accuracy or content of any order, request, resolution, certificate, statement, writing, direction, instruction, opinion, report, document or other instrument furnished by Equityline SPV or a Servicer to and accepted by the Custodian in good faith, pursuant to this Custodial Agreement;
- (d) the Custodian is not personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction or instructions of Equityline SPV or the direction or instructions of a Servicer;
- (e) except as otherwise provided in this Section 8.2 (i) the Custodian may rely upon and is protected in acting or refraining from acting in good faith upon any resolution, certificate, statement, instrument, writing, direction, instruction, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or parties; (ii) the

Custodian will not be personally liable for any action reasonably taken, suffered or omitted by it in good faith and believed by it to be authorized or within the powers conferred upon it by this Custodial Agreement; (iii) the Custodian is not bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, writing, direction, instruction, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by Equityline SPV; and (iv) the Custodian is not responsible for any act or omission of Equityline SPV or any Servicer;

- (f) the Custodian is not a party to, nor is bound by, any provisions which may be evidenced by, or arise out of, any agreement other than as therein set forth under the express provisions of this Custodial Agreement. The Custodian will have no duties except those which are expressly set forth herein, and the Custodian will not be liable except for the performance of such duties and obligations as shall specifically be set forth in this Custodial Agreement and no implied covenants or obligations will be read into this Custodial Agreement against the Custodian;
- (g) the Custodian will not be liable for any error of judgement, or for any act done or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or omit from doing in connection herewith, except its own fraud, wilful misconduct, bad faith or gross negligence;
- (h) the Custodian will not be responsible for assessing the validity or advisability of any directions or instructions received by it. The Custodian will under no circumstances be deemed to provide legal advice or counselling; and
- (i) the Custodian will retain the right not to act (and will not be held liable for refusing to act) unless it has received a clear and unambiguous request, direction, instruction, authorization and/or certification from Equityline SPV or its Servicer, which complies with the terms of this Custodial Agreement.

8.3 Status

The Custodian will preserve and maintain its existence and remain qualified to carry on its business in each jurisdiction where the failure to preserve and maintain such existence and qualification would materially adversely affect its ability to perform its obligations hereunder.

8.4 Compliance with Laws

(1) The Custodian will comply with applicable regulatory and legal requirements relating to the obligations of the Custodian hereunder. Without limiting the foregoing, the Custodian will not be liable to Equityline SPV for any act or thing to be done or performed in good faith under the terms of this Custodial Agreement, or for any delay in acting or performing or for any non-action or non-performance, if the Custodian is prevented or forbidden from so acting or performing by reason of any law or regulation of Canada or of any province or territory thereof or of any other governmental agency or authority in force at the time of such act or thing to be done or performed, or by reason of any act of God, or other circumstance beyond its control.

(2) The Custodian (i) will comply with any applicable Law regarding the privacy and security of personal information of Mortgagors, (ii) will not use such personal information in any manner inconsistent with applicable Law regarding the privacy and security of such personal information, (iii) will not disclose such personal information to third parties, except as permitted or required by applicable Law, (iv) will

maintain adequate physical, technical and administrative safeguards to protect such personal information from unauthorized access, and (v) will immediately notify Equityline SPV of any actual or suspected breach of the confidentiality of such personal information as required pursuant to this Section 8.4(2)

(3) The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "Privacy Laws") applies to obligations and activities under this Custodial Agreement. Despite any other provision of this Custodial Agreement, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. Equityline SPV shall, prior to transferring or causing to be transferred personal information to the Custodian, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Custodian shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Custodian agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Custodial Agreement and not to use it for any other purpose except with the consent of or direction from Equityline SPV or the individual involved; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

(4) The parties acknowledge that the Custodian may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- a) to provide the services required under this Custodial Agreement and other services that may be requested from time to time;
- b) to help the Custodian manage its servicing relationships with such individuals;
- c) to meet the Custodian's legal and regulatory requirements; and
- d) if Social Insurance Numbers are collected by the Custodian, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party acknowledges and agrees that the Custodian may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Custodial Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Custodian shall make available on its website or upon request, including revisions thereto. Some of this personal information may be transferred to servicers outside of Canada, including the United States for data processing and/or storage. Further, each party agrees that it shall not provide or cause to be provided to the Custodian any personal information relating to an individual who is not a party to this Custodial Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned terms, uses and disclosures.

8.5 Execution of Documents

(1) The Custodian, on receipt of (i) a written request of the applicable Servicer or Equityline SPV or (ii) an email from an employee of Equityline SPV with a title of Analyst, Associate, Vice-President, Director, Managing Director, Chief Financial Officer or Chief Executive Officer emanating from the “equitylinefinancial.com” domain name (“**Email Instructions**”), will execute any deeds or documents delivered to the Custodian required in connection with the relevant Mortgage Loan or Deposited Property, including for the Province of Québec, deeds of loan and hypothecs and deeds of hypothecs and also including, without limitation, discharges, renewals, assignments, releases, transfers, extensions, amendments and registrations related to the Mortgage Loan (“**Execution Documents**”) and, subject to Section 8.6, institute and maintain such actions and proceedings as Equityline SPV or the applicable Servicer, may consider necessary or expedient to preserve, represent or enforce the interests of Equityline SPV under the applicable Deposited Property. The Custodian has no discretion with respect to the execution of the Execution Documents or the institution or maintenance of such action or proceedings (except as set out in Section 8.6) and, at all times, will act solely in accordance with the Email Instructions or instructions of the applicable Servicer or Equityline SPV. Such written requests and the Execution Documents will be prepared by the applicable Servicer or by another Person and delivered together with the Execution Documents to the Custodian for its execution. Provided that the Custodian has received the Email Instructions or a written request signed by Authorized Signatories of the applicable Servicer or Equityline SPV, the Custodian will not be responsible for the accuracy or content of any of the Execution Documents and may rely solely on the Email Instructions and written request of Equityline SPV or the applicable Servicer for its authority to execute such Execution Documents as they relate to the Mortgage Loans. For greater certainty, the Custodian is not responsible for reviewing the contents of any such Execution Documents. Notwithstanding anything in this Custodial Agreement, under no circumstance will the Custodian be responsible for the drafting or preparation of the Execution Documents, including, but not limited to any discharge, renewal, assignment, release, transfer, extension, amendment or registration. The written request will substantially be in the form of Exhibit “D” hereto.

(2) Equityline SPV will from time to time provide the Custodian with a certificate stating the names of the Persons authorized to act on its behalf (the “**Authorized Signatories**”), together with specimen signatures of such Persons. The Custodian will be entitled to rely upon the identification of such Persons as specified in such certificate as the Persons entitled to act on its behalf for the purposes of this Custodial Agreement until a replacement certificate is delivered to the Custodian

8.6 Legal Action

(1) Before acting to institute any action or proceeding under this Section 8.6, the Custodian is entitled, but is not bound, to require the deposit of funds and an indemnity to its satisfaction acting reasonably from Equityline SPV against any costs or expenses to which the Custodian may be put in connection with any such action or proceeding. For greater certainty, in no event is the Custodian to be in any way liable or responsible for any such costs or expenses. In lieu of instituting or maintaining any action or proceedings in respect of a Mortgage Loan, the Custodian may assign to Equityline SPV or as Equityline SPV may direct (at the expense of Equityline SPV) the related Deposited Property, whereupon the Custodian will be released and discharged from any further obligation or liability with respect to such Deposited Property, absent gross negligence, bad faith or wilful misconduct.

(2) The Custodian will not be required to institute or maintain any action or proceedings in respect of any default under a Mortgage Loan. If Equityline SPV or the applicable Servicer determines that an action or proceeding should be instituted in respect of a Mortgage Loan, prior to the commencement of any such action or proceeding, legal title to the Mortgage Loan is to be transferred by the Custodian to Equityline SPV or the applicable Servicer, as Equityline SPV or as the applicable Servicer may designate,

at no charge greater than direct third party expenses incurred by the Custodian, whereupon the Custodian is released and discharged from any further obligation or liability with respect thereto following such transfer, absent gross negligence, bad faith or wilful misconduct. In connection with the foregoing, Equityline SPV will advise or cause the applicable Servicer to advise the Custodian, in writing, if a Mortgage Loan goes into material default and will give the Custodian notice of any intention to initiate an action or commence proceedings.

8.7 Forwarding of Material

Forthwith after receipt by the Custodian of any documents or materials forwarded to the Custodian as the registered owner of a Mortgage Loan, the Custodian will deliver such documents or materials to the Servicer.

8.8 Reliance by Custodian

The Custodian will be entitled to conclusively rely in acting or refraining from acting based upon any Email Instructions, written request, resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, or other document which it believes in good faith to be genuine and to have been endorsed, signed, presented or delivered, as the case may be, by the proper party or parties in accordance with this Custodial Agreement.

8.9 Legal Counsel

(1) The Custodian may consult with legal counsel of its choice acting reasonably; provided that the Custodian consults with Equityline SPV before consulting with such legal counsel and such legal counsel is subject to approval by Equityline SPV, acting reasonably, and the Custodian has full authorization in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance on the opinion and advice of such legal counsel.

(2) The Custodian may employ, retain or appoint such counsel, accountants, appraisers or other experts or advisers and such agents as it may reasonably require for the purpose of discharging its duties hereunder and will not be responsible for any misconduct on the part of any of them (save to the extent attributable to the gross negligence, bad faith, fraud or wilful misconduct by the Custodian); provided that the Custodian consults with Equityline SPV before employing, retaining or appointing any such Person and such Person is subject to approval by Equityline SPV, acting reasonably.

(3) The Custodian may act and is protected in acting in good faith on the opinion or advice of or information obtained from any counsel (approved pursuant to subsection (1) hereof), accountant, appraiser or other expert or adviser, retained by the Custodian, in relation to any matter arising hereunder.

(4) The Custodian will not be answerable for the default or misconduct of any adviser, agent or legal counsel employed or appointed, if such adviser, agent or legal counsel will have been selected with reasonable care.

8.10 Fees, Costs and Expenses

Equityline SPV will pay to the Custodian the fees (the “**Custodian Fee**”) in accordance with the fee schedule attached hereto as Exhibit “B”, as amended, supplemented or replaced from time to time in full satisfaction of its fees, costs and expenses arising or incurred in connection with the services to be provided and duties to be performed by the Custodian under this Custodial Agreement. In addition, the Custodian is to be reimbursed, upon request, for all reasonable expenses and disbursements incurred or

made by the Custodian in the administration of its services and duties under this Custodial Agreement, including the reasonable fees and disbursements of its external counsel and all other advisors and assistants not regularly in its employ; provided that, prior to engaging any such advisors or incurring any such expenses it will advise Equityline SPV of the need to engage the advisor or incur the expense and obtain the prior written approval of Equityline SPV, acting reasonably, to the engagement of the advisor or the incurring of the expense. Any amount owing under this Section 8.10 and unpaid thirty (30) days after request for payment will bear interest from the expiration of such thirty (30) day period, until paid, at the rate per annum set out in Exhibit “B”.

8.11 Indemnity

Without limiting any protection or indemnity of the Custodian under any other provision hereof, or otherwise at law, Equityline SPV hereby agrees to indemnify and hold harmless the Custodian, its directors, officers, employees, and agents, and all of their respective representatives, heirs, successors and assigns (collectively the “**Indemnified Parties**”) from and against any and all liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements, including reasonable legal or adviser fees and disbursements, of whatever kind and nature which may at any time be imposed on, incurred by or asserted against the Indemnified Parties in connection with the performance of the Custodian’s duties and obligations hereunder, other than such liabilities, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements arising by reason of the gross negligence, bad faith, wilful misconduct or fraud of the Custodian. Equityline SPV agrees that its liability hereunder will be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and will accrue and become enforceable without prior demand or any other precedent action or proceeding. This provision will survive the resignation or removal of the Custodian, or the termination of this Custodial Agreement. The Custodian will not be under any obligation to prosecute or to defend any action or suit in respect of the relationship which, in the opinion of its counsel, may involve it in expense or liability, unless the parties hereto shall, so often as required, furnish the Custodian with satisfactory indemnity and funding against such expense or liability.

ARTICLE NINE

RESIGNATION, REMOVAL AND APPOINTMENT OF SUCCESSOR CUSTODIAN

9.1 Term of Office

The Custodian will continue to act as custodian and perform its duties and obligations hereunder until its resignation or removal and the appointment of a successor Custodian pursuant to this Article Nine, it being acknowledged that Equityline SPV may appoint itself as successor Custodian.

9.2 Resignation of Custodian

The Custodian may resign at any time after giving not less than sixty (60) days prior written notice to Equityline SPV. No resignation of the Custodian is effective until the appointment by Equityline SPV of, and acceptance of such appointment by, a successor custodian and the transfer of all Deposited Property to such successor custodian. Until such appointment, acceptance and transfer of all Deposited Property, the Custodian continues to have all of its obligations and responsibilities under this Custodial Agreement; provided, that Equityline SPV will use reasonable and commercial efforts to promptly appoint a successor custodian as soon as possible and in no event will the Custodian be obliged to continue as custodian hereunder for more than 180 days next following the giving of such written notice of resignation.

9.3 Removal of Custodian

The Custodian may be removed at any time by notice in writing given by Equityline SPV to the Custodian if, at any time, the Custodian no longer satisfies all of the requirements of Section 9.6 or is declared bankrupt or insolvent or enters into liquidation, whether compulsory or voluntary, and not being a voluntary liquidation for the purposes of amalgamation or reconstruction, or if the assets of the Custodian otherwise become liable to seizure or confiscation by any public or governmental authority, or for any other reason and otherwise upon thirty (30) days' written notice. No decision to remove a Custodian under this Section 9.3 becomes effective until the appointment by Equityline SPV of, and acceptance of such appointment by, a successor custodian under Section 9.4 or Section 9.5 in the place of the Custodian to be removed.

9.4 Successor Custodian

- (a) Equityline SPV will use reasonable and commercial efforts to promptly appoint a successor to any Custodian which has resigned pursuant to Section 9.2 or has been removed by Equityline SPV pursuant to Section 9.3.
- (b) If the Custodian has resigned or been removed pursuant to this Article Nine it will duly assign, transfer and deliver to its successor custodian and such successor custodian will accept all the Deposited Property and all its rights and obligations hereunder and the Custodian will execute and deliver such documentation as provided to it by Equityline SPV or the related Servicer to evidence such assignment, transfer and delivery, including transfers and assignments of the related Mortgage Loans in registrable form and any Mortgage Files then being held hereunder by the Custodian. Any successor custodian will be fully vested with all rights of the Custodian hereunder as if such successor custodian had been an original party hereto. It is agreed that the Custodian will not be responsible for the drafting or the preparation of any document in connection with the replacement of the Custodian, including, but not limited to, renewals, assignments, releases, transfers, extensions, amendments or registrations.

9.5 Failure to Appoint Successor

If no successor to a Custodian which has resigned in accordance with Section 9.2 or has received notice of removal in accordance with Section 9.3 has accepted an appointment under Section 9.4 within 180 days after the delivery of such notice, the Custodian may apply to a court of competent jurisdiction for the appointment of a successor to the Custodian.

9.6 Qualifications of Custodian

The Custodian at all times must be a company that has the capacity and power and is authorized to act as Custodian pursuant to this Custodial Agreement, meets the requirements of Sections 8.3 and 8.4, and:

- (a) which is:
 - (i) registered and in good standing under the *Trust and Loan Companies Act* (Canada), an *Act respecting Trust Companies and Savings Companies* (Québec) or the *Loan and Trust Corporations Act* (Ontario) as the same may be amended from time to time, and, where necessary or desirable in order to perform its duties hereunder, registered under similar legislation in each of the other provinces of Canada; or

- (ii) a Canadian chartered bank; and
- (b) the book value of the assets of which company exceeds the book value of its liabilities as set forth in its last annual audited financial statements, by not less than \$10 million.

ARTICLE TEN

GENERAL

10.1 Amendments

All amendments to the provisions of this Custodial Agreement are to be by written instrument between the Custodian and Equityline SPV.

10.2 Capacity of Parties

The parties hereby acknowledge and agree that the obligations of the Custodian as set forth herein are for the benefit of Equityline SPV and may be enforced by Equityline SPV. The rights and obligations of the Custodian with respect to the Deposited Property are only those specified herein. The Custodian has no managerial, administrative or other discretion with respect to the Deposited Property or any power to deal with the same save as specifically provided herein, nor does the Custodian have any other discretions, rights or powers of a trustee in respect of the Deposited Property and the Custodian is not subject to the fiduciary or other obligations of a trustee to Equityline SPV with respect to the Deposited Property.

10.3 English and French

The parties hereto confirm that it is their wish that this Custodial Agreement is to be drawn up in the English language, as well as any other documents relating to this Custodial Agreement, including notices, schedules and authorizations. *Les signataires confirment leur volonté que la présente convention, de même que tous les documents s'y rattachant, y comprise tout avis, annexe et autorisation, soient rédigés en anglais.*

10.4 Notices, Instructions, Directions, Reports, Communications

(1) All notices and other communications required or permitted hereunder will be in writing and, if mailed by prepaid first class mail at any time (other than three (3) Business Days prior to or during a general discontinuance of postal service due to strike, lockout or otherwise) will be deemed to have been received three (3) Business Days after the mailing thereof from Toronto, and, if delivered, will be deemed to have been received on the date of delivery, and, if sent by email or other means of electronic communication, will be deemed to have been received on the day of transmission thereof if sent during normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not sent during such hours on any day. Notice of change of address or email for the purposes hereof will also be governed by this Section 10.4. All such notices and other communications will be addressed as follows:

- (b) if to the Custodian:

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: Manager, Mortgage Backed Securities
Email: cmbs@computershare.com

(c) if to Equityline SPV:

550 Hwy 7 Ave. E., Suite 338
Richmond Hill, Ontario L4B 3Z4

Attention: Sergiy Shchavyelyev
Email: sergiy@equitylinefinancial.com

(d) if to a Servicer:

As indicated by Equityline SPV in accordance with Section 3.3

(2) The Custodian is authorized to communicate with Equityline SPV by email or other electronic communication in connection with the services herein. Equityline SPV acknowledges (i) that instructions sent to the Custodian by email from individuals with titles enumerated in Section 8.5(1) emanating from the "equitylinefinancial.com" domain name or other electronic communication to the Custodian will be deemed to be written instructions or written notices for all purposes of this Custodial Agreement, and (ii) that communication via email or other electronic communication is not a secure method of communication and the confidentiality of information transmitted by email or other electronic communication is not guaranteed by the Custodian. Equityline SPV hereby indemnify and release the Custodian from any liability to which it may become subject as a result of acting or not acting on Equityline SPV's email instruction or other electronic communication and agree to hold the Custodian and its employees, officers and directors harmless in connection with any breaches of security and/or confidentiality arising from the use of this method of communication, absent gross negligence, bad faith or wilful misconduct.

