

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

B E T W E E N:

**KINGSETT MORTGAGE CORPORATION and FIRST SOURCE FINANCIAL
MANAGEMENT INC.**

Applicants

- and -

MAPLEQUEST VENTURES INC. AND DIGRAM DEVELOPMENTS CALEDON INC.

Respondents

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

**APPLICATION RECORD
VOLUME I OF II
(Returnable June 26, 2024)**

June 14, 2024

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TO: **THE SERVICE LIST**

Court File No.: CV-24-00722148-00CL

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

BETWEEN:

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

**SERVICE LIST
(As at June 14, 2024)**

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TAB 1



Court File No.

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NOTICE OF APPLICATION

TO THE RESPONDENT

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

THIS APPLICATION will come on for a hearing

- In writing
- In person
- By telephone conference
- By video conference

at the following location:

At a Zoom link to be provided by the Ontario Superior Court of Justice (Commercial List) on June 26, 2024 at 11:00 a.m. (or as soon after such time as the application may be heard).

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

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

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

Date June 14, 2024

Issued by

Local Registrar

Address of 330 University Avenue
court office: Toronto ON M5G 1R7

TO: **THE SERVICE LIST**

APPLICATION**1. THE APPLICANT MAKES APPLICATION FOR:**

- (a) An order substantially in the form attached as Tab 3 of the Application Record (the “**Receivership Order**”) pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43, as amended (the “**CJA**”), among other things:
- (i) if necessary, abridging the time for and validating the service of this Notice of Application and the Applicants’ Application Record and dispensing with further service thereof;
- (ii) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of (i) the real property legally described in Schedule “A” to the proposed Receivership Order (the “**Heritage Road Real Property**”), (ii) the real property legally described in Schedule “B” to the proposed Receivership Order (the “**Countryside Real Property**”), (iii) the real property legally described in Schedule “C” to the proposed Receivership Order (the “**Mayfield Development Land Real Property**”), (iv) the real property legally described in Schedule “D” to the proposed Receivership Order (the “**Mayfield Remainder Parcel Real Property**”) and, together with the Heritage Road Real Property, the Countryside Real Property and the Mayfield Development Land Real Property, the “**Real Property**”) and the Personal Property (as defined below and, collectively with the Real Property, the “**Property**”);
- (iii) granting a first-ranking super-priority charge (the “**Receiver's Charge**”) over the Property in favour of the Receiver and the Receiver's counsel to secure their fees and disbursements in respect of these proceedings (these “**Receivership Proceedings**”); and

- (iv) granting a second-ranking super-priority charge (the “**Receiver's Borrowings Charge**”) over the Property for the purpose of funding the exercise of the powers and duties conferred upon the Receiver pursuant to the proposed Receivership Order; and
- (b) Such further and other Relief as to this Honourable Court may seem just.

2. THE GROUNDS FOR THE APPLICATION ARE:

The Parties

- (a) The Applicants, KingSett Mortgage Corporation (“**KingSett**”) and First Source Financial Management Inc. (“**First Source**”) are the senior secured lenders of Maplequest Ventures Inc. (“**Maplequest**”);
- (b) Digram Developments Caledon Inc. (“**Digram Developments**”) and, together with Maplequest, the “**Debtors**”) has granted certain security to KingSett in connection with the borrowings of Maplequest from KingSett;
- (c) KingSett is incorporated pursuant to the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, with a registered head office located at 40 King Street West, Toronto, Ontario, M5H 3Y2. KingSett is a subsidiary of KingSett Capital Inc., a private equity real estate investment firm with approximately \$19.5 billion in assets under management;
- (d) First Source is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, with a registered head office located at 2235 Sheppard Ave East, 1202, North York, Ontario, M2J 5B5. First Source has issued three notes secured

by the Indebtedness owing under the First Source Facility, with KingSett holding notes totaling \$26,554,622 of the \$41,250,000.00 First Source Facility;