10.5 Successors and Assigns

The Custodian is entitled to assign this Custodial Agreement as an entirety to any party which acquires all or substantially all of its corporate trust business, including, without limitation, by any merger, consolidation, amalgamation or sale to which the Custodian is a party, and such assignee has and may exercise all of the rights and assume all of the obligations of the Custodian, as the case may be, hereunder, provided that the assignee executes an agreement confirming such assignment and such assumption of obligations, that no such assignment will release the assignor from its obligations hereunder and that Equityline SPV receives prior written notice of such assignment. Except as aforesaid neither this Custodial Agreement nor any of the rights or obligations of the Custodian hereunder are assignable without the express prior written consent of Equityline SPV. Equityline SPV may on notice to the Custodian assign this Custodial Agreement. Subject to the foregoing provisions of Article Eight and this Section 10.5, this Custodial Agreement enures to the benefit of and is binding upon the parties hereto and their respective successors and assigns.

10.6 Execution and Governing Law

This Custodial Agreement is executed by and on behalf of the parties and delivered in the Province of Ontario and with reference to the laws thereof, and the rights of the parties and the validity, construction and effect of every provision hereof is subject to and construed according to the laws of the Province of Ontario.

10.7 Counterparts

This Custodial Agreement may be executed in several counterparts, each of which will be deemed to be an original and all of which, taken together, constitute one and the same instrument.

10.8 Severability

If any provision of this Custodial Agreement is held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability attaches only to such provision in such jurisdiction and does not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Custodial Agreement.

10.9 Relationships

The relationship of the Custodian and Equityline SPV to one another is solely the relationship that arises from the rights and obligations created hereunder and is not to be treated as that of partners or joint venturers or members of a society, association, limited partnership or corporation or as that of shareholders of a corporation or other joint stock company or as a trustee and beneficiary.

10.10 Further Assurances

Upon the request of one of the other parties hereto, the other party will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this Custodial Agreement.

10.11 Force Majeure

Neither party shall be liable to the other, or held in breach of this Custodial Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics or pandemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Custodial Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 10.11.

10.12 Anti-Money Laundering

The Custodian shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Custodian, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering, anti-terrorist or economic sanctions legislation, regulation or guideline.


10.13 Termination of Agreement


Equityline SPV may terminate this Custodial Agreement at any time there is no Deposited Property under this Custodial Agreement by giving at least thirty (30) days' prior written notice to the Custodian.

[Remainder of this page left intentionally blank]

IN WITNESS WHEREOF this Custodial Agreement has been duly executed by the parties as of the date first written above.

COMPUTERSHARE TRUST COMPANY OF CANADA

By: 
Name: Tina Li
Title: Corporate Trust Officer

By: 
Name: Stanley Kwan
Title: Associate Trust Officer

**EQUITYLINE SPV LIMITED PARTNERSHIP,
by its general partner, EQUITYLINE SPV GP
INC.**


By: 
Name: Sergiy Shchavyelyev
Title: President

EXHIBIT “A”

DEFINITIONS LIST

“Authorized Signatories”: has the meaning ascribed to it at Section 8.5.

“Business Day”: Any day other than (a) a Saturday or Sunday, or (b) a day on which banks and trust companies in the City of Toronto are authorized or obligated by Law to be closed.

“Condemnation Proceeds”: All awards or settlements in respect of a Mortgaged Property, whether permanent or temporary, partial or entire, by exercise of the power of eminent domain, expropriation or condemnation, in any case to the extent not applied to the restoration or repair of such Mortgaged Property or required to be released to a Mortgagor in accordance with the terms of the related Mortgage Loan Documents, accepted servicing practices or applicable Law.

“Custodial Agreement”: This agreement, as may from time to time be amended, restated or replaced.

“Custodian”: Initially, Computershare Trust Company of Canada, or its successor in interest or permitted assigns.

“Deposited Property”: Legal and registered title to a Mortgage Loan or a pool of Mortgage Loans and any proceeds arising therefrom, including, without limitation, Condemnation Proceeds, Insurance Proceeds and Liquidation Proceeds, with respect to Mortgage Loans for which legal title is identified as being registered in the name of the Custodian on the Initial Deposit List and any current Monthly Update List.

“Discrepancy Report”: Has the meaning ascribed to it in Section 6.2.

“Email Instructions”: Has the meaning ascribed to it in Section 8.5.

“Equityline SPV”: Equityline SPV Limited Partnership, and its successors and assigns from time to time.

“Initial Deposit List”: Has the meaning ascribed to it in Section 6.1.

“Insurance Proceeds”: With respect to each Mortgage Loan, proceeds of any insurance policy required to be maintained pursuant to a Servicing Agreement or the Mortgage Loan Documents or any other insurance policy covering such Mortgage Loan or the related Mortgaged Property, other than any proceeds to be held in an escrow account related to such Mortgage Loan and applied to the restoration or repair of the related Mortgaged Property or required to be released to the related Mortgagor in accordance with accepted servicing practices, the terms of the related Mortgage Loan Documents or applicable Law.

“Law”: Any judgment, order, decree, writ, injunction, award, statute, rule, regulation or requirement of any federal, provincial, local or other agency, commission, tribunal, governmental authority, arbitrator or court having or asserting jurisdiction over any particular Person, property or matter applicable to such particular Person or property and any binding judgment, order, decree or award of an arbitrator having or asserting jurisdiction over any particular Person, property or matter.

“Liquidation Proceeds”: Cash (including any Insurance Proceeds) received in connection with the final liquidation of a defaulted Mortgage Loan, whether through the sale or assignment of such Mortgage Loan, trustee's sale, sale under power of sale, foreclosure sale or otherwise or the sale of the related Mortgaged Property if acquired in satisfaction of the Mortgage Loan.

“Monthly Update List”: Has the meaning ascribed to it in Section 5.1.

“Mortgage File”: In relation to Deposited Property held by the Custodian as agent, nominee and bailee for and on behalf of Equityline SPV pursuant to the Custodial Agreement, Mortgage File means the following: (i) for each Mortgage Loan secured by Mortgaged Property located in the Province of Quebec, an original or photocopy of the hypothec or an original or photocopy of the collateral mortgage bond secured by a hypothec; (ii) with respect to each Mortgage Loan secured by Mortgaged Property located in a common law jurisdiction within Canada, a list of all Mortgage Loans that have been transferred to the Custodian on a per province/territory basis; (iii) with respect to each Mortgage Loan, a photocopy of each document evidencing the registration of the transfer or assignment of such registered security to the Custodian; and (iv) with respect to each Mortgage Loan, photocopies of registration of any additional collateral used to secure the Mortgage Loans, including but not limited to assignment of rents and chattels. In relation to a Third Party Sale and a Private Securitization, Mortgage File means the documents required to be delivered to the Custodian in accordance to the transferee’s custodial agreement with the Custodian, if any.

“Mortgage Loan” or “Loan”: A permanent first or second lien mortgage loan selected by Equityline SPV for inclusion in this Custodial Agreement and secured by a Residential Property, in either case evidenced by a Mortgage that is advanced by Equityline SPV directly or to be purchased by Equityline SPV.

“Mortgage Loan Documents”: The documents executed and delivered in connection with the origination of a Mortgage Loan.

“Mortgaged Property”: The underlying residential property securing a Mortgage Loan.

“Mortgagor”: The obligor or obligors on a Mortgage, including any Person who has assumed or guaranteed the obligations of the obligor thereunder.

“Person”: An individual, corporation, partnership, trust, business trust, association, joint stock company, joint venture, limited liability company, pool, syndicate, sole proprietorship, unincorporated organization, governmental authority or other entity, whether acting in an individual, fiduciary or other capacity.

“Private Securitization”: A Securitization whereby Mortgage Loans are assembled in mortgage pools and Securities are issued.

“Private Securitization Notice”: Has the meaning ascribed to it in Section 7.2(a).

“Register”: means a register maintained and updated by the Custodian at the corporate trust office of the Custodian in Toronto that contains the particulars of each Mortgage Loan;

“Sale Date” With respect to any Deposited Property, the date of completion of a Third Party Sale with respect to such Deposited Property.

“Secondary Transaction”: means a Third Party Sale or a Private Securitization.

“Securitization”: The public offering or private placement of Securities.

“Securitization Agreements”: The agreement or agreements to be entered into in order to give effect to a Securitization.

“Securitization Date”: With respect to any Deposited Property, the date of completion of a Private Securitization with respect to such Deposited Property.

“Security” or “Securities”: A security evidencing an interest in or secured or collateralized by a pool of Mortgage Loans.

“Servicer”: With respect to a Mortgage Loan and the related Deposited Property, the Person, if any, appointed by Equityline SPV to administer, collect and enforce such Mortgage Loan as servicer pursuant to a Servicing Agreement entered into between Equityline SPV and such Person.

“Servicing Agreement”: With respect to any Mortgage Loan and the related Deposited Property, the agreement, if any, entered into between Equityline SPV and a Servicer providing for the administration, collection, enforcement and servicing of such Mortgage Loan by the Servicer on behalf of Equityline SPV.

“Third Party Sale”: A sale, transfer and disposition, other than a Private Securitization by Equityline SPV of all of its right, title and interest in any Deposited Property.

“Third Party Sale Notice”: Has the meaning ascribed to it in Section 7.1(a).

“Title Certification” means a written certification delivered by the Custodian, in substantially the form attached hereto as Exhibit “G” confirming that legal title has been transferred to the Custodian.

General Interpretive Principles. Except as otherwise expressly provided or unless the context otherwise requires:

- (i) The terms defined herein include the plural as well as the singular, and the use of any gender herein is deemed to include any other gender;
- (ii) Wherever reference is made to a calculation to be made or an action to be taken in accordance with generally accepted accounting principles, such reference will be deemed to be to the IFRS accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken in accordance with generally accepted accounting principles;
- (iii) References herein to “Articles”, “Sections”, “Subsections”, “Paragraphs” and other subdivisions without reference to a document are to designated Articles, Sections, Subsections, Paragraphs and other subdivisions of the applicable agreement;
- (iv) References to a Subsection without further reference to a Section is a reference to such Subsection as contained in the same Section in which the reference appears, and this rule also applies to Paragraphs and other subdivisions;
- (v) The words “herein”, “hereof”, “hereunder” and other words of similar import refer to the applicable agreement as a whole and not to any particular provision;
- (vi) The term “include” or “including” is deemed to be followed by the phrase “without limitation”;
- (vii) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”;
- (viii) The headings in an agreement are solely for convenience of reference and are to be given no effect in the construction or interpretation of such agreement; and

- (ix) All references to currency in the applicable agreement refer to lawful money of Canada unless the content requires otherwise.

EXHIBIT "B"

SCHEDULE OF FEES

See attached

EXHIBIT “D”

WRITTEN REQUEST

TO: **COMPUTERSHARE TRUST COMPANY OF CANADA**, in its capacity as custodian

ATTN: Manager, Mortgage Backed Securities

RE: **Discharge/Transfer of mortgage loans related to the Custodial Agreement dated as of August 5, 2021 between Equityline SPV Limited Partnership (“Equityline SPV”) and Computershare Trust Company of Canada (the “Custodian”) as amended from time to time (the “Custodial Agreement”).**

In accordance with Section 8.5 of the Custodial Agreement, the undersigned, on behalf of Equityline SPV, and not in their personal capacity, without personal liability, hereby instructs the Custodian to execute and deliver the Execution Documents in respect of the Mortgage Loans specified below.

For greater certainty, the undersigned hereby confirms that the Custodian shall not be responsible for the accuracy or contents of the Execution Documents and may rely solely on this written request for its authority to execute the Execution Documents.

All of the enumerated mortgage loans listed below, including mortgage loans listed on subsequent and sequential pages, are hereinafter referred to collectively as “**Mortgage Loans**”. All of the documents provided to the Custodian in connection with the Mortgage Loans are hereinafter referred to as “**Execution Documents**”.

1. Mortgagor’s Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

2. Mortgagor’s Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

3. Mortgagor’s Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

4. Mortgagor’s Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

5. Mortgagor’s Name: _____
Address: _____

Loan No.: _____
Mortgage Registration No: _____

6. Mortgagor's Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

7. Mortgagor's Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

8. Mortgagor's Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

9. Mortgagor's Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

10. Mortgagor's Name: _____
Address: _____
Loan No.: _____
Mortgage Registration No: _____

DATED as of _____

**EQUITYLINE SPV LIMITED
PARTNERSHIP by its general partner,
EQUITYLINE SPV GP INC.**

by _____

Name:

Title:

EXHIBIT "E"

REQUEST FOR RELEASE OF MORTGAGE FILE

To: Computershare Trust Company of Canada (the "Custodian")
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1
Attention: Manager, Mortgage Backed Securities Department

RE: Loan No. (the "Loan")
Mortgagor's Name (the "Mortgagor")
Property Address (the "Property")

Custodial Agreement, dated as of August 5, 2021 between Equityline SPV Limited Partnership ("Equityline SPV") and Computershare Trust Company of Canada as amended from time to time (the "Custodial Agreement")

In connection with administration of the Mortgage Files in respect of the Mortgage Loans held by the Custodian, Equityline SPV hereby requests delivery of the following Mortgage Files held by the Custodian in accordance with Section 4.5 of the Custodial Agreement.

DATED this _____ day of _____, 20____.

**EQUITYLINE SPV LIMITED
PARTNERSHIP by its general partner,
EQUITYLINE SPV GP INC.**

Per: _____
Name:
Title:

EXHIBIT “F”

SECONDARY TRANSACTION NOTICE

TO: Computershare Trust Company of Canada (the “**Custodian**”)
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1
Attention: Manager, Mortgage Backed Securities Department

RE: Custodial Agreement between Equityline SPV Limited Partnership (“**Equityline SPV**”) and Computershare Trust Company of Canada dated as of August 5, 2021 as amended from time to time (the “**Custodial Agreement**”)

This notice is delivered to you pursuant to Article Seven of the Custodial Agreement. All capitalized terms used herein but not otherwise defined have the meanings ascribed to them in the Custodial Agreement.

Equityline SPV hereby gives notice to the Custodian that the Mortgage Loans listed in the attached Exhibit 1, together with all related rights, will be sold as of _____ [(the “Sale Date/Securitization Date”)] in a [Third Party Sale/Private Securitization] to _____.

On the [the Sale Date/Securitization Date], we will provide you with an electronic list of all Mortgage Loans subject to the [Third Party Sale/Private Securitization Date]. Please remove such Mortgage Loans from Equityline SPV’s Register and add such Mortgage Loans to the transferee’s register if they have a custodial agreement with Computershare, or as otherwise appropriate. Contemporaneously, we shall also provide you with the physical Mortgage Files related to such Mortgage Loans, as applicable.

DATED this _____ day of _____, 20_____.

**EQUITYLINE SPV LIMITED
PARTNERSHIP by its general partner,
EQUITYLINE SPV GP INC.**

Per: _____
Name:
Title:

EXHIBIT "G"

TITLE CERTIFICATION

TO: Equityline SPV Limited Partnership ("**Equityline SPV**")

AND TO: _____ (the "**Servicer**")

Re: Custodial agreement between Equityline SPV and Computershare Trust Company of Canada dated as of August 5, 2021, as amended from time to time (the "**Custodial Agreement**")

Pursuant to Section 6.2 of the Custodial Agreement, the undersigned has reviewed and compared the mortgage files with its mortgage register for the purposes of title certification to Equityline SPV and the mortgage loans referred to in Schedule "A" have not been found to be deficient. The undersigned hereby certifies that the title holder of the mortgages contained in the attached schedule is currently COMPUTERSHARE TRUST COMPANY OF CANADA, and are held for and on behalf of Equityline SPV pursuant to and in accordance with the terms of the Custodial Agreement.

DATED this _____ day of _____, 20_____.

**COMPUTERSHARE TRUST COMPANY
OF CANADA**, in its capacity as Custodian

Per: _____
Name:
Title:

Per: _____
Name:
Title:

EXHIBIT “H”

DISCREPANCY REPORT

TO: Equityline SPV Limited Partnership (“**Equityline SPV**”)

Re: Custodial Agreement between Equityline SPV and Computershare Trust Company of Canada, dated as of August 5, 2021 (the “**Custodial Agreement**”)

Pursuant to Section 6.2 of the Custodial Agreement, the undersigned has reviewed and compared the mortgage files with our mortgage register for the purposes of title certification to Equityline SPV and the mortgage loans referred to in Schedule “A” have been found to be deficient. Please resolve any described discrepancies and inform us once such discrepancies have been resolved.

DATED this _____ day of _____, 20____.

**COMPUTERSHARE TRUST COMPANY
OF CANADA**, in its capacity as Custodian

Per: _____
Name:
Title:

Per: _____
Name:
Title:

EQUITYLINE SPV LIMITED PARTNERSHIP

- and -

EQUITABLE BANK

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

TITLE CUSTODIAN ACKNOWLEDGEMENT AGREEMENT

August 5, 2021

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TITLE CUSTODIAN ACKNOWLEDGEMENT AGREEMENT

THIS TITLE CUSTODIAN ACKNOWLEDGEMENT AGREEMENT is made as of the 5th day of August, 2021 among **EQUITYLINE SPV LIMITED PARTNERSHIP** (in such capacity, together with its successors and permitted assigns in such capacity, “**Equityline**”), **EQUITABLE BANK** (together with its successors and assigns, the “**Bank**”), and **COMPUTERSHARE TRUST COMPANY OF CANADA** (together with its successors and permitted assigns, the “**Custodian**”).

WHEREAS the Custodian and Equityline are party to that certain custodial agreement dated as of August 5, 2021 (the “**Custodial Agreement**”) pursuant to which the Custodian is appointed as and agrees to act as agent, nominee and bailee for and on behalf of Equityline in respect of Mortgages;

AND WHEREAS the Bank and Equityline are party to that certain Credit Agreement dated as of August 5, 2021 (as it may be amended, supplemented, restated or otherwise modified from time to time, the “**Bank Agreement**”) pursuant to which, among other things, Equityline has granted to the Bank a security interest in and option to purchase Mortgage Loans that may be from time to time subject thereto pursuant and subject to the terms and conditions set forth in the Bank Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual agreements, provisions and covenants contained herein, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

For all purposes of this Agreement and the preamble hereto, except as otherwise especially provided herein or unless the context otherwise requires, the following terms have the following meanings:

- (1) “**Agreement**” means this Title Custodian Acknowledgment Agreement (including the recitals and preamble hereto and each schedule hereto), as it may be amended, supplemented, restated or otherwise modified from time to time.
- (2) “**Business Day**” means any day (other than a Saturday, Sunday or public holiday) on which Schedule I chartered banks are open for business in Toronto, Ontario.
- (3) “**Control Date**” means the date that a Notice of Control is delivered to the Custodian.
- (4) “**Lien**” means any mortgage, deed of trust, adverse claim, pledge, hypothec, assignment, deposit arrangement, lien, lease, charge, claim, security interest, right of detention or seizure, right of setoff or consolidation, deemed trust, right of distraint, easement, servitude or encumbrance, call or similar right, option to purchase, right of first refusal,

conditional sale or other title retention agreement, or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever having a similar economic effect as any of the foregoing (including an agreement to give any of the foregoing).

- (5) **“Mortgage”** means a loan secured by a mortgage, charge or hypothec on real or immoveable property, together with such mortgage, charge or hypothec.
- (6) **“Mortgage Loan File”** means, with respect to any Mortgage Loan, (a) the electronic version of an original fully executed copy of document evidencing such Mortgage Loan, (b) the duplicate registered physical or electronic form of mortgage, charge or hypothec evidencing and securing the related Mortgage bearing a certificate of registration from the applicable land registry office, land titles office or similar place of public record in which the related mortgage, charge or hypothec is registered together with the promissory note, if any, evidencing the related Mortgage fully executed by the Obligor, (c) fully executed copies of the other loan and/or security agreements, if any, securing the related Mortgage, fully executed by the Obligor, (d) a record, facsimile or electronic copy of the original credit application fully executed by the Obligor and all other credit information provided by the Obligor in connection with the related Mortgage, (e) the solicitor’s or Quebec notary’s report of title and title insurance policy obtained in connection with the initial advance of the Mortgage, together with the survey or certificate of location relied upon by the solicitor or title insurance company in issuing his or its report or title insurance policy, (f) the insurance policy or certificate of insurance evidencing a blanket policy of insurance insuring the related mortgage premises showing Servicer as first mortgagee and loss payee and Equityline as an additional insured, (g) the certificate of insurance issued by Canada Mortgage and Housing Corporation or Genworth Financial Mortgage Insurance Company Canada, as applicable, and (h) any and all other documents (including all electronic documents) that the Custodian or Equityline shall keep on file relating to such Mortgage Loan.
- (7) **“Mortgage Loans”** means, at any time, collectively, the Mortgages then described in Schedule “A” attached hereto in accordance with Section 4.1, together with all (a) obligations of the Obligors thereunder, (b) monies paid or payable thereunder (whether scheduled payments, liquidation proceeds, prepayments, finance charges, interest, fees, prepayment penalties or bonuses or other charges with respect thereto), (c) Related Security relating thereto, and (d) proceeds of or relating to the foregoing.
- (8) **“Notice of Control”** means a notice from the Bank to the Custodian that the Bank has assumed ownership and/or control of the Mortgage Loans, in the form attached hereto as Schedule “B”.
- (9) **“Obligations Secured”** means all obligations, whether vested or contingent, matured or unmatured and of every nature and kind of Equityline from time to time owed to the Bank under or in connection with the Bank Agreement, whether for principal, interest, fees, expenses, indemnification or otherwise.

- (10) **“Obligor”** means, with respect to any Mortgage, the borrower and mortgagor under such Mortgage and any other Person obligated to make payments pursuant to such Mortgage including any co-borrower or co-mortgagor or guarantor.
- (11) **“Person”** means an individual, partnership, corporation, company, trust, joint venture, unincorporated organization, association, board or body established by statute, government (or any agency or political subdivision thereof) or other entity.
- (12) **“Records”** means, with respect to each Mortgage Loan, all other documents and information maintained with respect to such Mortgage Loan and the related Obligor that does not form part of the related Mortgage Loan File, whether electronic or otherwise.
- (13) **“Related Security”** means, with respect to any Mortgage Loan:
- (a) all right, title and interest in the related Mortgage Loan File including the mortgage, charge or hypothec and any security interest granted by the related Obligor in the related mortgaged property as security for or pursuant to such Mortgage Loan;
 - (b) all other security interests or liens and property subject thereto from time to time purporting to secure payment of such Mortgage Loan, together with all PPSA financing statements or other filings relating thereto;
 - (c) all guarantees, indemnities, insurance and other agreements (including the mortgage, charge or hypothec) or arrangements of whatever character from time to time supporting or securing payment of such Mortgage Loan or otherwise relating to such Mortgage Loan, including any related mortgage insurance policy, any related title insurance policy and any related fire and/or all perils insurance policy in respect of the related mortgaged property;
 - (d) all agreements, undertakings, acknowledgements, instruments and other documents relating to such Mortgage Loan;
 - (e) all Records related to such Mortgage Loan; and
 - (f) all proceeds of or relating to the foregoing.
- (14) **“Servicer”** means the Person who services, administers and enforces the Mortgage Loans.

1.2 Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs, clauses and other subdivisions, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement,” “hereof,” “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section, subsection, paragraph, clause, Schedule or other portion hereof and include the recitals and any agreement supplemental hereto.

Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections, subsections, paragraphs, clauses and Schedules are to Articles, Sections, subsections, paragraphs, clauses and Schedules of this Agreement.

1.3 Number, Gender, etc.

Words importing the singular number shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa. The use herein of the word “include” or “including,” when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not no limiting language (such as “without limitation” or “but not limited to” or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

1.4 Non Business Days

Whenever any payment to be made hereunder shall be stated to be due or any action to be taken hereunder shall be stated to be required to be taken on a day other than a Business Day, unless otherwise specifically provided for herein, such payment shall be made or such action shall be taken on the next succeeding Business Day.

1.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the parties hereto hereby attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

1.6 Severability

In the event that one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

ARTICLE 2 EQUITYLINE CONFIRMATIONS, REPRESENTATIONS, WARRANTIES AND DIRECTIONS

2.1 Confirmations, Representations and Warranties

Equityline hereby confirms, represents and warrants to and in favour of the Bank and the Custodian that:

- (1) the Custodial Agreement is in full force and effect, unamended;
- (2) Equityline is not in breach or default of its obligations under the Custodian Agreement and all amounts owing to the Custodian as of the date hereof thereunder have been paid.

- (3) Equityline has a valid and enforceable first priority perfected ownership interest in, and is the sole beneficial owner of, all Mortgage Loans, free and clear of any Lien other than Liens in favour of the Bank;
- (4) Equityline has granted to the Bank a security interest, charge and hypothec in and to all of its rights, title and interests in and to the Mortgage Loans as security for the payment and performance of the Obligations Secured;
- (5) Equityline has granted to the Bank an option to purchase all of its rights, title and interests in and to the Mortgage Loans; and
- (6) the security interest, charge and hypothec in favour of the Bank is a first priority security interest and hypothec and senior to all other Liens in respect of the Mortgage Loans.

2.2 Directions

Equityline hereby irrevocably authorizes and directs the Custodian:

- (1) from and after the Control Date, to follow all instructions and directions of the Bank in respect of the Mortgage Loans to the exclusion of all other instructions and directions from any Person (including Equityline) as if the Bank was the sole beneficial owner of the Mortgage Loans; and
- (2) to comply fully with the covenants of the Custodian set forth in this Agreement, including those set forth in 3.3, notwithstanding any term or condition provided for in the Custodial Agreement or any other agreement now or hereafter in effect between Equityline and the Custodian.

ARTICLE 3 CUSTODIAN CONFIRMATIONS, REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Confirmations, Representations and Warranties

The Custodian hereby confirms, represents and warrants to and in favour of the Bank (and not Equityline) that:

- (1) the Custodial Agreement is in full force and effect, unamended; and
- (2) the Custodian is not currently in breach or default of its obligations under the Custodial Agreement.

3.2 Confirmation and Acknowledgement

The Custodian acknowledges the Liens of the Bank in the Mortgage Loans and confirms that the Custodian has no right, title, claim, interest or other Lien in or to the Mortgage Loans, save and except as agent, nominee and bailee for and on behalf of Equityline in respect thereof.

3.3 Covenants

The Custodian hereby covenants and agrees with and in favour of the Bank (and not Equityline) that it will:

- (1) before the Control Date, hold the Mortgage Loans, including the registered and legal title of the related Mortgages, as agent, nominee and bailee for and on behalf of Equityline, subject to the terms of the Custodial Agreement;
- (2) from and after the Control Date, follow all instructions and directions of the Bank in respect of the Mortgage Loans to the exclusion of all other instructions and directions from any Person (including Equityline) as if the Bank was the sole beneficial owner of the Mortgage Loans. For certainty, the Custodian shall have no obligation or liability to inquire whether, as between the Bank and Equityline, the Bank has the right to provide any such instructions and directions including, without limitation, the Notice of Control;
- (3) not amend the terms or conditions of the Custodial Agreement in any manner relating to or which may affect the Mortgage Loans or the rights of Equityline, the Bank or any other Person in respect thereof without the prior written consent of the Bank;
- (4) not resign as custodian of the Mortgage Loans except in accordance with the terms and conditions of the Custodial Agreement;
- (5) provide the Bank with 60 days prior written notice before resigning as custodian of the Mortgage Loans;
- (6) permit any representatives designated by the Bank to electronically access the register of Mortgage Loans and the Mortgage Loan Files, or if not available electronically, to visit its premises to inspect the register of Mortgage Loans and the Mortgage Loan Files upon reasonable notice and during normal business hours of the Custodian and as often as the Bank may determine;
- (7) promptly notify the Bank upon becoming aware of the occurrence of any default or breach under the Custodial Agreement;
- (8) from time to time execute and deliver all documents and take other or further action as the Bank may consider necessary or advisable in connection with the rights, title and interests of Equityline and the Bank in the Mortgage Loans and the rights and benefits of the Bank hereunder;
- (9) deliver to the Bank a copy of each notice, report or other document which it delivers to Equityline under or in connection with the Custodial Agreement contemporaneously with or promptly after such delivery.

3.4 Custodial Agreement, Notice of Control, etc.

Effective upon the Control Date, the Custodial Agreement shall be deemed to be terminated in respect of the Mortgage Loans. Effective upon the Control Date, the Custodian shall hold the

Mortgage Loans, including the registered and legal title of the related Mortgages, as agent, nominee and bailee for and on behalf of the Bank, and Equityline shall thereafter cease to have any right, title or interest in or to the Mortgage Loans or any rights or benefits in or under the Custodial Agreement in respect of the Mortgage Loans. All collections or other proceeds of or relating to the Mortgage Loans received by the Custodian after the Control Date shall be forthwith delivered to the Bank. For greater certainty, the Bank shall not assume and shall not be liable or responsible for any obligations or liabilities of any nature or kind arising pursuant to or in connection with the Custodial Agreement, save and except for fees owing to the Custodian in connection with and attributable to only the Mortgage Loans and accruing due from and after the Control Date. If the Bank has in place an existing custodial agreement with the Custodian, and if each of the Bank and the Custodian agree, they shall each execute and deliver as soon as practicable and, in any event, no later than 30 days following the Control Date, all such documentation as is necessary and appropriate to ensure that the Mortgage Loans are governed by the terms and conditions of such existing custodial agreement. If the Bank has no existing custodial agreement with the Custodian, the Bank and the Custodian agree to enter into a new custodial agreement pursuant to which the Bank shall appoint the Custodian as, and the Custodian shall agree to act as, custodian of the Mortgage Loans, such agreement to be on terms and conditions to be agreed upon between the Bank and the Custodian as soon as practicable and, in any event, within 30 days following the Control Date. If the Custodian and the Bank are unable to agree on the terms and conditions of a new custodial agreement within such 30 days, the Custodian shall transfer all of its right, title and interest in and to the Mortgage Loans, including the registered and legal title of the related Mortgages, to the Bank or its nominee at the Bank's expense.

ARTICLE 4 MORTGAGE LOANS

4.1 Schedule "A"

From time to time, the Bank may deliver to the Custodian a revised Schedule "A" to this Agreement describing Mortgages thereon; thereafter the then existing Schedule "A" attached hereto shall be deemed to be replaced with such revised Schedule "A". From and after receipt by the Custodian of a revised Schedule "A", the Mortgages described on such revised Schedule "A" shall constitute the Mortgages referred to in Section 1.1(7) hereof and this Agreement shall thereafter apply in all respects to all Mortgage Loans as defined in such Section by reference to such Mortgages. For greater certainty, any Mortgage which was described on a previous Schedule "A" and not described on such revised Schedule "A", shall no longer be included in the Mortgages referred to in Section 1.1(7) hereof and this Agreement shall thereafter no longer apply thereto.

4.2 Representations and Warranties

Upon delivery by the Bank to the Custodian of a revised Schedule "A", Equityline shall be deemed to have repeated the representations and warranties contained in Section 2.1 as of the date that the Bank delivered the revised Schedule "A" to the Custodian.

4.3 Custodian to Provide Notice Upon Discrepancy

Upon receipt by the Custodian from the Bank of a revised Schedule "A", the Custodian shall promptly review such revised Schedule "A" and confirm that each Mortgage described thereon has been designated by Equityline pursuant to Section 2.2 of the Custodial Agreement to constitute a "Custodial Mortgage Loan" as defined in the Custodial Agreement. If any Mortgage described on such revised Schedule "A" has not been so designated, the Custodian shall promptly notify the Bank of same.

ARTICLE 5 MISCELLANEOUS

5.1 Amendments, Etc.

No amendment or waiver of any provision of this Agreement or consent to any departure by Equityline or the Custodian therefrom shall be effective unless in writing and signed by the Bank and, in the case of any amendment, by Equityline, the Bank and the Custodian, and then such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

5.2 Independence of Covenants

All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a default if such action is taken or condition exists.

5.3 Survival of Representations, Warranties and Agreements

All representations, warranties and agreements made herein shall survive the execution and delivery of this Agreement.

5.4 No Waiver; Remedies Cumulative

No failure or delay on the part of the Bank in the exercise of any power, right or privilege under this Agreement shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to the Bank are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

5.5 Notices, Etc.

All notices, consents, waivers and other communications hereunder or in respect of this Agreement shall be, unless otherwise stated herein, in writing (which shall include transmission

in electronic form) and given by delivery or email to each party hereto, at its address set forth as follows or at such other address as shall be designated by such party in a notice to the other parties hereto:

(1) if to the Bank:

Equitable Bank Tower
30 St. Clair Avenue W., Suite 700
Toronto, Ontario M4V 3A1

Attention: Brendan Smith
Email: bsmith@eqbank.ca

(2) if to the Custodian:

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

Attention: Manager, Mortgage Backed Securities
Email: cmbs@computershare.com

(3) if to Equityline:

Equityline SPV Limited Partnership
550 HWY 7 Ave. E, Suite 338
Richmond Hill ON, L4B 3Z4

Attention: Sergiy Shchavyelyev
Email: sergiy@equitylinemic.com

Notices and communications by email shall be deemed to have been delivered and be effective when sent unless sent outside the normal business hours of the recipient, in which case such notices and communications shall be deemed to have been delivered and be effective as of the next Business Day. Notices and communications sent by delivery shall be deemed to have been delivered and be effective when delivered.

5.6 Assignability

This Agreement and the Bank's rights and obligations herein shall be assignable, in whole but not in part, by the Bank and its successors and assigns without the consent of any other party hereto. The Custodian may assign its rights and obligations herein in connection with any assignment of the Custodial Agreement, or otherwise with the prior written consent of the Lender, which consent shall not be unreasonably withheld. Equityline shall not assign its rights or delegate its obligations hereunder or any interest herein without the prior written consent of the Bank and the Custodian, which consent may be unreasonably withheld.

5.7 Execution in Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement. This Agreement including each counterpart hereof, may be executed and delivered by email PDF transmission and each of the parties hereto may rely on such PDF signature as though such PDF signature were an original signature and receipt of a PDF of any party's signature shall be considered to be receipt of an original executed copy hereof.

5.8 Effectiveness

This Agreement shall become effective upon the execution of a counterpart hereof by each of the parties hereto and receipt by each party hereto of written notification of such execution and authorization of delivery thereof.

5.9 Advice of Counsel; No Strict Construction

Each of the parties represents to each other party hereto that it has discussed this Agreement with its counsel. The parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties hereto and no presumption or burden of proof shall arise favouring or disfavouring any party by virtue of the authorship of any provisions of this Agreement.


5.10 Time

Time is of the essence in all respects hereof.

- the balance of this page has been intentionally left blank -

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**EQUITYLINE SPV LIMITED
PARTNERSHIP,
By: EQUITYLINE SPV GP INC., its
general partner**

By: 

Name: Sergiy Shchavyelyev
Title: Director

EQUITABLE BANK


By: _____
Name:
Title:

By: _____
Name:
Title:

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: 

Name: Tina Li
Title: Corporate Trust Officer

By: 

Name: Stanley Kwan
Title: Associate Trust Officer

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

**EQUITYLINE SPV LIMITED
PARTNERSHIP,
By: EQUITYLINE SPV GP INC., its
general partner**

By: _____
Name: Sergiy Shchavyelyev
Title: Director

EQUITABLE BANK

By:  _____
Name: Mark Richter
Title: Sr. Director

By:  _____
Name: Darren Lorimer
Title: Senior Vice President & Group Head

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE "A"
MORTGAGE LOANS

SCHEDULE “B”

NOTICE OF CONTROL

TO: COMPUTERSHARE TRUST COMPANY OF CANADA (the “**Custodian**”)

CC: EQUITYLINE SPV LIMITED PARTNERSHIP (“**Equityline**”)

This Notice of Control is hereby delivered by the undersigned to the Custodian with reference to the Title Custodian Acknowledgement Agreement made between the undersigned, the Custodian and Equityline dated August 5, 2021 (the “**Agreement**”).

In addition to the Custodian’s covenants and obligations under the Agreement following receipt of this Notice of Control, the Custodian shall forthwith follow all instructions and directions of the Bank in respect of the Mortgage Loans to the exclusion of all other instructions and directions from any Person (including Equityline) as if the Bank was the sole beneficial owner of the Mortgage Loans.

The Custodian shall have no obligation or liability to inquire whether, as between the undersigned and Equityline, the undersigned has the right to provide any such instructions and directions including, without limitation, this Notice of Control.

Capitalized terms used in this Notice of Control and not otherwise defined shall have the meanings given to such terms in the Agreement.

This Notice of Control is dated the ____ day of _____, 20__.

EQUITABLE BANK

By: _____

Name:

Title:

By: _____

Name:

Title:

This is Exhibit "J" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.

GUARANTEE AGREEMENT

THIS AGREEMENT made as of the 5th day of August, 2021.

B E T W E E N:

EQUITYLINE SERVICES CORP., a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the “**Guarantor**”)

- and -

EQUITABLE BANK, a Canadian Schedule I Bank

(hereinafter called the “**Lender**”)

WHEREAS, pursuant to the terms of the Credit Agreement, the Lender established a certain senior secured revolving credit facility in favour of EquityLine SPV Limited Partnership (the “**Borrower**”);

AND WHEREAS, as security for the payment of the full amount of the indebtedness, liabilities and obligations of the Borrower to the Lender, the Guarantor has agreed to guarantee payment of the Borrower’s present and future indebtedness, liabilities and obligations to the Lender on the terms and subject to the conditions hereinafter set forth;

AND WHEREAS, it is in the best interests of the Guarantor to execute and deliver this Agreement, inasmuch as the Guarantor will derive substantial direct and indirect benefits from the provision of credit by the Lender to the Borrower;

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the Guarantor hereby covenants to and for the benefit of the Lender as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

Capitalized terms used in this Agreement and not defined herein shall have the meanings assigned to such terms in the Credit Agreement. In this Agreement or any amendment to this Agreement, unless the context clearly indicates to the contrary:

“**Credit Agreement**” means the credit agreement dated as of the date hereof between the Lender, the Borrower and the General Partner, as the same may be amended, modified, supplemented or replaced from time to time.