- (e) Maplequest is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, with a registered head office located at 40 Vogell Road, Suite 51, Richmond Hill, Ontario, L4B 3N6;
- (f) Digram Developments is incorporated pursuant to the Business Corporations Act, R.S.O. 1990, c. B.16, with a registered head office located at 40 Vogell Road, Suite 51, Richmond Hill, Ontario, L4B 3N6;
- (g) Maplequest is a privately held real estate development company and the registered owner of the Heritage Road Real Property and the Countryside Real Property. Digram Developments is also a privately held real estate development company and is the registered owner of the Mayfield Development Land Real Property and the Mayfield Remainder Parcel Real Property. Maplequest is currently developing residential development projects on substantially all of the Real Property;

The Real Property and the Financing Thereof

- (h) The Real Property and the Projects (as defined below) being developed thereon are comprised of the following:
 - (i) the Heritage Road Real Property, being a property located at 10475 Heritage Road, Brampton, Ontario, being PIN 14363-0076 (LT). The Heritage Road Real Property is an approximately 50-acre residential site and is being developed into 147 townhouse units, 288 midrise apartment units and 1,599 high-rise apartment units (the “**Heritage Road Project**”);

- (ii) the Countryside Real Property, being properties located at 11229 and 11258 Torbram Road, Brampton, Ontario, being PIN 14222-0328 (LT) and PIN 14222-0326 (LT), respectively.¹ The Countryside Real Property has a total site area of approximately 19.91 acres and is being developed into 144 low-density single-family dwellings and 27 freehold medium density townhome dwellings (the “**Countryside Project**” and, together with the Heritage Road Project, the “**Projects**”), having a total of 9,422 linear front feet;
- (iii) the Mayfield Development Land Real Property, being properties (i) located at 4 Breckonwood Street, Caledon, Ontario, being PIN 14235-6765 (the “**Breckonwood Development Land**”), (ii) located at Dotchson Avenue, Caledon, Ontario, being PIN 14235-6794 (the “**Dotchson Development Land**”), (iii) located at 18 Portman Street, Caledon, Ontario, being PIN 14235-6979 (the “**Portman Development Land**”), and (iv) located at 54 Phyllis Drive, Caledon, Ontario, being PIN 14235-6773 (the “**Phyllis Development**”); and
- (iv) the Mayfield Remainder Parcel Real Property, being properties (i) abutting the lands municipally known as 54 Phyllis Drive, Caledon, Ontario, being PIN 14235-5967 (the “**Phyllis Remainder Parcel**”), (ii) abutting the lands municipally known as 18 Portman Street, Caledon, Ontario, being PIN 14235-6280 (the “**Portman Remainder Parcel**”), and (iii) abutting the lands municipally known as 4 Breckonwood, being PIN 14235-6286 (the “**Breckonwood Remainder Parcel**”);
- (i) In connection with Maplequest’s development of the Heritage Road Real Property and the Countryside Real Property and the Projects, KingSett and First Source extended certain of Maplequest’s loan facilities (collectively, the “**Loan**”

¹ Prior to June 1, 2023, the Countryside Real Property also included PIN 14222-0290 and PIN 14222-0291. Pursuant to the First Source Commitment Letter (defined below), First Source permitted Maplequest to discharge PIN 14222-0290 and PIN 14222-0291. On June 1, 2023, First Source’s PPSA registrations against, and mortgage interests in, PIN 14222-0290 and PIN 14222-0291 were discharged.

Facilities”), under which Loan Facilities there are aggregate principal amounts outstanding as of April 22, 2024 of \$47,954,224.90 and \$41,250,000.00, respectively;

- (j) As described below, the Debtors granted various security to secure the payment and performance of the Indebtedness;

The Security

- (k) Pursuant to a commitment letter dated July 28, 2017 (as amended by amendments dated August 30, 2017, October 25, 2019, November 16, 2020, August 19, 2021 and November 25, 2022, the “**KingSett Commitment Letter**”) between KingSett as Lender, Maplequest as Borrower, and Muhammad Ikhlaq Memon and Digram Developments as Guarantors, KingSett agreed to provide the KingSett Facility;
- (l) Various security was granted to KingSett to secure the KingSett Facility, including mortgages over the Heritage Road Property, the Countryside Real Property, the Mayfield Remainder Parcel Real Property and the Mayfield Development Land Real Property (collectively, the “**KingSett Mortgages**”), and a general security agreement between the parties (the “**KingSett GSA**”);
- (m) The payment and performance of all of Maplequest’s indebtedness and obligations under the KingSett Commitment Letter has been jointly and severally guaranteed by Muhammad Ikhlaq Memon and Digram Developments;
- (n) Pursuant to a commitment letter dated August 31, 2020 (as amended by an amendment dated October 29, 2020, an increase and extension agreement dated