“**Designated Currency**” shall have the meaning ascribed thereto in Section 2.01.

“**General Partner**” means EquityLine SPV GP Inc.

“**Other Taxes**” shall have the meaning ascribed thereto in Section 2.12(b).

“**Taxes**” shall have the meaning ascribed thereto in Section 2.12(a).

1.02 Other Usages

References to “this Agreement”, “the Agreement”, “hereof”, “herein”, “hereto” and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this Agreement.

1.03 Plural and Singular

Where the context so requires, words importing the singular number shall include the plural and vice versa.

1.04 Headings

The division of this Agreement into Articles and Sections and the insertion of headings in this Agreement are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.05 Time of the Essence

Time shall in all respects be of the essence of this Agreement, and no extension or variation of this Agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 - GUARANTEE

2.01 Guarantee

The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Lender as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations in the same currency (the “**Designated Currency**”) as the currency of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 Acceleration of Guarantee

The Guarantor agrees that, upon the occurrence of any of the events set forth in Section 7.1(f) or (g) of the Credit Agreement, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Lender forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 Nature of Guarantee

The Guarantee shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect

until all Obligations have been paid in full, all obligations of the Guarantor hereunder have been paid in full and any and all commitments of the Lender to the Borrower have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Credit Document under which they arise, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Lender with respect thereto (provided the Guarantor shall not be in breach of any such law, regulation or order by doing so). The Lender shall apply all payments received from the Guarantor hereunder against the Obligations in such manner as it sees fit.

2.04 Liability Not Lessened or Limited

Subject to the provisions hereof, the liability of the Guarantor under this Agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

- (a) any lack of validity, legality, effectiveness or enforceability of any Credit Document;
- (b) the failure of the Lender:
 - (i) to assert any claim or demand or to enforce any right or remedy against the Borrower or any other Person (including any other guarantor) under the provisions of any Credit Document, or otherwise, or
 - (ii) to exercise any right or remedy against any other guarantor of, or collateral securing, any of the Obligations;
- (c) any change in the time, manner or place of payment of, or in any other term of, all or any of the Obligations, or any other extension, compromise, indulgence or renewal of any Obligation;
- (d) any reduction, limitation, variation, impairment, discontinuance or termination of the Obligations for any reason (other than by reason of any payment which is not required to be rescinded), including any claim of waiver, release, discharge, surrender, alteration or compromise, and shall not be subject to (and the Guarantor hereby waives any right to or claim of) any defence or setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality, nongenuineness, irregularity, compromise, unenforceability of, or any other event or occurrence affecting, the Obligations or otherwise (other than by reason of any payment which is not required to be rescinded);
- (e) any amendment to, rescission, waiver or other modification of, or any consent to any departure from, any of the terms of any Credit Document or any other guarantees or security;
- (f) any addition, exchange, release, discharge, renewal, realization or non-perfection of any collateral security for the Obligations or any amendment to, or waiver or release or addition of, or consent to departure from, any other guarantee held by the Lender as security for any of the Obligations;

- (g) the loss of or in respect of or the unenforceability of any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, whether occasioned by the fault of the Lender or otherwise;
- (h) any change in the name of the Borrower or in the constating documents, capital structure, capacity or constitution of the Borrower, the bankruptcy or insolvency of the Borrower, the sale of any or all of the Borrower's business or assets or the Borrower being consolidated, merged or amalgamated with any other Person; or
- (i) any other circumstance (other than final payment in full of all Obligations) which might otherwise constitute a defence available to, or a legal or equitable discharge of, the Borrower, any surety or any guarantor.

Any Obligation which may not be recoverable from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor in respect thereof.

2.05 Lender not Bound to Exhaust Recourse

The Lender shall not be bound to pursue or exhaust its recourse against the Borrower or others or any security or other guarantees it may at any time hold before being entitled to payment hereunder from the Guarantor.

2.06 Enforcement

Upon any of the Obligations becoming due and payable, the Guarantor shall forthwith pay to the Lender the total amount of such Obligations and the Lender may apply the sum so paid against such Obligations as the Lender may see fit and change any such application in whole or in part from time to time. A written statement of the Lender as to the amount remaining unpaid to the Lender by the Borrower at any time shall be conclusive evidence against the Guarantor, absent manifest error, as to the amount remaining unpaid to the Lender by the Borrower at such time.

2.07 Guarantee in Addition to Other Security

This guarantee shall be in addition to and not in substitution for any other guarantee or other security which the Lender may now or hereafter hold in respect of the Obligations, and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.

2.08 Reinstatement

This guarantee and all other terms of this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Lender by reason of the insolvency, bankruptcy or reorganization of the Borrower or for any other reason not involving the wilful misconduct of the Lender, all as though such payment had not been made.

2.09 Waiver of Notice, etc.

The Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this Agreement.

2.10 Subrogation Rights

Until satisfaction in full of all of the Obligations, all dividends, compositions, proceeds of security or payments received by the Lender from the Borrower or others in respect of the Obligations shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the liability under this Agreement. The Guarantor will not exercise any rights which it may acquire by way of subrogation under this Agreement, by any payment made hereunder or otherwise, until the prior satisfaction in full of all of the Obligations. Any amount paid to the Guarantor on account of any such subrogation rights prior to the satisfaction in full of all Obligations shall be held in trust for the benefit of the Lender and shall immediately be paid to the Lender and credited and applied against the Obligations, whether matured or unmatured; provided, however, that if

- (a) the Guarantor has made payment to the Lender of all or any part of the Obligations, and
- (b) all Obligations have been paid in full and all commitments of the Lender to the Borrower have been permanently terminated,

the Lender agrees that, at the Guarantor's request, the Lender will execute and deliver to the Guarantor appropriate documents (without recourse and without representation or warranty) necessary to evidence the transfer by subrogation to the Guarantor of an interest in the Obligations resulting from such payment by the Guarantor. In furtherance of the foregoing, for so long as any Obligations or any commitments of the Lender to the Borrower remain outstanding, the Guarantor hereby postpones any and all claims it may have against the Borrower to the claims of the Lender against the Borrower, hereby assigns to the Lender any and all claims it may have against the Borrower and agrees to refrain from taking any action or commencing any proceeding against the Borrower or its successors or assigns, whether in connection with a bankruptcy proceeding or otherwise, to recover any amounts in respect of payments made hereunder to the Lender, although the Guarantor may take such actions as may be necessary to preserve its claims against the Borrower. In the event any payments are made by the Borrower to the Guarantor in contravention of the preceding sentence, the Guarantor shall hold the amount so received in trust for the Lender and shall forthwith pay such amount to the Lender.

2.11 Advances After Certain Events

All advances, renewals and credits made or granted by the Lender purportedly to or for the Borrower after the bankruptcy or insolvency of the Borrower, but before the Lender has received notice thereof, shall be deemed to form part of the Obligations, and all advances, renewals and credits obtained from the Lender purportedly by or on behalf of the Borrower shall be deemed to form part of the Obligations, notwithstanding any lack or limitation of power, incapacity or disability of the Borrower or of the directors or agents thereof and notwithstanding that the Borrower may not be a legal entity and notwithstanding any irregularity, defect or informality in

the obtaining of such advances, renewals or credits, whether or not the Lender has knowledge thereof. Any such advance, renewal or credit which may not be recoverable from the Guarantor as guarantor shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Lender on demand made by the Lender.

2.12 Payments Free and Clear of Taxes, etc.

The Guarantor hereby agrees that:

- (a) Any and all payments made by the Guarantor hereunder shall be made free and clear of, and without deduction for, any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of the Lender, taxes imposed on its net income (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as “**Taxes**”). If the Guarantor shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to the Lender:
 - (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) the Lender receives an amount equal to the sum it would have received had no such deductions been made,
 - (ii) the Guarantor shall make such deductions, and
 - (iii) the Guarantor shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.
- (b) The Guarantor shall pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or from the execution, delivery or registration of, or otherwise with respect to, this Agreement (hereinafter referred to as “**Other Taxes**”).
- (c) The Guarantor hereby indemnifies and holds harmless the Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.12) paid by the Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally assessed.
- (d) Within 30 days after the date of any payment of Taxes or Other Taxes, the Guarantor will furnish to the Lender the original or a certified copy of a receipt evidencing payment thereof. If no Taxes or Other Taxes are payable in respect of any payment hereunder to the Lender, the Guarantor will furnish to the Lender a certificate from each appropriate taxing authority, or an opinion of counsel

acceptable to the Lender, in either case stating that such payment is exempt from or not subject to Taxes or Other Taxes.

- (e) Without prejudice to the survival of any other agreement of the Guarantor hereunder, the agreements and obligations of the Guarantor contained in this Section 2.12 shall survive the payment in full of the Obligations.

2.13 Indemnity

As an original and independent obligation under this Guarantee, the Guarantor shall:

- (a) indemnify the Lender and keep the Lender indemnified against any cost, loss, expense or liability of whatever kind resulting from the failure by the Borrower to make due and punctual payment of any of the Obligations or resulting from any of the Obligations being or becoming void, voidable, unenforceable or ineffective against the Borrower (including, but without limitation, all legal and other costs, charges and expenses incurred by the Lender in connection with preserving or enforcing, or attempting to preserve or enforce, its rights under this Guarantee or any of the other document); and
- (b) pay on demand the amount of such cost, loss, expense or liability whether or not the Lender has attempted to enforce any rights against the Borrower, any other guarantor, or any other Person or otherwise.

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND COVENANTS

3.01 Representations and Warranties

To induce the Lender to extend credit to the Borrower, the Guarantor hereby represents and warrants to the Lender as follows and acknowledges and confirms that the Lender is relying upon such representations and warranties in extending credit to the Borrower:

- (a) **Status and Power.** The Guarantor is a corporation duly incorporated and organized and validly subsisting in good standing under the laws of Ontario. The Guarantor has all requisite corporate capacity, power and authority to own, hold under licence or lease its properties, to carry on its business as now conducted and to otherwise enter into, and carry out the transactions contemplated by, this Agreement.
- (b) **Authorization and Enforcement of Documents.** All necessary action, corporate or otherwise, has been taken to authorize the execution, delivery and performance of this Agreement by the Guarantor. The Guarantor has duly executed and delivered this Agreement. This Agreement is a legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor by the Lender in accordance with its terms, except to the extent that the enforceability thereof may be limited by applicable bankruptcy, insolvency, moratorium, reorganization and other similar laws limiting the enforcement of creditors' rights generally and the fact that the courts may deny the granting or enforcement of equitable remedies.

- (c) **Compliance with Other Instruments.** The execution, delivery and performance of this Agreement by the Guarantor, and the consummation of the transactions contemplated herein and therein, do not and will not conflict with, result in any material breach or violation of, or constitute a material default under, the terms, conditions or provisions of the charter or constating documents or by-laws of, or any shareholder agreement relating to, the Guarantor or of any law, regulation, judgment, decree or order binding on or applicable to the Guarantor or to which its property is subject or of any material agreement, lease, licence, permit or other instrument to which the Guarantor is a party or is otherwise bound or by which the Guarantor benefits or to which its property is subject and do not require the consent or approval of any Person.
- (d) **Solvency.** The Guarantor has not:
- (i) admitted its inability to pay its debts generally as they become due or failed to pay its debts generally as they become due;
 - (ii) filed an assignment or petition in bankruptcy or a petition to take advantage of any insolvency statute;
 - (iii) made an assignment for the benefit of its creditors;
 - (iv) consented to the appointment of a receiver of the whole or any substantial part of its assets;
 - (v) filed a petition, answer or proposal, or a notice of intention to file a petition, answer or proposal seeking a reorganization, arrangement, adjustment or composition under applicable bankruptcy laws or any other applicable law or statute; or
 - (vi) been adjudged by a court having jurisdiction a bankrupt or insolvent, nor has a decree or order of a court having jurisdiction been entered for the appointment of a receiver, liquidator, trustee or assignee in bankruptcy with such decree or order having remained in force and undischarged or unstayed for a period of thirty days.

3.02 Survival of Representations and Warranties

All of the representations and warranties of the Guarantor contained in Section 3.01 shall survive the execution and delivery of this Agreement notwithstanding any investigation made at any time by or on behalf of the Lender.

ARTICLE 4 - GENERAL CONTRACT PROVISIONS

4.01 Notices

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 8.1 of the Credit Agreement.

4.02 Applicable Law

This Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its conflicts of law provisions, except that matters concerning the validity and perfection of security interests covered thereby shall be governed by the conflicts of law provisions of the PPSA, as applicable.

4.03 Consent To Jurisdiction

- (a) All judicial proceedings brought against the Guarantor arising out of or relating hereto may be brought in the Province of Ontario. By executing and delivering this Agreement, the Guarantor, for itself and in connection with its properties, irrevocably (i) accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts; (ii) waives any defence of forum non conveniens; (iii) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the Guarantor at its address provided in accordance with Section 8.1 of the Credit Agreement and to any process agent selected in accordance with subparagraph (b) is sufficient to confer personal jurisdiction over the Guarantor in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect; and (iv) agrees that Lender retains the right to serve process in any other manner permitted by law or to bring proceedings against the Guarantor in the courts of any other jurisdiction.
- (b) To the extent permitted by applicable law, the Guarantor hereby agrees that process may be served on it by certified mail, return receipt requested, to the addresses pertaining to it as specified in Section 8.1 of the Credit Agreement, any and all service of process and any other notice in any such action, suit or proceeding shall be effective against the Guarantor if given by registered or certified mail, return receipt requested, or by any other means or mail which requires a signed receipt, postage prepaid, mailed as provided above.

4.04 Further Assurances

The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Lender may reasonably request for the purpose of giving effect to this Agreement.

4.05 Severability

Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

4.06 Successors and Assigns

This Agreement shall enure to the benefit of the Lender and its successors and assigns and shall be binding upon the Guarantor and its successors and assigns. The Guarantor shall not, without the prior written consent of the Lender given in accordance with the Credit Agreement or this Agreement, assign any right, duty or obligation hereunder.

4.07 Amendments and Waivers

No amendment to or waiver of any provision of this Agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Lender, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

4.08 Entire Agreement

This Agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

4.09 Judgment Currency

- (a) If, for the purpose of obtaining or enforcing judgment against the Guarantor in any court in any jurisdiction, it becomes necessary to convert into any other currency (such other currency being hereinafter in this Section 4.09 referred to as the “**Judgment Currency**”) an amount due in a Designated Currency under this Agreement, the conversion shall be made at the rate of exchange prevailing on the Business Day immediately preceding:
 - (i) the date of actual payment of the amount due, in the case of any proceeding in the courts of the Province of Ontario or in the courts of any other jurisdiction that will give effect to such conversion being made on such date; or
 - (ii) the date on which the judgment is given, in the case of any proceeding in the courts of any other jurisdiction (the date as of which such conversion is made pursuant to this Section 4.09(a)(ii) being hereinafter in this Section 4.09 referred to as the “**Judgment Conversion Date**”).
- (b) If, in the case of any proceeding in the court of any jurisdiction referred to in Section 4.09(a)(ii), there is a change in the rate of exchange prevailing between the Judgment Conversion Date and the date of actual payment of the amount due, the Guarantor shall pay such additional amount (if any, but in any event not a lesser amount) as may be necessary to ensure that the amount paid in the Judgment Currency, when converted at the rate of exchange prevailing on the date of payment, will produce the amount of the Designated Currency which could have been purchased with the amount of Judgment Currency stipulated in the

judgment or judicial order at the rate of exchange prevailing on the Judgment Conversion Date.

- (c) Any amount due from the Guarantor under the provisions of Section 4.09(b) shall be due as a separate debt and shall not be affected by judgment being obtained for any other amounts due under or in respect of this Agreement.
- (d) The term “rate of exchange” in this Section 4.09 means the noon rate of exchange of the Judgment Currency into the Designated Currency published by the Lender of Canada for the day in question for Canadian interbank transactions.

4.10 Set-Off

In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, the Lender is authorized upon any amounts being payable by the Guarantor to the Lender hereunder, without notice to the Guarantor or to any other Person, any such notice being expressly waived by the Guarantor, to setoff, appropriate and apply any and all deposits, matured or unmatured, general or special, and any other indebtedness at any time held by or owing by the Lender to or for the credit of or the account of the Guarantor against and on account of the obligations and liabilities of the Guarantor which are due and payable to the Lender under this Agreement.

4.11 No Waiver; Remedies; No Duty

In addition to, and not in limitation of, Section 2.04 and Section 2.09, no failure on the part of the Lender to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Lender has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Borrower's affairs, financial condition or business which may come into the Lender's possession.

4.12 Amalgamation of Guarantor

The Guarantor hereby acknowledges and agrees that, subject to compliance with the Credit Agreement, in the event it amalgamates with any other corporation or corporations, it is the intention of the parties hereto that the term “Guarantor”, when used herein, shall apply to the amalgamated corporation.

4.13 Limitation Period

The limitation period on this Agreement shall not begin to run until demand is made hereunder, and such limitation period (in accordance with the Limitations Act, 2002 (Ontario)) is hereby expressly extended to a period of six (6) years from the date such demand is made.

4.14 Waiver of Jury Trial

Each of the Guarantor and the Lender hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising hereunder or under any of the other Credit Documents or any dealings between it relating to the subject matter of this Agreement or this loan transaction. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the Guarantor and the Lender acknowledges that this waiver is a material inducement to enter into a business relationship, that it has already relied on this waiver in entering into this Agreement, and that it will continue to rely on this waiver in its related future dealings. Each of the Guarantor and the Lender further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 4.14 and executed by each of the parties hereto), and this waiver shall apply to any subsequent amendments, renewals, supplements or modifications hereto or any of the other Credit Documents or to any other documents or agreements relating to the Loans made under the Credit Agreement. In the event of litigation, this Agreement may be filed as a written consent to a trial by the court.

4.15 Conflict with Credit Agreement

If there is any conflict inconsistency, ambiguity or difference between the terms of the Credit Agreement and the terms of this Agreement, the provisions of the Credit Agreement shall prevail, and such provision of this Agreement be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Agreement which may be in addition to the rights and remedies contained in the Credit Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

4.16 Counterparts

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Agreement by facsimile transmission or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be as effective as delivery of a manually signed counterpart of this Agreement.

[Remainder of Page Intentionally Left Blank]

This is Exhibit "K" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**

PLEDGE AGREEMENT

THIS AGREEMENT made as of the 5th day of August, 2021.

B E T W E E N:

SERGIY SHCHAVYELYEV, an individual residing in the Province of Ontario

(hereinafter called the “**Pledgor**”)

- and -

EQUITABLE BANK, a Canadian Schedule I Bank

(hereinafter called the “**Lender**”)

WHEREAS the Pledgor is as of the date hereof the registered and beneficial owner of the Current Securities in the capital of the General Partner;

AND WHEREAS the Pledgor has agreed to pledge the Current Securities and other Pledged Collateral (as hereinafter defined) to the Lender as general and continuing collateral security for the Obligations (as hereinafter defined) and, in furtherance thereof, to guarantee to and in favour of the Lender the payment and performance by the Borrower of such Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants hereinafter contained and for other good and valuable consideration and the sum of \$1.00 of lawful money of Canada (the receipt and sufficiency of which are hereby acknowledged by the Pledgor), it is hereby agreed by and between the parties hereto as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

Capitalized terms used in this Pledge Agreement and not defined herein shall have the meanings assigned to such terms in the Credit Agreement. In this Pledge Agreement or any amendment to this Pledge Agreement, unless the context requires otherwise:

“**Borrower**” means EquityLine SPV Limited Partnership.

“**Credit Agreement**” means the credit agreement made as of the date hereof between the Borrower, the General Partner and the Lender, as it may be amended, modified, supplemented or replaced from time to time.

“**Current Securities**” means 100 common shares in the General Partner.

“**Event of Default**” means default by the Borrower under the Credit Agreement.

“General Partner” means EquityLine SPV GP Inc.

“Obligations” means the third party pledge of the Pledged Collateral as security for all indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender, or remaining unpaid by the Borrower to the Lender under or in connection with the Credit Agreement.

“Pledged Collateral” means collectively:

- (a) the Current Securities and all securities of the General Partner hereafter owned or acquired by the Pledgor,
- (b) all substitutions therefor, additions thereto and proceeds thereof,
- (c) in accordance with Section 4.02 hereof, all interest, dividends, income, revenue or other distributions made or paid in respect of the Pledged Securities after an Event of Default has occurred but before such Event of Default has been cured or waived by the Lender, and
- (d) all rights and claims of the Pledgor in respect of the foregoing or evidenced thereby.

“Pledged Securities” means all Securities forming part of the Pledged Collateral including, without limitation, the Current Securities.

“proceeds” shall have the meaning ascribed thereto by the PPSA.

1.02 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Pledge Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders (including the neuter).

1.04 Time of the Essence

Time shall in all respects be of the essence of this Pledge Agreement.

ARTICLE 2 - PLEDGE OF SECURITIES

2.01 Pledge of Collateral

As general and continuing collateral security for the due payment and performance of the Obligations by the Borrower, the Pledgor hereby assigns, hypothecates and pledges to and in favour of the Lender, and grants the Lender a security interest in, all of the Pledged Collateral.

2.02 Future Certificates

So long as there are any Obligations outstanding, the Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Lender all certificates (duly endorsed in blank for transfer or accompanied by a duly signed power of attorney for transfer in blank) representing any of the Pledged Securities that the Pledgor may from time to time hereafter acquire or be or become entitled to. The Pledgor hereby irrevocably authorizes and directs the General Partner to deliver to the Lender any such certificates representing Pledged Securities.

2.03 Reclassification, Etc.

In the event that any of the Pledged Securities are changed, classified or reclassified, subdivided or converted into a different number or class of Securities or otherwise, or if any additional Securities are subscribed for or issued to the Pledgor for any other reason, the Securities or other securities resulting from any such change, classification, reclassification, subdivision, conversion, subscription or issuance and the certificates representing the same shall be delivered by the Pledgor to and held by the Lender in place of or in addition to, as the case may be, the Pledged Securities. In the event of any consolidation, reorganization, merger or amalgamation of the General Partner with or into another Person, or the sale of a substantial portion of the property and assets of the General Partner other than in the ordinary course of its business to another Person or persons in exchange for securities in or of such other Person or persons or any affiliate thereof, any and all securities issued or issuable to or received or receivable by the Pledgor upon such consolidation, reorganization, merger, amalgamation or sale shall form part of the Pledged Collateral and the provisions hereof relating to the Pledged Securities shall, *mutatis mutandi*, apply to such securities. The provisions of this section shall similarly apply to successive such changes, classifications, reclassifications, subdivisions, conversions, subscriptions, consolidations, reorganizations, mergers, amalgamations and sales.

2.04 Attachment of Security Interest

For the purposes of the PPSA, the parties hereby acknowledge:

- (a) their mutual intention that the security interest created by this Pledge Agreement is to attach upon the execution of this Pledge Agreement by the Pledgor;
- (b) that value has been given by the Lender to the Pledgor; and
- (c) that the Pledgor has rights in the Pledged Collateral (other than future property) as of the date hereof.

2.05 Collateral Registered in Lender's Name

Notwithstanding any other provision hereof, the Lender shall have the right, at its option at any time after a default by the Borrower under the Credit Agreement, to transfer the Pledged Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that, prior to the security hereby constituted becoming enforceable under this Pledge Agreement, the Lender shall deliver promptly to the Pledgor all notices, statements or other communications received by it or his nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Pledgor or his designee a proxy or proxies to vote and take all action with respect to such property. At any time after while the security hereby constituted is enforceable as a result of default by the Borrower under the Credit Agreement, the Pledgor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Pledgor or his designee as aforesaid shall thereafter be effective.

2.06 Control

The Pledgor agrees to give the Lender "control" of the Pledged Collateral, as defined in the *Securities Transfer PPSA, 2006* (Ontario), which "control" shall be by delivery of the certificates evidencing the Pledged Securities.

ARTICLE 3 - DEALINGS WITH PLEDGED SECURITIES

3.01 Prior to Default

Until the security hereby constituted shall have become enforceable pursuant to Article 4 hereof, the Pledgor shall be entitled to:

- (a) exercise all voting and other rights in respect of the Pledged Securities; and
- (b) receive all dividends, whether in cash or stock, interest, income, revenue or other distributions made to the holders of Securities paid or made in respect of the Pledged Securities for the Pledgor's own use and benefit.

3.02 No Sales

During the term of this Pledge Agreement, the Pledgor shall not transfer, sell, bargain or assign, nor enter into any agreement for the transfer, sale, bargain or assignment of, any of the Pledged Securities, nor shall the Pledgor grant, or enter into any agreement which has the effect of granting, to any Person any option, right or privilege capable of becoming an agreement for the transfer, sale, bargain or assignment of any of the Pledged Securities to such Person. Notwithstanding the foregoing, the Pledgor may do any of the above pursuant to an internal reorganization provided that that any entity that is transferred such Pledged Securities shall enter into a limited recourse guarantee and share pledge agreement in favour of the Lender on substantially the same terms as set out herein.

3.03 No Encumbrances

During the term of this Pledge Agreement, the Pledgor shall not enter into or grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of the Pledged Collateral (other than any such encumbrance in favour of the Lender or as otherwise permitted in the Credit Agreement).

ARTICLE 4 - DEFAULT AND ENFORCEMENT

4.01 Events of Default

Upon the occurrence of an Event of Default and for so long as such Event of Default has not been cured or waived by the Lender, the security hereby constituted shall become immediately enforceable and the Lender may, in its sole discretion, do any or all of the following:

- (a) effect the registration of, and obtain from the General Partner a certificate or certificates for, any of the Pledged Securities in the name of the Lender or its nominee(s), and for such purpose the Lender is hereby irrevocably appointed the attorney of the Pledgor with full power of substitution to endorse and/or transfer any of the Pledged Securities to the Lender or its nominee(s);
- (b) vote any or all of the Pledged Securities (whether or not transferred into the name of the Lender) and exercise all other rights and powers and perform all acts of ownership in respect thereof as the Pledgor might do;
- (c) proceed to realize upon the Pledged Collateral or any of it by sale at public or private sale or otherwise realize upon any of the Pledged Collateral for such price and money or other consideration and upon such terms and conditions as it deems best, the whole without advertisement or notice to the Pledgor or other persons (except as may be required by the PPSA and other applicable law), and, where any such sale or realization is by way of public auction or tender, the Lender or any of its affiliates may purchase the Pledged Collateral or such portion thereof free from any right or equity of redemption, and may, in paying the purchase price, apply any portion of the Obligations on account of the purchase price as may be outstanding at the time of such sale or realization;
- (d) enjoy and exercise all of the rights and remedies of a secured party under the PPSA; and
- (e) generally act in relation to the Pledged Collateral in such manner and on such terms as the Lender may deem expedient to its own interest;

provided, however, that the Lender shall act in a commercially reasonable manner in exercising its rights under this Pledge Agreement.

4.02 Dividends, Etc.

After the occurrence of an Event of Default and for so long as such Event of Default has not been cured or waived by the Lender, all future dividends to be paid on the Pledged Securities, and all interest, income, revenue and future distributions made to the holders of Securities paid in respect of the Pledged Securities shall be delivered to the Lender and, if received by the Pledgor, shall be received in trust for and paid forthwith to the Lender.

4.03 Application of Proceeds

In the event of any realization upon or sale or disposition of the Pledged Collateral or any portion thereof as hereinbefore provided, the Lender shall apply the proceeds of any such realization, sale or disposition, together with any other monies at the time held by it under the provisions of this Pledge Agreement, after deducting all costs and expenses of collection, sale and delivery (including, without limitation, reasonable legal fees and expenses) incurred by the Lender in connection therewith, to the payment of all amounts owing to the Lender in respect of the Obligations, in such order as the Lender in its sole discretion may determine, and the balance of such proceeds, if any, shall be paid in accordance with the PPSA and any other applicable law, all of the foregoing to be without prejudice to the Lender's claim upon the Pledgor for any deficiency remaining after the application of such proceeds to the Obligations.

4.04 Rights Cumulative

All rights and remedies of the Lender set out in this Pledge Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document between the parties hereto or now or hereafter existing at law or in equity or by statute.

4.05 No Waiver

No delay or omission on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or of any other right or remedy hereunder, and any Event of Default or other default or breach by the Pledgor may only be waived by the Lender in writing, provided that no such written waiver by the Lender shall extend to or be taken in any manner to affect any other or any subsequent breach or default or the rights resulting therefrom.

4.06 No Liability

The Lender shall not be liable or accountable to the Pledgor or to any other Person for any failure to exercise any of the rights, powers and remedies set out in section 5.01 above, or any loss which may be occasioned by such failure, nor shall the Lender be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of any party in respect of the same. The Lender may compound, compromise, grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Pledgor, the Borrower, the General Partner and others and with the Pledged Collateral as it sees fit without prejudice to any of its rights or remedies hereunder. The Lender shall not be required to see to the collection of dividends on or the exercise of any option

or right in connection with any of the Pledged Securities and shall not be required to protect or preserve the Pledged Securities from depreciating in value.

4.07 Lender Appointed Attorney-in-Fact

The Pledgor hereby irrevocably appoints the Lender as the Pledgor's attorney-in-fact with effect following the occurrence of an Event of Default which is continuing and has not been waived in writing by Lender, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise from time to time in its discretion, to take any action and to execute any instrument which the Lender may reasonably deem necessary or advisable to accomplish the purposes of this Pledge Agreement, including without limitation:

- (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Pledged Collateral;
- (b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and
- (c) to file any claims or take any action or institute any proceedings which the Lender may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of Lender with respect to any of the Pledged Collateral.

The Pledgor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

ARTICLE 5 - GENERAL

5.01 Miscellaneous Provisions.

Any notice required or permitted to be given under this Pledge Agreement shall be given in accordance with Section 8.1 of the Credit Agreement. No failure or delay on the part of the Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein or shall constitute a course of dealing, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Pledge Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Pledge Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is expressly prohibited by any covenant herein (the "**Prohibitive Covenant**"), the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a breach of the Prohibitive Covenant if such action is taken or condition exists. This Pledge Agreement shall be binding upon and inure to the benefit of the

Lender and the Pledgor and their respective successors and assigns. The Pledgor shall not, without the prior written consent of the Lender given in accordance with the Credit Agreement or this Pledge Agreement, assign any right, duty or obligation hereunder. This Pledge Agreement and the other Credit Documents embody the entire agreement and understanding between the Pledgor and the Lender and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. In the event of any conflict between this Pledge Agreement and the Credit Agreement, the provisions of the Credit Agreement shall govern.

5.02 Applicable Law.

This Pledge Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its conflicts of law provisions, except that matters concerning the validity and perfection of security interests covered thereby shall be governed by the conflicts of law provisions of the PPSA, as applicable.

5.03 Consent To Jurisdiction.

- (a) All judicial proceedings brought against the Pledgor arising out of or relating hereto may be brought in the Province of Ontario. By executing and delivering this Pledge Agreement, the Pledgor, for himself and in connection with his properties, irrevocably (i) accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts; (ii) waives any defence of forum non conveniens; (iii) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the Pledgor at his address provided in accordance with Section 8.1 of the Credit Agreement and to any process agent selected in accordance with subparagraph (b) is sufficient to confer personal jurisdiction over the Pledgor in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect; and (iv) agrees that Lender retains the right to serve process in any other manner permitted by law or to bring proceedings against the Pledgor in the courts of any other jurisdiction.
- (b) To the extent permitted by applicable law, the Pledgor hereby agrees that process may be served on him by certified mail, return receipt requested, to the addresses pertaining to him as specified in Section 8.1 of the Credit Agreement, any and all service of process and any other notice in any such action, suit or proceeding shall be effective against the Pledgor if given by registered or certified mail, return receipt requested, or by any other means or mail which requires a signed receipt, postage prepaid, mailed as provided above.

5.04 Continuing Security.

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time outstanding have been satisfied and

performed in full and this Pledge Agreement has been terminated. At any time after all of the Obligations have been so satisfied and performed, the Pledgor may, on five days written notice to the Pledgee, terminate this Pledge Agreement, in which event the Pledgee shall forthwith release the Pledged Collateral from the assignment, hypothecation, pledge and security interest herein contained and return to the Pledgor all documents evidencing ownership or title to the Pledged Collateral.

5.05 Counterparts.

This Pledge Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Pledge Agreement by facsimile transmission or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be as effective as delivery of a manually signed counterpart of this Pledge Agreement.

5.06 Waiver of Jury Trial.

Each of the Pledgor and the Lender hereby agrees to waive their respective rights to a jury trial of any claim or cause of action based upon or arising hereunder or under any of the other Credit Documents or any dealings between them relating to the subject matter of this Pledge Agreement or this loan transaction. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the Pledgor and the Lender acknowledges that this waiver is a material inducement to enter into a business relationship, that they have already relied on this waiver in entering into this Pledge Agreement, and that they will continue to rely on this waiver in their related future dealings. Each of the Pledgor and the Lender further warrants and represents that they have reviewed this waiver with their legal counsel and that they knowingly and voluntarily waives their jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 5.06 and executed by each of the parties hereto), and this waiver shall apply to any subsequent amendments, renewals, supplements or modifications hereto or any of the other Credit Documents or to any other documents or agreements relating to the Loans made under the Credit Agreement. In the event of litigation, this Pledge Agreement may be filed as a written consent to a trial by the court.

5.07 Financing Statements.

To the extent permitted by Applicable Law, the Pledgor waives the Pledgor's right to receive a copy of any financing statement or financing change statement registered by or on behalf of the Lender, or of any verification statement with respect to any financing statement or financing change statement registered by or on behalf of the Lender.

5.08 Limitation Period.

The limitation period on this Pledge Agreement shall not begin to run until demand is made hereunder, and such limitation period (in accordance with the *Limitations Act, 2002 (Ontario)*) is hereby expressly extended to a period of six (6) years from the date such demand is made.

5.09 Waivers.

The Lender may (a) grant extensions of time, (b) take and perfect or abstain from taking and perfecting security, (c) give up any security, (d) accept compositions or compromises, (e) grant releases and discharges, and (f) otherwise waive rights against the Pledgor, debtors of the Pledgor, guarantors and others and with respect to the Pledged Collateral and other security as the Lender sees fit. No such action or omission will reduce the Obligations or affect the Lender's rights hereunder.

5.10 Conflict with Credit Agreement.

If there is any conflict inconsistency, ambiguity or difference between the terms of the Credit Agreement and the terms of this Pledge Agreement, the provisions of the Credit Agreement shall prevail, and such provision of this Pledge Agreement be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Pledge Agreement which may be in addition to the rights and remedies contained in the Credit Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

5.11 Copy of Agreement.

The Pledgor hereby acknowledges receipt of a copy of this Pledge Agreement.

[Remainder of Page Intentionally Left Blank]

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



Witness:

SERGIY SHCHAVYELYEV

EQUITABLE BANK

Per: _____

Per: _____

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

Witness:

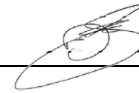
SERGIY SHCHAVYELYEV

EQUITABLE BANK

Per: _____



Per: _____



PLEDGE AGREEMENT

THIS AGREEMENT made as of the 5th day of August, 2021.

B E T W E E N:

EQUITYLINE MORTGAGE INVESTMENT CORPORATION, a corporation incorporated under the laws of the Province of Ontario

(hereinafter called the “**Pledgor**”)

- and -

EQUITABLE BANK, a Canadian Schedule I Bank

(hereinafter called the “**Lender**”)

WHEREAS the Pledgor is as of the date hereof the registered and beneficial owner of the Current Securities in the capital of the Borrower;

AND WHEREAS the Pledgor has agreed to pledge the Current Securities and other Pledged Collateral (as hereinafter defined) to the Lender as general and continuing collateral security for the Obligations (as hereinafter defined) and, in furtherance thereof, to guarantee to and in favour of the Lender the payment and performance by the Borrower of such Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants hereinafter contained and for other good and valuable consideration and the sum of \$1.00 of lawful money of Canada (the receipt and sufficiency of which are hereby acknowledged by the Pledgor), it is hereby agreed by and between the parties hereto as follows:

ARTICLE 1 - INTERPRETATION

1.01 Defined Terms

Capitalized terms used in this Pledge Agreement and not defined herein shall have the meanings assigned to such terms in the Credit Agreement. In this Pledge Agreement or any amendment to this Pledge Agreement, unless the context requires otherwise:

“**Borrower**” means EquityLine SPV Limited Partnership.

“**Credit Agreement**” means the credit agreement made as of the date hereof between the Borrower, the General Partner and the Lender, as it may be amended, modified, supplemented or replaced from time to time.

“**Current Securities**” means 100 limited partnership units in the Borrower.

“Event of Default” means default by the Borrower under the Credit Agreement.

“General Partner” means EquityLine SPV GP Inc.

“Obligations” means the third party pledge of the Pledged Collateral as security for all indebtedness, obligations and liabilities, present or future, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender, or remaining unpaid by the Borrower to the Lender under or in connection with the Credit Agreement.

“Pledged Collateral” means collectively:

- (a) the Current Securities and all securities of the Borrower hereafter owned or acquired by the Pledgor,
- (b) all substitutions therefor, additions thereto and proceeds thereof,
- (c) in accordance with Section 4.02 hereof, all interest, dividends, income, revenue or other distributions made or paid in respect of the Pledged Securities after an Event of Default has occurred but before such Event of Default has been cured or waived by the Lender, and
- (d) all rights and claims of the Pledgor in respect of the foregoing or evidenced thereby.