March 11, 2022, and an extension agreement dated April 27, 2023, the “**First Source Commitment Letter**”) between First Source Mortgage Corporation, as Lender, Maplequest as Borrower, and Ali Memon, Muhammad Ikhlaq Memon and 2608289 Ontario Limited, as Guarantors, First Source agreed to provide the First Source Facility;

- (o) Various security was granted to First Source under the First Source Facility, including a mortgage over the Countryside Real Property (the “**First Source Mortgage**”) and a general security agreement (the “**First Source GSA**”);
- (p) The payment and performance of all of Maplequest’s indebtedness under the First Source Facility is guaranteed by Ali Memon, Muhammad Ikhlaq Memon and 2608289 Ontario Limited on a joint and several basis;

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

- (q) Maplequest missed two months of interest payments under both the KingSett Commitment Letter, pursuant to which the underlying loan matured on March 1, 2024, and the First Source Commitment Letter, pursuant to which the underlying loan matured on May 8, 2024;
- (r) Therefore, on April 25, 2024, the Applicants issued demand letters to Maplequest and the Guarantors advising that Maplequest was in default under:
 - (i) the KingSett Commitment Letter, the KingSett Mortgages, the KingSett GSA and other security (the “**KingSett Loan and Security Documents**”); and

- (ii) the First Source Commitment Letter, the First Source Mortgage, the First Source GSA and other security (the “**First Source Loan and Security Documents**” and together with the KingSett Loan and Security Documents, the “**Loan and Security Documents**”);
- (s) These demand letters were issued contemporaneously with notices of intention to enforce security in accordance with section 244 of the BIA;
- (t) On June 5, 2024, KingSett issued a subsequent letter to Digram Developments, together with a notice of intention to enforce security in accordance with section 244 of the BIA;
- (u) Notwithstanding the issuance of these demand letters, the entirety of the Indebtedness remains outstanding and no prospect for immediate repayment, in whole or in part, has materialized to date;

The Receiver’s Appointment

- (v) Maplequest and the Guarantors (which includes Digram Developments) are in default of their obligations under the Loan and Security Documents and are unable to repay the Indebtedness;
- (w) The Applicants have engaged in efforts to reach a consensual resolution with the Debtors, including by meeting with and introducing the Debtors to prospective buyers interested in the Real Property; however, these meetings did not lead to a resolution;

- (x) In the circumstances, the Applicants have lost all confidence in the Debtors' ability to continue to satisfy the Debtors' significant obligations, obtain refinancing, manage the Property and complete the Projects in a timely manner or at all. The Applicants have likewise lost all faith in the Debtors' ability to protect the Property by which the Indebtedness is secured;
- (y) In furtherance of their contractual rights, the Applicants have commenced these Receivership Proceedings to protect their respective investments and preserve and maximize the value of the Property;
- (z) These Receivership Proceedings will provide the stability, structure and supervision required to preserve the value of the Property, including the Projects, and will provide the most effective and appropriate means of attending to, securing and advancing the development of the Projects as and where appropriate, and effecting an orderly, efficient and transparent sale of the Property, with a view to maximizing recoveries for, and distributing funds to, the Debtors' stakeholders;
- (aa) KSV is prepared to act as Receiver if so appointed;

Other Grounds

- (bb) Sections 243 and 244 of the BIA;
- (cc) Section 101 of the CJA;
- (dd) Rules 1.04, 1.05, 2.01, 2.03, 3.02, 14.05(2), 16, 38 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and

(ee) Such further and other grounds as the lawyers may advise and this Honourable Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE APPLICATION:

- (a) The affidavit of Daniel Pollack, sworn June 14, 2024;
- (b) The consent of KSV to act as Receiver; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

June 14, 2024

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INC.**

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SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

NOTICE OF APPLICATION

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Lawyers for the Applicants

TAB 2

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

BETWEEN:

**KINGSETT MORTGAGE CORPORATION AND FIRST SOURCE FINANCIAL
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**AFFIDAVIT OF DANIEL POLLACK
(Sworn June 14, 2024)**

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

AND SAY:

1. I am an Executive Director, Special Loans and Portfolio Management, of KingSett Capital Inc. (“**KingSett Capital**”). KingSett Mortgage Corporation (“**KingSett**”) is a subsidiary of KingSett Capital. I have responsibility for matters pertaining to the borrowings of Maplequest Ventures Inc. (“**Maplequest**”) from KingSett. I also have knowledge and information pertaining to the borrowings of Maplequest from First Source Financial Management Inc. (“**First Source**”, and together with KingSett, the “**Applicants**”), in respect of which KingSett holds the First Source Notes (as defined below). I also have knowledge and information pertaining to the security granted by Digram Developments Caledon Inc. (“**Digram Developments**” and, together with Maplequest, the “**Debtors**”) to KingSett in connection with the borrowings of Maplequest from KingSett. As

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

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

- (a) appointing KSV Restructuring Inc. (“**KSV**”) as receiver and manager (in such capacity, the “**Receiver**”) without security, of (i) the real property legally described in Schedule “A” to the proposed Receivership Order (the “**Heritage Road Real Property**”), (ii) the real property legally described in Schedule “B” to the proposed Receivership Order (the “**Countryside Real Property**”), (iii) the real property legally described in Schedule “C” to the proposed Receivership Order (the “**Mayfield Development Land Real Property**”), (iv) the real property legally described in Schedule “D” to the proposed Receivership Order (the “**Mayfield Remainder Parcel Real Property**”) and, together with the Heritage Road Real Property, the Countryside Real Property and the Mayfield Development Land Real Property, the “**Real Property**”) and the Personal Property (as defined below and, collectively with the Real Property, the “**Property**”);
- (b) granting a first-ranking super-priority charge (the “**Receiver’s Charge**”) over the Property in favour of the Receiver and the Receiver’s counsel to secure their fees and disbursements in respect of these proceedings (these “**Receivership Proceedings**”); and

- (c) granting a second-ranking super-priority charge (the “**Receiver’s Borrowings Charge**”) over the Property for the purpose of funding the exercise of the powers and duties conferred upon the Receiver pursuant to the proposed Receivership Order.

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

4. This affidavit is organized into the following subsections:

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A. Overview

5. As described in greater detail below, Maplequest is a privately held real estate development company and the registered owner of the Heritage Road Real Property and the Countryside Real Property. Digram Developments is also a privately held real estate development company and is the registered owner of the Mayfield Development Land Real Property and the Mayfield Remainder Parcel Real Property. Maplequest is currently developing residential development projects on substantially all of the Real Property.

6. The Real Property and the Projects (as defined below) being developed thereon are comprised of the following:

- (a) the Heritage Road Real Property, being a property located at 10475 Heritage Road, Brampton, Ontario, being PIN 14363-0076 (LT). The Heritage Road Real Property is an approximately 50-acre residential site and is being developed into 147 townhouse units, 288 midrise apartment units and 1,599 high-rise apartment units (the “**Heritage Road Project**”);
- (b) the Countryside Real Property, being properties located at 11229 and 11258 Torbram Road, Brampton, Ontario, being PIN 14222-0328 (LT) and PIN 14222-0326 (LT), respectively.¹ The Countryside Real Property has a total site area of approximately 19.91 acres and is being developed into 144 low-density single-family dwellings and 27 freehold medium density townhome dwellings (the “**Countryside Project**” and, together with the Heritage Road Project, the “**Projects**”), having a total of 9,422 linear front feet;
- (c) the Mayfield Development Land Real Property, being properties (i) located at 4 Breckonwood Street, Caledon, Ontario, being PIN 14235-6765 (the “**Breckonwood Development Land**”), (ii) located at Dotchson Avenue, Caledon, Ontario, being PIN 14235-6794 (the “**Dotchson Development Land**”), (iii) located at 18 Portman Street, Caledon, Ontario, being PIN 14235-6979 (the “**Portman Development Land**”), and (iv) located at 54 Phyllis Drive, Caledon, Ontario, being PIN 14235-6773 (the “**Phyllis Development**”); and

¹ Prior to June 1, 2023, the Countryside Real Property also included PIN 14222-0290 and PIN 14222-0291. Pursuant to the First Source Commitment Letter (defined below), First Source permitted Maplequest to discharge PIN 14222-0290 and PIN 14222-0291. On June 1, 2023, First Source’s PPSA registrations against, and mortgage interests in, PIN 14222-0290 and PIN 14222-0291 were discharged.

(d) the Mayfield Remainder Parcel Real Property, being properties (i) abutting the lands municipally known as 54 Phyllis Drive, Caledon, Ontario, being PIN 14235-5967 (the “**Phyllis Remainder Parcel**”), (ii) abutting the lands municipally known as 18 Portman Street, Caledon, Ontario, being PIN 14235-6280 (the “**Portman Remainder Parcel**”), and (iii) abutting the lands municipally known as 4 Breckonwood, being PIN 14235-6286 (the “**Breckonwood Remainder Parcel**”).

7. In connection with Maplequest’s development of the Heritage Road Real Property and the Countryside Real Property and the Projects, KingSett and First Source extended certain of Maplequest’s loan facilities (collectively, the “**Loan Facilities**”), under which Loan Facilities there are aggregate principal amounts outstanding as of April 22, 2024 of \$47,954,224.90 and \$41,250,000.00, respectively. The Applicants are Maplequest’s senior secured lenders.

8. Maplequest’s indebtedness and obligations to KingSett are also guaranteed by Muhammad Ikhlq Memon and Digram Developments on a joint and several basis (the “**Heritage Road Guarantors**”) pursuant to a Guarantee dated August 28, 2017. Maplequest’s indebtedness and obligations to First Source are also guaranteed by Ali Memon, Muhammad Ikhlq Memon, and 2608289 Ontario Limited on a joint and several basis (the “**Countryside Guarantors**” and collectively with the Heritage Road Guarantors, the “**Guarantors**”) pursuant to a Guarantee dated November 30, 2020.

9. Certain events of default have arisen under the Loan and Security Documents (as defined and discussed below). The events of default under the Loan and Security Documents prompted the Applicants to issue demand letters on April 25, 2024 and June 5, 2024 (the “**Demand Letters**”) to Maplequest and the Guarantors (which includes Digram Developments), respectively, for the repayment of all of Maplequest’s indebtedness to the Applicants. The Demand Letters issued to

the Debtors attached notices of intention to enforce security in accordance with section 244 of the BIA (the “NITES”).

10. The entirety of the Debtors’ indebtedness to the Applicants demanded by KingSett and First Source under the Demand Letters (the “**Indebtedness**”), being \$49,284,800.07 (as of June 3, 2024) and \$41,840,688.68 (as of April 15, 2024), respectively, remains outstanding and interest, fees and costs have accrued since then and continue to accrue.

11. The Loan and Security Documents contemplate the right to appoint or seek the appointment of a receiver over the Property.

12. The Applicants have commenced these Receivership Proceedings with a view to preserving and maximizing the value of the Property and facilitating the completion and/or sale of the Real Property and the Projects, as applicable, to maximize recoveries for the Debtors’ stakeholders.

13. Given the events of default under the Loan and Security Documents, the Applicants’ contractual rights, the Debtors’ inability to repay or refinance the Indebtedness, and the status, magnitude and complexity of the Projects, the Applicants believe that these Receivership Proceedings are in the best interests of the Debtors’ stakeholders in the circumstances.

B. The Parties

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

15. First Source is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, with a registered head office located at 2235 Sheppard Ave East, 1202, North York, Ontario, M2J 5B5. First Source has issued three notes secured by the Indebtedness owing under the First Source Facility, with KingSett holding notes totaling \$26,554,622 of the \$41,250,000.00 First Source Facility (the “**First Source Notes**”).

16. Maplequest is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, with a registered head office located at 40 Vogell Road, Suite 51, Richmond Hill, Ontario, L4B 3N6. Maplequest’s directors are Ali Muhammad Memon and Muhammad Ikhlaq Memon. A copy of Maplequest’s Corporate Profile Report dated June 11, 2024 is attached hereto as **Exhibit “A”**.