“Pledged Securities” means all Securities forming part of the Pledged Collateral including, without limitation, the Current Securities.

“proceeds” shall have the meaning ascribed thereto by the PPSA.

1.02 Prohibited Provisions

In the event that any provision or any part of any provision hereof is deemed to be invalid by reason of the operation of any law or by reason of the interpretation placed thereon by a court, this Pledge Agreement shall be construed as not containing such provision or such part of such provision and the invalidity of such provision or such part shall not affect the validity of any other provision or the remainder of such provision hereof, and all other provisions hereof which are otherwise lawful and valid shall remain in full force and effect.

1.03 Number and Gender

Where the context so requires, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders (including the neuter).

1.04 Time of the Essence

Time shall in all respects be of the essence of this Pledge Agreement.

ARTICLE 2 - PLEDGE OF SECURITIES

2.01 Pledge of Collateral

As general and continuing collateral security for the due payment and performance of the Obligations by the Borrower, the Pledgor hereby assigns, hypothecates and pledges to and in favour of the Lender, and grants the Lender a security interest in, all of the Pledged Collateral.

2.02 Future Certificates

So long as there are any Obligations outstanding, the Pledgor hereby agrees and undertakes to deliver to and deposit with, or cause to be delivered to and deposited with, the Lender all certificates (duly endorsed in blank for transfer or accompanied by a duly signed power of attorney for transfer in blank) representing any of the Pledged Securities that the Pledgor may from time to time hereafter acquire or be or become entitled to. The Pledgor hereby irrevocably authorizes and directs the Borrower to deliver to the Lender any such certificates representing Pledged Securities.

2.03 Reclassification, Etc.

In the event that any of the Pledged Securities are changed, classified or reclassified, subdivided or converted into a different number or class of Securities or otherwise, or if any additional Securities are subscribed for or issued to the Pledgor for any other reason, the Securities or other securities resulting from any such change, classification, reclassification, subdivision, conversion, subscription or issuance and the certificates representing the same shall be delivered by the Pledgor to and held by the Lender in place of or in addition to, as the case may be, the Pledged Securities. In the event of any consolidation, reorganization, merger or amalgamation of the Borrower with or into another Person, or the sale of a substantial portion of the property and assets of the Borrower other than in the ordinary course of its business to another Person or persons in exchange for securities in or of such other Person or persons or any affiliate thereof, any and all securities issued or issuable to or received or receivable by the Pledgor upon such consolidation, reorganization, merger, amalgamation or sale shall form part of the Pledged Collateral and the provisions hereof relating to the Pledged Securities shall, *mutatis mutandi*, apply to such securities. The provisions of this section shall similarly apply to successive such changes, classifications, reclassifications, subdivisions, conversions, subscriptions, consolidations, reorganizations, mergers, amalgamations and sales.

2.04 Attachment of Security Interest

For the purposes of the PPSA, the parties hereby acknowledge:

- (a) their mutual intention that the security interest created by this Pledge Agreement is to attach upon the execution of this Pledge Agreement by the Pledgor;
- (b) that value has been given by the Lender to the Pledgor; and
- (c) that the Pledgor has rights in the Pledged Collateral (other than future property) as of the date hereof.

2.05 Collateral Registered in Lender's Name

Notwithstanding any other provision hereof, the Lender shall have the right, at its option at any time after a default by the Borrower under the Credit Agreement, to transfer the Pledged Collateral or any part thereof into its own name or that of its nominee so that the Lender or its nominee may appear of record as the sole owner thereof; provided, that, prior to the security hereby constituted becoming enforceable under this Pledge Agreement, the Lender shall deliver promptly to the Pledgor all notices, statements or other communications received by it or its nominee as such registered owner, and upon demand and receipt of payment of necessary expenses thereof, shall give to the Pledgor or its designee a proxy or proxies to vote and take all action with respect to such property. At any time after while the security hereby constituted is enforceable as a result of default by the Borrower under the Credit Agreement, the Pledgor waives all rights to be advised of or to receive any notices, statements or communications received by the Lender or its nominee as such record owner, and agrees that no proxy or proxies given by the Lender to the Pledgor or its designee as aforesaid shall thereafter be effective.

2.06 Control

The Pledgor agrees to give the Lender "control" of the Pledged Collateral, as defined in the *Securities Transfer PPSA, 2006* (Ontario), which "control" shall be by delivery of the certificates evidencing the Pledged Securities.

ARTICLE 3 - DEALINGS WITH PLEDGED SECURITIES

3.01 Prior to Default

Until the security hereby constituted shall have become enforceable pursuant to Article 4 hereof, the Pledgor shall be entitled to:

- (a) exercise all voting and other rights in respect of the Pledged Securities; and
- (b) receive all dividends, whether in cash or stock, interest, income, revenue or other distributions made to the holders of Securities paid or made in respect of the Pledged Securities for the Pledgor's own use and benefit.

3.02 No Sales

During the term of this Pledge Agreement, the Pledgor shall not transfer, sell, bargain or assign, nor enter into any agreement for the transfer, sale, bargain or assignment of, any of the Pledged Securities, nor shall the Pledgor grant, or enter into any agreement which has the effect of granting, to any Person any option, right or privilege capable of becoming an agreement for the transfer, sale, bargain or assignment of any of the Pledged Securities to such Person. Notwithstanding the foregoing, the Pledgor may do any of the above pursuant to an internal reorganization provided that that any entity that is transferred such Pledged Securities shall enter into a limited recourse guarantee and share pledge agreement in favour of the Lender on substantially the same terms as set out herein.

3.03 No Encumbrances

During the term of this Pledge Agreement, the Pledgor shall not enter into or grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of the Pledged Collateral (other than any such encumbrance in favour of the Lender or as otherwise permitted in the Credit Agreement).

ARTICLE 4 - DEFAULT AND ENFORCEMENT

4.01 Events of Default

Upon the occurrence of an Event of Default and for so long as such Event of Default has not been cured or waived by the Lender, the security hereby constituted shall become immediately enforceable and the Lender may, in its sole discretion, do any or all of the following:

- (a) effect the registration of, and obtain from the Borrower a certificate or certificates for, any of the Pledged Securities in the name of the Lender or its nominee(s), and for such purpose the Lender is hereby irrevocably appointed the attorney of the Pledgor with full power of substitution to endorse and/or transfer any of the Pledged Securities to the Lender or its nominee(s);
- (b) vote any or all of the Pledged Securities (whether or not transferred into the name of the Lender) and exercise all other rights and powers and perform all acts of ownership in respect thereof as the Pledgor might do;
- (c) proceed to realize upon the Pledged Collateral or any of it by sale at public or private sale or otherwise realize upon any of the Pledged Collateral for such price and money or other consideration and upon such terms and conditions as it deems best, the whole without advertisement or notice to the Pledgor or other persons (except as may be required by the PPSA and other applicable law), and, where any such sale or realization is by way of public auction or tender, the Lender or any of its affiliates may purchase the Pledged Collateral or such portion thereof free from any right or equity of redemption, and may, in paying the purchase price, apply any portion of the Obligations on account of the purchase price as may be outstanding at the time of such sale or realization;
- (d) enjoy and exercise all of the rights and remedies of a secured party under the PPSA; and
- (e) generally act in relation to the Pledged Collateral in such manner and on such terms as the Lender may deem expedient to its own interest;

provided, however, that the Lender shall act in a commercially reasonable manner in exercising its rights under this Pledge Agreement.

4.02 Dividends, Etc.

After the occurrence of an Event of Default and for so long as such Event of Default has not been cured or waived by the Lender, all future dividends to be paid on the Pledged Securities, and all interest, income, revenue and future distributions made to the holders of Securities paid in respect of the Pledged Securities shall be delivered to the Lender and, if received by the Pledgor, shall be received in trust for and paid forthwith to the Lender.

4.03 Application of Proceeds

In the event of any realization upon or sale or disposition of the Pledged Collateral or any portion thereof as hereinbefore provided, the Lender shall apply the proceeds of any such realization, sale or disposition, together with any other monies at the time held by it under the provisions of this Pledge Agreement, after deducting all costs and expenses of collection, sale and delivery (including, without limitation, reasonable legal fees and expenses) incurred by the Lender in connection therewith, to the payment of all amounts owing to the Lender in respect of the Obligations, in such order as the Lender in its sole discretion may determine, and the balance of such proceeds, if any, shall be paid in accordance with the PPSA and any other applicable law, all of the foregoing to be without prejudice to the Lender's claim upon the Pledgor for any deficiency remaining after the application of such proceeds to the Obligations.

4.04 Rights Cumulative

All rights and remedies of the Lender set out in this Pledge Agreement shall be cumulative and no right or remedy contained herein is intended to be exclusive but each shall be in addition to every other right or remedy contained herein or in any existing or future security document between the parties hereto or now or hereafter existing at law or in equity or by statute.

4.05 No Waiver

No delay or omission on the part of the Lender in exercising any right or remedy hereunder shall operate as a waiver of such right or remedy or of any other right or remedy hereunder, and any Event of Default or other default or breach by the Pledgor may only be waived by the Lender in writing, provided that no such written waiver by the Lender shall extend to or be taken in any manner to affect any other or any subsequent breach or default or the rights resulting therefrom.

4.06 No Liability

The Lender shall not be liable or accountable to the Pledgor or to any other Person for any failure to exercise any of the rights, powers and remedies set out in section 5.01 above, or any loss which may be occasioned by such failure, nor shall the Lender be bound to commence, continue or defend proceedings for the purpose of preserving or protecting any rights of any party in respect of the same. The Lender may compound, compromise, grant extensions of time or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Pledgor, the Borrower and others and with the Pledged Collateral as it sees fit without prejudice to any of its rights or remedies hereunder. The Lender shall not be required to see to the collection of dividends on or the exercise of any option or right in

connection with any of the Pledged Securities and shall not be required to protect or preserve the Pledged Securities from depreciating in value.

4.07 Lender Appointed Attorney-in-Fact

The Pledgor hereby irrevocably appoints the Lender as the Pledgor's attorney-in-fact with effect following the occurrence of an Event of Default which is continuing and has not been waived in writing by Lender, with full authority in the place and stead of the Pledgor and in the name of the Pledgor or otherwise from time to time in its discretion, to take any action and to execute any instrument which the Lender may reasonably deem necessary or advisable to accomplish the purposes of this Pledge Agreement, including without limitation:

- (a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Pledged Collateral;
- (b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and
- (c) to file any claims or take any action or institute any proceedings which the Lender may deem necessary or desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of Lender with respect to any of the Pledged Collateral.

The Pledgor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this Section is irrevocable and coupled with an interest.

ARTICLE 5 - GENERAL

5.01 Miscellaneous Provisions.

Any notice required or permitted to be given under this Pledge Agreement shall be given in accordance with Section 8.1 of the Credit Agreement. No failure or delay on the part of the Lender in the exercise of any power, right or privilege hereunder or under any other Credit Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein or shall constitute a course of dealing, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Pledge Agreement and the other Credit Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Pledge Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is expressly prohibited by any covenant herein (the "**Prohibitive Covenant**"), the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a breach of the Prohibitive Covenant if such action is taken or condition exists. This Pledge Agreement shall be binding upon and inure to the benefit of the

Lender and the Pledgor and their respective successors and assigns. The Pledgor shall not, without the prior written consent of the Lender given in accordance with the Credit Agreement or this Pledge Agreement, assign any right, duty or obligation hereunder. This Pledge Agreement and the other Credit Documents embody the entire agreement and understanding between the Pledgor and the Lender and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. Accordingly, the Credit Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. In the event of any conflict between this Pledge Agreement and the Credit Agreement, the provisions of the Credit Agreement shall govern.

5.02 Applicable Law.

This Pledge Agreement and the rights and obligations of the parties hereunder shall be governed by, and shall be construed and enforced in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its conflicts of law provisions, except that matters concerning the validity and perfection of security interests covered thereby shall be governed by the conflicts of law provisions of the PPSA, as applicable.

5.03 Consent To Jurisdiction.

- (a) All judicial proceedings brought against the Pledgor arising out of or relating hereto may be brought in the Province of Ontario. By executing and delivering this Pledge Agreement, the Pledgor, for itself and in connection with its properties, irrevocably (i) accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts; (ii) waives any defence of forum non conveniens; (iii) agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the Pledgor at its address provided in accordance with Section 8.1 of the Credit Agreement and to any process agent selected in accordance with subparagraph (b) is sufficient to confer personal jurisdiction over the Pledgor in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect; and (iv) agrees that Lender retains the right to serve process in any other manner permitted by law or to bring proceedings against the Pledgor in the courts of any other jurisdiction.
- (b) To the extent permitted by applicable law, the Pledgor hereby agrees that process may be served on it by certified mail, return receipt requested, to the addresses pertaining to it as specified in Section 8.1 of the Credit Agreement, any and all service of process and any other notice in any such action, suit or proceeding shall be effective against the Pledgor if given by registered or certified mail, return receipt requested, or by any other means or mail which requires a signed receipt, postage prepaid, mailed as provided above.

5.04 Continuing Security.

The security interest constituted hereby shall be deemed to be a continuing security for the Obligations until all of the Obligations from time to time outstanding have been satisfied and

performed in full and this Pledge Agreement has been terminated. At any time after all of the Obligations have been so satisfied and performed, the Pledgor may, on five days written notice to the Pledgee, terminate this Pledge Agreement, in which event the Pledgee shall forthwith release the Pledged Collateral from the assignment, hypothecation, pledge and security interest herein contained and return to the Pledgor all documents evidencing ownership or title to the Pledged Collateral.

5.05 Counterparts.

This Pledge Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed signature page to this Pledge Agreement by facsimile transmission or other electronic image scan transmission (e.g., "PDF" or "tif" via email) shall be as effective as delivery of a manually signed counterpart of this Pledge Agreement.

5.06 Waiver of Jury Trial.

Each of the Pledgor and the Lender hereby agrees to waive its respective rights to a jury trial of any claim or cause of action based upon or arising hereunder or under any of the other Credit Documents or any dealings between it relating to the subject matter of this Pledge Agreement or this loan transaction. The scope of this waiver is intended to be all encompassing of any and all disputes that may be filed in any court and that relate to the subject matter of this transaction, including contract claims, tort claims, breach of duty claims and all other common law and statutory claims. Each of the Pledgor and the Lender acknowledges that this waiver is a material inducement to enter into a business relationship, that it has already relied on this waiver in entering into this Pledge Agreement, and that it will continue to rely on this waiver in its related future dealings. Each of the Pledgor and the Lender further warrants and represents that it has reviewed this waiver with its legal counsel and that it knowingly and voluntarily waives its jury trial rights following consultation with legal counsel. This waiver is irrevocable, meaning that it may not be modified either orally or in writing (other than by a mutual written waiver specifically referring to this Section 5.06 and executed by each of the parties hereto), and this waiver shall apply to any subsequent amendments, renewals, supplements or modifications hereto or any of the other Credit Documents or to any other documents or agreements relating to the Loans made under the Credit Agreement. In the event of litigation, this Pledge Agreement may be filed as a written consent to a trial by the court.

5.07 Financing Statements.

To the extent permitted by Applicable Law, the Pledgor waives the Pledgor's right to receive a copy of any financing statement or financing change statement registered by or on behalf of the Lender, or of any verification statement with respect to any financing statement or financing change statement registered by or on behalf of the Lender.

5.08 Limitation Period.

The limitation period on this Pledge Agreement shall not begin to run until demand is made hereunder, and such limitation period (in accordance with the *Limitations Act, 2002 (Ontario)*) is hereby expressly extended to a period of six (6) years from the date such demand is made.

5.09 Waivers.

The Lender may (a) grant extensions of time, (b) take and perfect or abstain from taking and perfecting security, (c) give up any security, (d) accept compositions or compromises, (e) grant releases and discharges, and (f) otherwise waive rights against the Pledgor, debtors of the Pledgor, guarantors and others and with respect to the Pledged Collateral and other security as the Lender sees fit. No such action or omission will reduce the Obligations or affect the Lender's rights hereunder.

5.10 Conflict with Credit Agreement.

If there is any conflict inconsistency, ambiguity or difference between the terms of the Credit Agreement and the terms of this Pledge Agreement, the provisions of the Credit Agreement shall prevail, and such provision of this Pledge Agreement be amended to the extent only to eliminate any such conflict, inconsistency, ambiguity or difference. Any right or remedy in this Pledge Agreement which may be in addition to the rights and remedies contained in the Credit Agreement shall not constitute a conflict, inconsistency, ambiguity or difference.

5.11 Copy of Agreement.

The Pledgor hereby acknowledges receipt of a copy of this Pledge Agreement.

[Remainder of Page Intentionally Left Blank]

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


**EQUITYLINE MORTGAGE
INVESTMENT CORPORATION**

Per: _____

Per: _____

EQUITABLE BANK

Per:  _____

Per:  _____

This is Exhibit "L" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

**Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.**

NOTICE OF CONTROL

TO: COMPUTERSHARE TRUST COMPANY OF CANADA (the **Custodian**)

CC: EQUITYLINE SPV LIMITED PARTNERSHIP ("**Equityline**")

This Notice of Control is hereby delivered by the undersigned, Equitable Bank (the "**Bank**") to the Custodian with reference to the Title Custodian Acknowledgement Agreement made between the Bank, the Custodian and Equityline, and dated August 5, 2021 (the "**Custodian Agreement**").


In addition to the Custodian's covenants and obligations under the Agreement following receipt of this Notice of Control, the Custodian shall forthwith follow all instructions and directions of the Bank in respect of the Mortgage Loans (as defined in the Custodian Agreement) to the exclusion of all other instructions and directions from any Person (including Equityline) as if the Bank was the sole beneficial owner of the Mortgage Loans.

The Custodian shall have no obligation or liability to inquire whether, as between the undersigned and Equityline, the undersigned has the right to provide any such instructions and directions including, without limitation, this Notice of Control.


Capitalized terms used in this Notice of Control and not otherwise defined shall have the meanings given to such terms in the Agreement.

This Notice of Control is dated the 23rd day of April, 2024.

EQUITABLE BANK

By: 

Name: Mark Richter
Title: Managing Director, Specialized
Finance

By: 

Name: Brendan Smith
Title: Director, Specialized Finance

"We have authority to bind the Bank."

This is Exhibit "M" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 3 PL M52 BELLE RIVER

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
RE-ENTRY FROM 01430-1957

PIN CREATION DATE:
2002/03/13

OWNERS' NAMES
1000131861 ONTARIO INC.