17. Digram Developments is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, with a registered head office located at 40 Vogell Road, Suite 51, Richmond Hill, Ontario, L4B 3N6. Digram Developments’ directors are Ali Muhammad Memon and Muhammad Ikhlaq Memon. A copy of Digram Developments’ Corporate Profile Report dated June 11, 2024 is attached hereto as **Exhibit “B”**.

18. 2608289 Ontario Ltd. is incorporated pursuant to the *Business Corporations Act*, R.S.O. 1990, c. B.16, with a registered head office located at 40 Vogell Road, Suite 51, Richmond Hill, Ontario, L4B 3N6. A copy of 2608289 Ontario Ltd.’s Corporate Profile Report dated June 11, 2024 is attached hereto as **Exhibit “C”**.

C. Indebtedness Owing to the Applicants and Related Security

19. The Loan Facilities extended in connection with Maplequest’s development of the Heritage Road Real Property and the Countryside Real Property consist of the following:

- (a) a \$49,495,000 non-revolving, demand first mortgage land loan, inclusive of an interest reserve, which was most recently increased by \$7,780,000, provided by KingSett for the benefit of Maplequest and guaranteed by Muhammad Ikhlaq Memon and Digram Developments through a commitment letter dated July 28, 2017 (as amended, the “**KingSett Facility**”);² and
- (b) a facility which is the lesser of: (i) \$41,250,000 or (ii) 55.25% of the “as-is” appraised value of the property³ provided by First Source for the benefit of Maplequest and guaranteed by Ali Memon, Muhammad Ikhlaq Memon and 2608289 Ontario Limited through a commitment letter dated August 31, 2020 (as amended, the “**First Source Facility**”);⁴

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

(a) **The KingSett Facility**

21. Pursuant to a commitment letter dated July 28, 2017 (as amended by amendments dated August 30, 2017, October 25, 2019, November 16, 2020, August 19, 2021 and November 25, 2022, the “**KingSett Commitment Letter**”) between KingSett as Lender, Maplequest as

² The KingSett Facility was initially a \$24,000,000 non-revolving, demand first mortgage land loan, inclusive of a \$1,980,000 interest reserve, and has been updated periodically pursuant to the amendments to the KingSett Commitment Letter (as defined below).

³ The Commitment Letter and amendments require an appraisal, by First Source’s approved appraiser, addressed to First Source and its clients, or if acceptable to First Source, a Reliance Letter provided by the appraiser, confirming the “as-is” land value.

⁴ The First Source Facility was initially in the amount of the lesser of (i) \$42,250,000 or (ii) 59.09% of the “As-Is” Appraised Value of the Property (as defined therein) but was reduced by an Extension Agreement dated April 27, 2023.

Borrower, and Muhammad Ikhlaq Memon and Digram Developments as Guarantors, KingSett agreed to provide the KingSett Facility. A copy of the KingSett Commitment Letter is attached hereto as **Exhibit “D”**.

22. Under the terms of the KingSett Commitment Letter, the KingSett Facility (i) bears interest at the RBC Prime Rate +5.80% (Floor rate of 8.25%) per annum calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the KingSett Facility and (ii) matured on March 1, 2024. As of June 3, 2024, the total indebtedness under the KingSett Commitment Letter was \$49,284,800.07. Interest, fees, and costs have since accrued and continue to accrue.

23. Various security was granted to KingSett to secure the KingSett Facility (the “**KingSett Security**”). Principally, the KingSett Security includes:

- (a) Registered mortgages over the Heritage Road Real Property, originally in the principal amount of \$30,000,000 granting a first fixed charge against the Heritage Road Project on November 22, 2017 (“**Initial Heritage Road Mortgage**”), in the amount of \$6,875,000 registered on February 13, 2019, and in the amount of \$6,875,000 registered on February 13, 2019. These charges were amended by a Notice re: Mortgage Amending Agreement increasing the principal amount of the Initial Heritage Road Mortgage to \$50,340,291 and amended by a Notice re: Mortgage Amending Agreement increasing the principal amount of the Initial Heritage Road Mortgage to \$59,565,058 (collectively, the “**Heritage Road Mortgages**”);