CAPACITY SHARE
ROWN

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|---|------------|-----------------------|--------|--|---------------------------------|-----------|
| ** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2002/03/13 ** | | | | | | |
| R400333 | 1967/12/12 | BYLAW | | SEE DOCUMENT | | C |
| LT56042 | 1981/02/16 | TRANSFER | | *** COMPLETELY DELETED *** SEE DOCUMENT | RICE, WAYNE | |
| LT170667 | 1994/04/29 | CHARGE | | *** DELETED AGAINST THIS PROPERTY *** SEE DOCUMENT | CANADA TRUSTCO MORTGAGE COMPANY | |
| LT200980 | 1996/08/13 | CHARGE | | *** DELETED AGAINST THIS PROPERTY *** RICE, WAYNE | CANADA TRUSTCO MORTGAGE COMPANY | |
| LT308621 | 2001/07/03 | TRANSFER OF CHARGE | | *** DELETED AGAINST THIS PROPERTY *** CANADA TRUSTCO MORTGAGE COMPANY | NATIONAL BANK OF CANADA | |
| CE118697 | 2004/12/01 | TRANSFER | | *** COMPLETELY DELETED *** RICE, WAYNE | RICE, WAYNE RICE, ANGELA | |
| CE118698 | 2004/12/01 | CHARGE | | *** COMPLETELY DELETED *** RICE, WAYNE RICE, ANGELA | NATIONAL BANK OF CANADA | |
| CE122434 | 2004/12/20 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** CANADA TRUSTCO MORTGAGE COMPANY | | |
| | | REMARKS: RE: LT170667 | | | | |
| CE127165 | 2005/01/21 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** THE CANADA TRUST COMPANY | | |
| | | REMARKS: RE: LT200980 | | | | |
| CE324193 | 2008/04/18 | CHARGE | | *** COMPLETELY DELETED *** RICE, ANGELA | NATIONAL BANK OF CANADA | |

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.
NOTE: RESULTS WERE GENERATED VIA WWW.PURVIEW.CA

* 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 |
|-----------|-----------------------------------|--------------------|-----------|---|--|---------------|
| CE326754 | 2008/05/07 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** NATIONAL BANK OF CANADA | | |
| | REMARKS: RE: CE118698 | | | | | |
| CE1069027 | 2022/03/25 | APL OF SURV-LAND | | *** COMPLETELY DELETED *** RICE, WAYNE | RICE, ANGELA | |
| CE1069284 | 2022/03/25 | TRANSFER | \$527,000 | RICE, ANGELA | 1000131861 ONTARIO INC. | C |
| | REMARKS: PLANNING ACT STATEMENTS. | | | | | |
| CE1069285 | 2022/03/25 | CHARGE | | *** COMPLETELY DELETED *** 1000131861 ONTARIO INC. | COMPUTERSHARE TRUST COMPANY OF CANADA | |
| CE1069313 | 2022/03/25 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED *** 1000131861 ONTARIO INC. | COMPUTERSHARE TRUST COMPANY OF CANADA | |
| | REMARKS: CE1069285 | | | | | |
| CE1087371 | 2022/06/29 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA | EQUITYLINE SPV GP INC. | |
| | REMARKS: CE1069285. | | | | | |
| CE1087374 | 2022/06/29 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** EQUITYLINE SPV GP INC. | COMPUTERSHARE TRUST COMPANY OF CANADA | |
| | REMARKS: CE1087371. | | | | | |
| CE1089330 | 2022/07/08 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** NATIONAL BANK OF CANADA | | |
| | REMARKS: CE324193. | | | | | |
| CE1097652 | 2022/08/24 | CHARGE | \$200,000 | 1000131861 ONTARIO INC. | NEST CAPITAL MORTGAGE INVESTMENT CORPORATION | C |
| CE1124278 | 2023/02/24 | TRANSFER OF CHARGE | | NEST CAPITAL MORTGAGE INVESTMENT CORPORATION | RENT TO BUY HOMES INC. | C |
| | REMARKS: CE1097652. | | | | | |
| CE1134683 | 2023/05/17 | CHARGE | \$500,000 | 1000131861 ONTARIO INC. | AIELLO, GIUSEPPE ISSHAK, ROBERT | C |
| CE1134874 | 2023/05/18 | POSTPONEMENT | | RENT TO BUY HOMES INC. | AIELLO, GIUSEPPE ISSHAK, ROBERT | C |
| | REMARKS: CE1097652 TO CE1134683 | | | | | |
| CE1138263 | 2023/06/13 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** | | |

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.
NOTE: RESULTS WERE GENERATED VIA WWW.PURVIEW.CA

LAND
REGISTRY
OFFICE #12

75044-0026 (LT)

PAGE 3 OF 3
PREPARED FOR Anshu Agarwal
ON 2024/05/24 AT 14:52:27



* 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 |
|-----------|------|---------------------|--------|---------------------------------------|------------|---------------|
| | | REMARKS: CE1069285. | | COMPUTERSHARE TRUST COMPANY OF CANADA | | |

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.
NOTE: RESULTS WERE GENERATED VIA WWW.PURVIEW.CA

Properties

PIN 75044 - 0026 LT
 Description LT 3 PL M52 BELLE RIVER
 Address 128 DUCHARME
 BELLE RIVER

Document to be Discharged

| Registration No. | Date | Type of Instrument |
|------------------|------------|--------------------|
| CE1069285 | 2022 03 25 | Charge/Mortgage |
| CE1087374 | 2022 06 29 | Transfer Of Charge |

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

Name COMPUTERSHARE TRUST COMPANY OF CANADA
 Address for Service C/O EQUITYLINE SERVICES CORP.
 550 Hwy 7 Ave. E., Suite 338, Richmond
 Hill, Ontario L4B 3Z4

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

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

The party giving this discharge is the new chargee by a transfer of charge or is the original chargee and has changed its name. The party giving this discharge is entitled to give an effective discharge.

Document(s) to be Deleted

| Registration No. | Date | Type of Instrument |
|------------------|------------|---------------------------------------|
| CE1087371 | 2022/06/29 | Transfer Of Charge |
| CE1087374 | 2022/06/29 | Transfer Of Charge |
| CE1069313 | 2022/03/25 | Notice Of Assignment Of Rents-General |

Signed By

Katarina Piruze-Angelovska 202-1240 Bay St. acting for Signed 2023 06 13
 Toronto Applicant(s)
 M5R 2A7

Tel 416-961-3809

Fax 416-961-5329

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

Submitted By

TERRY M WALMAN LAW OFFICE 202-1240 Bay St. 2023 06 13
 Toronto
 M5R 2A7

Tel 416-961-3809

Fax 416-961-5329

Fees/Taxes/Payment

| | |
|----------------------------|---------|
| Statutory Registration Fee | \$69.00 |
| Total Paid | \$69.00 |

File Number

Discharging Party Client File Number : 22-10038

This is Exhibit "N" referred to in the Affidavit of Brenda Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.

PROPERTY DESCRIPTION: LT 23 PL 3757 SCARBOROUGH; TORONTO , CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
2000/08/14

OWNERS' NAMES
2420315 ONTARIO INC.

CAPACITY SHARE
ROWN

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|---|------------|--------------------|--------|---|--|-----------|
| <p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/08/11 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/08/14 **</p> | | | | | | |
| SC408139 | 1969/06/27 | TRANSFER | | *** COMPLETELY DELETED *** | STEINBLUMS, VAIRA RIMSA, EMILIJA | |
| AT2617281 | 2011/02/08 | TRANSMISSION-LAND | | *** COMPLETELY DELETED *** STEINBLUMS, VAIRA RIMSA, EMILIJA | STEINBLUMS, AIVARS STEINBLUMS, VAIRA - ESTATE | |
| AT2617282 | 2011/02/08 | TRANS PERSONAL REP | | *** COMPLETELY DELETED *** STEINBLUMS, AIVARS | STEINBLUMS, AIVARS | |
| AT3652194 | 2014/08/01 | TRANSMISSION-LAND | | *** COMPLETELY DELETED *** STEINBLUMS, AIVARS | STEINBLUMS, RICHARD | |
| AT3652459 | 2014/08/01 | TRANS PERSONAL REP | | *** COMPLETELY DELETED *** STEINBLUMS, RICHARD | AFIZ, RAZIUL | |
| AT3680107 | 2014/09/03 | CHARGE | | *** COMPLETELY DELETED *** AFIZ, RAZIUL | HOME TRUST COMPANY | |

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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LAND
 REGISTRY
 OFFICE #66

06413-0226 (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 |
|-----------|------------|-------------------------------|-----------|---|---|-----------|
| AT4083736 | 2015/12/02 | TRANSFER | \$650,000 | AFIZ, RAZIUL | 2420315 ONTARIO INC. | C |
| AT4083737 | 2015/12/02 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | CARNEVALE, PETER CARNEVALE, SUSAN STUART, FATIMA STUART, KEENA 866806 ONTARIO LIMITED | |
| AT4133400 | 2016/01/29 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** HOME TRUST COMPANY | | |
| | | REMARKS: AT3680107. | | | | |
| AT4174490 | 2016/03/24 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** 866806 ONTARIO LIMITED | LEMARKE HOLDINGS INC. 866806 ONTARIO LIMITED | |
| | | REMARKS: AT4083737. | | | | |
| AT4255905 | 2016/06/23 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** LEMARKE HOLDINGS INC. 866806 ONTARIO LIMITED | LEMARKE HOLDINGS INC. | |
| | | REMARKS: AT4174490. AT4083737 | | | | |
| AT4504325 | 2017/03/07 | TRANSFER OF CHARGE | | *** COMPLETELY DELETED *** STUART, KEENA | COTT, EUNICE | |
| | | REMARKS: AT4083737. | | | | |
| AT4524196 | 2017/03/30 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | IAFRATE, OSVALDO | |
| AT4857182 | 2018/05/04 | NOTICE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | IAFRATE, OSVALDO | |
| | | REMARKS: AT4524196 | | | | |
| AT5010047 | 2018/11/19 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | CARNEVALE, ROSEMARY MINDEN, JONIE ALEXANDRIS, ELENORE | |
| AT5416700 | 2020/04/28 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | ALAM, BADSHA BANU, NILUFA | |

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| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|-----------|---------------------------------|-------------------|--------|---|----------------------------|---------------|
| AT5445545 | 2020/06/08 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** CARNEVALE, ROSEMARY MINDEN, JONIE ALEXANDRIS, ELENORE | | |
| | REMARKS: AT5010047. | | | | | |
| AT5512509 | 2020/09/03 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | MCC MORTGAGE HOLDINGS INC. | |
| AT5512510 | 2020/09/03 | NO ASSGN RENT GEN | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | MCC MORTGAGE HOLDINGS INC. | |
| | REMARKS: AT5512509 | | | | | |
| AT5512511 | 2020/09/03 | POSTPONEMENT | | *** COMPLETELY DELETED *** ALAM, BADSHA BANU, NILUFA | MCC MORTGAGE HOLDINGS INC. | |
| | REMARKS: AT5416700 TO AT5512509 | | | | | |
| AT5512549 | 2020/09/03 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | 10226107 CANADA INC. | |
| AT5512554 | 2020/09/03 | POSTPONEMENT | | *** COMPLETELY DELETED *** ALAM, BADSHA BANU, NILUFA | 10226107 CANADA INC. | |
| | REMARKS: AT5416700 TO AT5512549 | | | | | |
| AT5514079 | 2020/09/08 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** IAFRATE, OSVALDO | | |
| | REMARKS: AT4524196. | | | | | |
| AT5514095 | 2020/09/08 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** CARNEVALE, PETER CARNEVALE, SUSAN STUART, FATIMA LEMARKE HOLDINGS INC. COTT, EUNICE | | |
| | REMARKS: AT4083737. | | | | | |
| AT5700881 | 2021/04/08 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** ALAM, BADSHA BANU, NILUFA | | |
| | REMARKS: AT5416700. | | | | | |

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| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/CHKD |
|-----------|------------|--|-------------|---|---------------------------------------|-----------|
| AT5710370 | 2021/04/20 | CHARGE | \$340,000 | 2420315 ONTARIO INC. | COMPUTERSHARE TRUST COMPANY OF CANADA | C |
| AT5710444 | 2021/04/20 | NO ASSGN RENT GEN <i>REMARKS: AT5710370</i> | | 2420315 ONTARIO INC. | COMPUTERSHARE TRUST COMPANY OF CANADA | C |
| AT5710939 | 2021/04/20 | DISCH OF CHARGE <i>REMARKS: AT5512549.</i> | | *** COMPLETELY DELETED *** 10226107 CANADA INC. | | |
| AT5881899 | 2021/10/12 | CHARGE | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | TSX TRUST COMPANY | |
| AT5881900 | 2021/10/12 | NO ASSGN RENT GEN <i>REMARKS: AT5881899.</i> | | *** COMPLETELY DELETED *** 2420315 ONTARIO INC. | TSX TRUST COMPANY | |
| AT5883028 | 2021/10/13 | DISCH OF CHARGE <i>REMARKS: AT5512509.</i> | | *** COMPLETELY DELETED *** MCC MORTGAGE HOLDINGS INC. | | |
| AT5886842 | 2021/10/19 | POSTPONEMENT <i>REMARKS: AT5710370 TO AT5881899</i> | | *** COMPLETELY DELETED *** COMPUTERSHARE TRUST COMPANY OF CANADA | TSX TRUST COMPANY | |
| AT5918665 | 2021/11/23 | TRANSFER OF CHARGE <i>REMARKS: AT5710370.</i> | | COMPUTERSHARE TRUST COMPANY OF CANADA | COMPUTERSHARE TRUST COMPANY OF CANADA | C |
| AT5935997 | 2021/12/10 | CHARGE | \$80,000 | 2420315 ONTARIO INC. | COMPUTERSHARE TRUST COMPANY OF CANADA | C |
| AT6282570 | 2023/02/16 | TRANSFER OF CHARGE <i>REMARKS: AT5881899.</i> | | *** COMPLETELY DELETED *** TSX TRUST COMPANY | VAULT CAPITAL INC. | |
| AT6366029 | 2023/06/30 | CHARGE | \$1,600,000 | 2420315 ONTARIO INC. | ELLE MORTGAGE CORPORATION | C |
| AT6392613 | 2023/08/08 | POSTPONEMENT <i>REMARKS: AT5710370 TO AT6366029</i> | | COMPUTERSHARE TRUST COMPANY OF CANADA | ELLE MORTGAGE CORPORATION | C |
| AT6392614 | 2023/08/08 | POSTPONEMENT <i>REMARKS: AT5935997 TO AT6366029</i> | | COMPUTERSHARE TRUST COMPANY OF CANADA | ELLE MORTGAGE CORPORATION | C |
| AT6392707 | 2023/08/08 | DISCH OF CHARGE | | *** COMPLETELY DELETED *** | | |

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PAGE 5 OF 5
PREPARED FOR Anshu Agarwal
ON 2024/05/17 AT 16:32:01



* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

| REG. NUM. | DATE | INSTRUMENT TYPE | AMOUNT | PARTIES FROM | PARTIES TO | CERT/ CHKD |
|-----------|---------------------|-----------------|--------|--------------------|------------|---------------|
| | REMARKS: AT5881899. | | | VAULT CAPITAL INC. | | |

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Properties

PIN 06413 - 0226 LT
Description LT 23 PL 3757 SCARBOROUGH; TORONTO , CITY OF TORONTO
Address 69 FENWOOD HEIGHTS
 SCARBOROUGH

Source Instruments

| <i>Registration No.</i> | <i>Date</i> | <i>Type of Instrument</i> |
|-------------------------|-------------|---------------------------|
| AT5710370 | 2021 04 20 | Charge/Mortgage |

Party From(s)

Name COMPUTERSHARE TRUST COMPANY OF CANADA
Address for Service C/O EQUITYLINE SERVICES CORP.
 550 Hwy 7 Ave. E., Suite 338, Richmond
 Hill, Ontario L4B 3Z

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

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

Party To(s)*Capacity**Share*

Name ELLE MORTGAGE CORPORATION
Address for Service 1240 BAY STREET SUITE 202 , TORONTO, ON M5R 2A7

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number AT6366029 registered on 2023/06/30

This document relates to registration number(s)AT5710370, AT5710444, AT5886842 and AT6366029

Signed By

| | | | | |
|--------------------|--|-----------------------------|--------|------------|
| Subajini Niranjani | 202-1240 Bay St. Toronto M5R 2A7 | acting for Party From(s) | Signed | 2023 08 08 |
|--------------------|--|-----------------------------|--------|------------|

Tel 416-961-3809

Fax 416-961-5329

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

Submitted By

| | | |
|---------------------------|--|------------|
| TERRY M WALMAN LAW OFFICE | 202-1240 Bay St. Toronto M5R 2A7 | 2023 08 08 |
|---------------------------|--|------------|

Tel 416-961-3809

Fax 416-961-5329

Fees/Taxes/Payment

| | |
|-----------------------------------|---------|
| <i>Statutory Registration Fee</i> | \$69.00 |
| <i>Total Paid</i> | \$69.00 |

This is Exhibit "O" referred to in the Affidavit of Brendan Smith sworn before me at Toronto, Ontario, this 31st day of May, 2024.



Commissioner for Taking Affidavits

Calvin Peter Horsten, a
Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires June 14, 2025.

STRICTLY CONFIDENTIAL

April 23, 2024

To: Equityline SPV Limited Partnership, Equityline SPV GP Inc., and Equityline Services Corp.
550 Highway 7 Avenue East, Suite 338
Richmond Hill, Ontario L4B 3Z4

Attention: Sergiy Shchavyelyev, sergiy@equitylinemic.com

Dear Mr. Shchavyelyev (“you”):

Re: Credit facility granted by Equitable Bank (the “Lender” or “us”, variously) to Equityline SPV Limited Partnership (the “Borrower”)

Reference is made to:

- (i) the Credit Agreement dated as of August 5, 2021 among the Borrower, Equityline SPV GP Inc. (the “**General Partner**”), and the Lender (as amended or restated from time to time, the “**Credit Agreement**”), pursuant to which, the Lender made available to the Borrower an uncommitted senior secured revolving credit facility (the “**Facility**”);
- (ii) the Mortgage Sale and Servicing Agreement dated as of August 5, 2021 among the Borrower, as Purchaser, Equityline Services Corp. (the “**Servicer**”), and Equityline Financial Corp., as Seller (as amended or restated from time to time, the “**MSSA**”);
- (iii) the Title Custodian Acknowledgement Agreement dated as of August 5, 2021 among the Borrower, the Lender, and Computershare Trust Company of Canada (the “**Custodian**”)(the “**Acknowledgement Agreement**”); and
- (iv) the Custodial Agreement dated as of August 5, 2021 among the Borrower and the Custodian (the “**Custodian Agreement**”).

All capitalized terms used herein but undefined have the same meaning as ascribed to them in the Credit Agreement.

The Borrower is in default of its obligations contrary to Section 8.6 of the Custodian Agreement and the provisions of the Credit Agreement, including, without limitation, breaches of covenant and reporting defaults (collectively, the “**Existing Defaults**”).

Please note that the Lender continues to review and investigate its security position and additional defaults may be relied upon.

Each of the Existing Defaults constitutes an Event of Default under the Credit Agreement, and as a result, the Lender is hereby issuing its notice that:

- (i) no additional Advances shall be funded by the Lender under the Credit Agreement; and
- (ii) all of the unpaid principal amount of and accrued interest on the Advances and all other Obligations are immediately due and payable.

The Facility is a true demand loan, wholly discretionary on the part of the Lender, and the Lender may terminate any future use of the Facility and demand payment of the outstanding Obligations at anytime upon written notice. Accordingly, demand is hereby made upon you for full payment of the amount due and owing pursuant to the Credit Agreement, plus all further accrued and accruing interest, plus all costs associated with the collection of the foregoing amounts, including legal costs

on a solicitor and own client basis (the "**Indebtedness**"). The Indebtedness will continue to accrue interest, and costs and expenses will continue to be incurred by the Lender for which the Borrower will be responsible, until payment of all amounts owing is received by the Lender.

Please note that the Lender will take whatever steps it deems appropriate to seek repayment of the Indebtedness. The Lender reserves its rights to proceed against the Borrower at any time, whether it determines that its position is further jeopardized or otherwise, and, in any case, without the necessity of serving a new demand for payment.

As a result of the Existing Defaults, the Lender reserves its right to, as it is entitled to under the Credit Agreement, *inter alia*, charge interest in accordance with the provisions of Section 2.6 at the Default Interest Rate, request the delivery of any further documents, reports, financial information or portfolio information, charge additional administrative fees, and implement additional requirements and conditions under the Facility, each at the Lender's sole discretion.


Please be advised that the Lender not immediately proceeding against the Borrower to enforce its rights and remedies at this time shall in no way constitute a waiver of any Defaults under the Credit Agreement, associated security and/or loan documents, or otherwise, and the Lender hereby expressly reserves any and all of its rights and remedies under the Credit Agreement and related documents and agreements ancillary thereto, and otherwise at law. For greater certainty, all limitations contained as a result of any existing or future breaches of the Credit Agreement shall continue to be operative.


We also enclose a Notice of Intention to Enforce Security, which is delivered pursuant to subsection 244(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA Notice**"). The Lender hereby reserves its rights to initiate proceedings within the ten (10) day period set out in the BIA Notice, if circumstances warrant such proceedings.

If you have any questions, or wish to discuss resolution of the Indebtedness, please contact the undersigned.

Yours truly,

EQUITABLE BANK

Per: 
Name: Darren Lorimer
Title: SVP & Group Head, Commercial Banking

Per: 
Name: Mark Richter
Title: Managing Director, Specialized Finance

NOTICE OF INTENTION TO ENFORCE SECURITY
(*Bankruptcy and Insolvency Act*, Subsection 244(1))
DELIVERED BY REGISTERED MAIL AND EMAIL

To: **EquityLine SPV Limited Partnership**
550 Highway 7 Avenue East, Suite 338
Richmond Hill, ON L4B 3Z4
Insolvent company / person

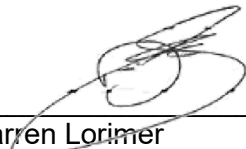
TAKE NOTICE that:

1. Equitable Bank (the “**Creditor**”), a secured creditor, intends to enforce the Creditor’s security on the accounts, proceeds and other personal property of EquityLine SPV Limited Partnership (the “**Debtor**”).
2. The security that is to be enforced (the “**Security**”) is in the form of, *inter alia*, a General Security Agreement issued by the Debtor to the Creditor on August 5, 2021, registration in respect of which has been effected under the *Personal Property Security Act* (Ontario), and a Title Custodian Acknowledgement Agreement dated as of August 5, 2021 among the Debtor, the Creditor, and Computershare Trust Company of Canada.
3. As of April 23, 2024, the total amount of indebtedness secured by the Security is \$13,617,097.50, plus accruing interest and costs of the Creditor (including, without limitation, its legal and other professional fees).
4. The Creditor will not have the right to enforce the Security until after the expiry of the ten (10) day period after this notice is sent, unless the Debtor consents to an earlier enforcement.

DATED at Toronto this 23rd day of April, 2024.

EQUITABLE BANK

Per:



Darren Lorimer
SVP and Group Head, Commercial Banking

Equitable Bank Tower
30 St. Clair Avenue West, Suite 700
Toronto, Ontario, M4V 3A1
Tel: 416-515-7000

Note: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

EQUITABLE BANK
Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP
Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF BRENDAN SMITH
(sworn May 31, 2024)

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Robb English (LSO # 19862F)

Tel: (416) 865-4748
Email: renglish@airdberlis.com

Miranda Spence (LSO # 60621M)

Tel: (416) 865-3414
Email: mspence@airdberlis.com

Lawyers for Equitable Bank

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, 2024
)

EQUITABLE BANK

Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

ORDER
(appointing Receiver)

THIS MOTION made by the Applicant for an Order pursuant to section 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. as receiver and manager ("**KSV**" and in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of EquityLine SPV Limited Partnership (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] sworn [May <*>, 2024] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of KSV to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, KSV Restructuring Inc. 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 "**Property**").

RECEIVER'S POWERS

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, but not obligated, 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;
- (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 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, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, 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 purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (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, the Property or the Receiver, and to settle or compromise any such proceedings. 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;
- (j) 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 may deem appropriate;
- (k) to 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 \$1,000,000, provided that the aggregate consideration for all such transactions does not exceed \$5,000,000, all before applicable taxes; 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*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) 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;
- (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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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 the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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 the Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that all right, title and interest in the Property held by Computershare Trust Company of Canada (“**Computershare**”) pursuant to a custodial agreement dated August 4, 2021 between Computershare and the Debtor (the “**Custodial Agreement**”), and a title custodian acknowledgment agreement with Equitable Bank, the Debtor and Computershare dated August 5, 2021 (the “**Title Custodian Acknowledgement Agreement**”) be hereby transferred and assigned to the Receiver and Computershare is hereby released from any liability or obligation under the Custodial Agreement and Title Custodian Acknowledgement Agreement without prejudice to Computershare’s right and ability to continue to rely those clauses of the Custodial Agreement and Title Custodian Acknowledgement Agreement that survive resignation or termination including without limitation, Section 8.11 of the Custodian Agreement.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) 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, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, 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 and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 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. Without limiting the generality of the foregoing, such Records includes those in the hands of EquityLine Services Corp.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer 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, 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 or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. 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.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), 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 OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property, including without limitation any and all Proceedings brought in the name of Computershare in respect of the Property ("**Unauthorized Proceedings**") shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings, including without limitation Unauthorized Proceedings, currently under way against or in respect of the Debtor 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 all rights and remedies against the Debtor, 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 shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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 the Debtor, 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 the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor 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 the Debtor's 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 the Debtor 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.

RECEIVER TO HOLD FUNDS

14. 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

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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 section 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 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, 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 the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. 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*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* 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

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out 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 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. 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

19. 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, liens, charges and encumbrances, statutory

or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.¹

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its 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.

21. 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

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by 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 \$2,000,000 (or such greater amount 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, 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 14.06(7), 81.4(4), and 81.6(2) of the BIA.

¹ 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".

23. 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.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. 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

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<<https://www.ksvadvisory.com/experience/case/equityline>>'.
'.

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol 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 the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

GENERAL

28. 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.

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Aird & Berlis LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists or may arise.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. 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.

32. 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.

33. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. 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.

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties EquityLine SPV Limited Partnership acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ___ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, 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*, 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.

DATED the ____ day of _____, 20__.

KSV Restructuring Inc., solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

EQUITABLE BANK

and

EQUITYLINE SPV LIMITED PARTNERSHIP

Applicant

Respondent

Court File No. CV-24-00721560-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at TORONTO

ORDER
(Appointing Receiver)

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street
Suite 1800
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Lawyers for Equitable Bank

TAB 4

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. — CV-24-00721560-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE) WEEKDAY, THE #
)
JUSTICE) DAY OF MONTH, ~~20YR~~2024
)

~~PLAINTIFF~~[†]

~~Plaintiff~~

~~EQUITABLE BANK~~

~~Applicant~~

- and -

~~DEFENDANT~~

~~Defendant~~

~~EQUITYLINE SPV LIMITED PARTNERSHIP~~

~~Respondent~~

ORDER
(appointing Receiver)

~~† 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.~~

THIS MOTION made by the ~~Plaintiff~~² Applicant for an Order pursuant to section 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. as receiver ~~[and manager]~~ ("**KSV**" and in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~ EquityLine SPV Limited Partnership (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of [NAME] sworn [~~DATE~~ May <*>, 2024] and the Exhibits thereto and on hearing the submissions of counsel for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of ~~[RECEIVER'S NAME]~~ KSV to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated³ so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~ KSV Restructuring Inc. 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 "**Property**").

~~²Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

~~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.~~

RECEIVER'S POWERS

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, but not obligated, 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;
- (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 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, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, 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 purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in

collecting such monies, including, without limitation, to enforce any security held by the Debtor;

- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (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, the Property or the Receiver, and to settle or compromise any such proceedings.⁴ 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;
- (j) 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 may deem appropriate;
- (k) to 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 \$ 1,000,000, provided that the aggregate consideration for all such transactions does not exceed \$ 5,000,000, all before applicable taxes; and

~~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 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.~~

- (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*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,⁵] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) 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;
- (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;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) 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 the Debtor;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the

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.~~

foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

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 the Debtor, and without interference from any other Person.

4. THIS COURT ORDERS that all right, title and interest in the Property held by Computershare Trust Company of Canada (“Computershare”) pursuant to a custodial agreement dated August 4, 2021 between Computershare and the Debtor (the “Custodial Agreement”), and a title custodian acknowledgment agreement with Equitable Bank, the Debtor and Computershare dated August 5, 2021 (the “Title Custodian Acknowledgement Agreement”) be hereby transferred and assigned to the Receiver and Computershare is hereby released from any liability or obligation under the Custodial Agreement and Title Custodian Acknowledgement Agreement without prejudice to Computershare’s right and ability to continue to rely those clauses of the Custodial Agreement and Title Custodian Acknowledgement Agreement that survive resignation or termination including without limitation, Section 8.11 of the Custodian Agreement.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. ~~4.~~ THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) 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. ~~5.~~ THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, 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 and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 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. Without limiting the generality of the foregoing, such Records includes those in the hands of EquityLine Services Corp.

7. ~~6.~~ THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer 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, 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 or other system and providing the Receiver with any and all access codes, account names and account numbers 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.

NO PROCEEDINGS AGAINST THE RECEIVER

9. ~~8.~~ THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), 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 OR THE PROPERTY

10. ~~9.~~ THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property, including without limitation any and all Proceedings brought in the name of Computershare in respect of the Property ("**Unauthorized Proceedings**") shall be commenced or continued except with the written consent of the Receiver or ~~with~~with leave of this Court and any and all Proceedings, including without limitation Unauthorized Proceedings, currently under way against or in respect of ~~the~~the Debtor 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 all rights and remedies against the Debtor, 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 shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the

Debtor 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 the Debtor, 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 statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor 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 the Debtor's 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 the Debtor 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.

RECEIVER TO HOLD FUNDS

14. ~~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

15. ~~14.~~ THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's 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 section 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 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. ~~15.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, 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 the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~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*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* 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

18. ~~17.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out 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 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. 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

19. ~~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 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, liens, charges and encumbrances, statutory

or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.⁶¹

20. ~~19.~~ THIS COURT ORDERS that the Receiver and its legal counsel shall pass its 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.

21. ~~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

22. ~~21.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by 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 \$~~_____~~2,000,000 (or such greater amount 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, 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 14.06(7), 81.4(4), and 81.6(2) of the BIA.

⁶¹ 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".

23. ~~22.~~ 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.

24. ~~23.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. ~~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 Certificates.

SERVICE AND NOTICE

26. ~~25.~~ THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) 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 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL '<[@https://www.ksvadvisory.com/experience/case/equityline](https://www.ksvadvisory.com/experience/case/equityline)>'.
'

27. ~~26.~~ THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol 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 the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor 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.

GENERAL

28. ~~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.

29. THIS COURT ORDERS that the Receiver may retain solicitors to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such solicitors may include Aird & Berlis LLP, solicitors for the Applicant herein, in respect of any matter where there is no conflict of interest. The Receiver shall, however, retain independent solicitors in respect of any legal advice or services where a conflict exists or may arise.

30. ~~28.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

31. ~~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.

32. ~~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.

33. ~~31.~~ THIS COURT ORDERS that the ~~Plaintiff~~Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the ~~Plaintiff~~Applicant's security or, if not so provided by the ~~Plaintiff~~Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

34. ~~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.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~KSV Restructuring Inc., the receiver and manager (the "**Receiver**") of the assets, undertakings and properties ~~[DEBTOR'S NAME]~~EquityLine SPV Limited Partnership acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the ____ day of _____, 20__ (the "Order") made in an action having Court file number __-CL-_____, 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*, 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.

DATED the ____ day of _____, 20__.

~~[RECEIVER'S NAME]~~ KSV Restructuring Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per: _____

Name:

Title:

52262223.1

EQUITABLE BANK

and

EQUITYLINE SPV LIMITED PARTNERSHIP

Applicant

Respondent

Court File No. CV-24-00721560-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceedings commenced at TORONTO

ORDER
(Appointing Receiver)

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
181 Bay Street
Suite 1800
Toronto, ON M5J 2T9

Robb English (LSO # 19862F)

Tel: (416) 865-4748

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Lawyers for Equitable Bank

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| Document 1 ID | iManage://cloudimanager.com/cm/60157856/1 |
| Description | #60157856v1<cloudimanager.com> - Model Receivership Order - Revised January 21, 2014 |
| Document 2 ID | iManage://cloudimanager.com/cm/60159487/4 |
| Description | #60159487v4<cloudimanager.com> - Draft Receivership Order |
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| Insertions | 92 |
| Deletions | 78 |
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| Format changes | 0 |
| Total changes | 170 |

TAB 5

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

BETWEEN:

EQUITABLE BANK

Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

**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 COURT-APPOINTED RECEIVER

KSV ADVISORY INC. hereby consents to act as the court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, over all of the assets, undertakings, and properties of EquityLine SPV Limited Partnership (the “**Debtor**”), acquired for or used in relation to a business or businesses carried on by the Debtor.

Dated at Toronto, Ontario this 5th day of June, 2024.

KSV Advisory Inc., solely in its capacity as
Receiver and not in its personal capacity

Per: 

Name: Noah Goldstein

Title: Managing Director

I have authority to bind the Corporation.

EQUITABLE BANK

Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

Court File No. CV-24-00721560-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

CONSENT TO ACT AS
COURT-APPOINTED RECEIVER

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
Toronto, ON M5J 2T9

Robb English (LSO # 19862F)

Tel: (416) 865-4748
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Miranda Spence (LSO # 60621M)

Tel: (416) 865-3414
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Lawyers for Equitable Bank

TAB 6

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

EQUITABLE BANK

Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP

Respondent

**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**

SERVICE LIST
(current as of June 5, 2024)

| | |
|------------|---|
| TO: | <p>AIRD & BERLIS LLP Brookfield Place 181 Bay Street, Suite 1800 Toronto, ON M5J 2T9</p> <p>Robb English Tel: (416) 865-4748 Email: renglish@airdberlis.com</p> <p>Miranda Spence Tel: (416) 865-3414 Email: mspence@airdberlis.com</p> <p><i>Lawyers for the Applicant, Equitable Bank</i></p> |
|------------|---|

| | |
|----------------|--|
| AND TO: | EQUITYLINE SPV LIMITED PARTNERSHIP 550 Highway 7 East, Suite 338 Richmond Hill, ON L4B 3Z4 Sergiy Shchavyelyev Tel: (416) 939-6376 Email: sergiy@equitylinemic.com <i>Respondent</i> |
| AND TO: | EQUITYLINE SPV GP INC. 550 Highway 7 East, Suite 338 Richmond Hill, ON L4B 3Z4 Sergiy Shchavyelyev Tel: (416) 939-6376 Email: sergiy@equitylinemic.com |
| AND TO: | EQUITYLINE SERVICES CORP. 550 Highway 7 East, Suite 338 Richmond Hill, ON L4B 3Z4 Sergiy Shchavyelyev Tel: (416) 939-6376 Email: sergiy@equitylinemic.com |
| AND TO: | EQUITYLINE MORTGAGE INVESTMENT CORPORATION 550 Highway 7 East, Suite 338 Richmond Hill, ON L4B 3Z4 Sergiy Shchavyelyev Tel: (416) 939-6376 Email: sergiy@equitylinemic.com |
| AND TO: | EQUITYLINE FINANCIAL CORP. 550 Highway 7 East, Suite 338 Richmond Hill, ON L4B 3Z4 Sergiy Shchavyelyev Tel: (416) 939-6376 Email: sergiy@equitylinemic.com |

| | |
|----------------|---|
| AND TO: | <p>DLA PIPER (CANADA) LLP 6000-100 King Street West Toronto, ON M5X 1E2</p> <p>Bruce Darlington Tel: (416) 365-3529 Email: bruce.darlington@dlapiper.com</p> <p>Tudor Carsten Tel: (416) 365-3505 Email: tudor.carsten@dlapiper.com</p> <p><i>Lawyers for Computershare Trust Company of Canada</i></p> |
| AND TO: | <p>KSV RESTRUCTURING INC. 220 Bay Street, 13th Floor Toronto, ON M5J 2W4</p> <p>Mitch Vininsky Tel: (416) 932-6013 Email: mvininsky@ksvadvisory.com</p> <p>Noah Goldstein Tel: (416) 932-6207 Email: ngoldstein@ksvadvisory.com</p> <p><i>Proposed Receiver</i></p> |
| AND TO: | <p>THORNTON GROUT FINNIGAN LLP Toronto-Dominion Centre 100 Wellington Street West, Suite 3200 Toronto, ON M5K 1K7</p> <p>Rebecca Kennedy Tel: (416) 304-0603 Email: rkennedy@tgf.ca</p> <p><i>Lawyer for KSV Restructuring Inc.</i></p> |
| AND TO: | <p>TERRY WALMAN 202-1240 Bay Street Toronto, ON M5R 2A7 Tel: (416) 961-3809 Email: terry@terrywalman.com</p> |

| | |
|----------------|---|
| AND TO: | OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA 151 Yonge Street, 4 th Floor Toronto, ON M5C 2W7 Email: osbservice-bsfservice@ised-isde.gc.ca |
| AND TO: | ATTORNEY GENERAL OF CANADA Department of Justice of Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca |
| AND TO: | HIS MAJESTY THE KING IN RIGHT OF CANADA as represented by Ministry of Finance Legal Services Branch Revenue Collections Branch – Insolvency Unit 33 King Street West, 6 th Floor Oshawa, ON L1H 8H5 Email: insolvency.unit@ontario.ca |

EMAIL SERVICE LIST

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ngoldstein@ksvadvisory.com; rkennedy@tgf.ca; osbservice-bsfservice@ised-isde.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; insolvency.unit@ontario.ca; terry@terrywalman.com

EQUITABLE BANK
Applicant

- and -

EQUITYLINE SPV LIMITED PARTNERSHIP
Respondent

Court File No. CV-24-00721560-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPLICATION RECORD OF
EQUITABLE BANK

AIRD & BERLIS LLP

Brookfield Place
181 Bay Street, Suite 1800
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Lawyers for Equitable Bank