- (b) Registered mortgages over the Countryside Real Property, registered on September 2, 2021, originally in the amount of \$40,272,233 (the “**Initial Countryside Mortgage**”). These mortgages were amended by a Notice re: Amendment to Charge on May 4, 2023 increasing the principal amount of the Initial Countryside Mortgage to \$49,495,000 (collectively, the “**Countryside Mortgages**”);
- (c) Registered mortgages over the Mayfield Remainder Parcel Real Property, being:
- (a) the Phyllis Remainder Parcel, originally in the amounts of \$45,375,000 registered on February 21, 2020, in the amount of \$6,250,000 registered on February 21, 2020, in the amount of \$6,875,000 registered on April 28, 2021, and in the amount of \$6,875,000 registered on April 28, 2021; (b) the Portman Remainder Parcel, originally in the amounts of \$45,375,000 registered on March 31, 2021, and in the amount of \$6,250,000 registered on March 31, 2021; and (c) the Breckonwood Remainder Parcel, originally in the amounts of \$45,375,000 registered on February 19, 2020, and in the amount of \$6,250,000 registered on February 19, 2020 (collectively, the “**Mayfield Remainder Parcel Mortgages**”);
- (d) Registered mortgages over (a) the Portman Development Land, originally in the amounts of \$45,375,00 registered on January 29, 2016 and in the amount of \$6,250,000 registered on December 20, 2016, \$6,250,000 registered on February 1, 2018 and \$45,375,000 registered on February 1, 2018; (b) the Breckonwood Development Land, originally in the amounts of \$45,375,000 registered on January 29, 2016 and \$6,250,000 registered on December 20, 2016; (c) the Dotchson Development Land, originally in the amounts of \$45,375,000 registered on January 29, 2016 and in the amount of \$6,250,000 registered on December 20, 2016; and

- (d) the Phyllis Development Land, originally in the amounts of \$45,375,000 registered on January 29, 2016, in the amount of \$6,250,000 registered on December 20, 2016, in the amount of \$6,875,000 registered on April 28, 2021 and in the amount of \$6,875,000 registered on April 28, 2021 (collectively, the “**Mayfield Development Land Mortgages**” and, together with the Heritage Road Mortgages, the Countryside Mortgages and the Mayfield Remainder Parcel Mortgages, the “**KingSett Facility Mortgages**”);⁵
- (e) General assignment of rents and leases registered on title to the Heritage Road Project;
- (f) KingSett GSA, as defined below;
- (g) General assignment of all current and future material contracts for the Heritage Road Project including, without limitation, those relating to engineering specifications and drawings, architectural specifications and drawings, plans, licenses and permits;
- (h) Specific assignment of any and all easement, access, egress, maintenance, parking, crane swing, tie-back and other agreements with neighbouring land owners to the Heritage Road Project in scope, form and content acceptable to KingSett;

⁵ The Mayfield Remainder Parcel Mortgages and the Mayfield Development Land Mortgages were initially registered pursuant to prior agreements between Digram Developments and KingSett, provided that it was agreed in the KingSett Commitment Letter that they would be further granted to KingSett pursuant to the KingSett Commitment Letter.

- (i) General assignment of individual agreements of purchase and sale pertaining to the Heritage Road Project, including builder/purchaser deposits, registered under the PPSA (defined below);
- (j) Assignment of profit and equity related to the Mayfield West Phase 1 Development;
and
- (k) Assignment of profit and equity related to the Mayfield West Phase 2 & 3 Development.

24. The KingSett Facility Mortgages (and general assignment of rents and leases for the Heritage Road Project) were registered on title to the Heritage Road Real Property, Countryside Real Property, Mayfield Remainder Parcel Real Property and the Mayfield Development Land Real Property, copies of the registration of which are attached hereto as **Exhibits “E” to “I”**, as reflected in the parcel register attached as **Exhibit “J”**.

25. Maplequest, as Debtor, and KingSett, as Lender, are party to a General Security Agreement dated as of August 28, 2017, whereby Maplequest agreed to grant to KingSett, by way of mortgage, charge, assignment and transfer, a security interest in the undertaking of Maplequest in all Goods, Chattel Paper, Documents of Title, Instruments, Intangibles, and Securities (as defined in the PPSA (as defined below)) owned or acquired by or on behalf of Maplequest and in all proceeds and renewals thereof, accretions thereto and substitutions therefor, to the extent associated with Maplequest’s business and assets situate in the City of Brampton (collectively, the “**Maplequest KS Personal Property Collateral**”), to secure payment and satisfaction of all indebtedness arising out of the KingSett Commitment Letter (the “**KingSett GSA**”). A copy of the KingSett GSA is attached hereto as **Exhibit “K”**. The security interest granted to KingSett pursuant to the KingSett

GSA was registered under the *Personal Property Security Act* (Ontario) (the “**PPSA**”) on October 27, 2016, creating a security interest over all the Maplequest KS Personal Property Collateral and is reflected in the search results conducted against Maplequest attached hereto as **Exhibit “L”**.

26. The payment and performance of all of Maplequest’s indebtedness and obligations under the KingSett Commitment Letter has been jointly and severally guaranteed by Muhammad Ikhlq Memon and Digram Developments (the “**KingSett Guarantee**”). A copy of the KingSett Guarantee dated August 28, 2017 is attached hereto as **Exhibit “M”**.

(b) The First Source Facility

27. Pursuant to a commitment letter dated August 31, 2020 (as amended by an amendment dated October 29, 2020, an increase and extension agreement dated March 11, 2022, and an extension agreement dated April 27, 2023, the “**First Source Commitment Letter**”) between First Source Mortgage Corporation, as Lender, Maplequest as Borrower, and Ali Memon, Muhammad Ikhlq Memon and 2608289 Ontario Limited, as Guarantors, First Source agreed to provide the First Source Facility. A copy of the First Source Commitment Letter is attached hereto as **Exhibit “N”**.

28. Under the terms of the First Source Commitment Letter, the First Source Facility bears interest as follows:

- (a) Commencing May 1, 2023, the higher of (i) 8.50% or (ii) CIBC Prime + 6.05% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after May 1, 2023;

- (b) The higher of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated monthly with no deemed reinvestment of monthly payments on the principal outstanding for the final 7 days of the term; and
- (c) On and after May 8, 2024, unless an extension agreement was previously arranged and executed in writing between Maplequest and First Source, the rate on funds advanced is fixed at the higher of (i) 18.00% or (ii) CIBC Prime+ 15.55% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

29. The First Source Facility matured on May 8, 2024. As of April 25, 2024, the total indebtedness under the First Source Facility was \$41,840,688.68. Interest, fees and costs have accrued and continue to accrue.

30. Various security was granted to First Source under the First Source Facility (the “**First Source Security**”). Principally the First Source Security includes:

- (a) Promissory Note from the Borrower;
- (b) First charge on the Countryside Real Property registered on November 30, 2020 in favour of First Source Financial Management Inc. in the amount of \$50,700,000 (the “**First Source Mortgage**”). This charge was amended by a Notice re: Amendment to Charge on April 11, 2022, amending the principal amount of the First Source Mortgage to \$71,400,000, and was amended by a Notice re: Amendment to Charge on June 1, 2023, decreasing the principal amount of the First Source Mortgage to \$49,500,000;

- (c) General assignment of rents and leases registered on title to the Countryside Project;
- (d) First Source GSA, as defined below;
- (e) First assignment of all plans, approvals and development information as it relates to the plans for the development of the Countryside Real Property throughout the term of the First Source Facility with full copies to be provided prior to funding;
- (f) Subordination and Postponement of Claim from shareholders of Maplequest; and
- (g) First Mortgage Instrument to include a covenant of no subsequent financing without written consent of First Source, which may be unreasonably withheld;

31. First Source's mortgage and general assignment of rents and leases were registered on title to the Countryside Real Property, copies of the registration of which are attached hereto as **Exhibits "O" to "P"**, as reflected in the parcel register attached as **Exhibit "J"**.

32. Maplequest, as Debtor, and First Source, as the Secured Party, are party to a General Security Agreement dated as of November 30, 2020, whereby Maplequest agreed to assign, transfer, mortgage and charge to and in favour of First Source all of its rights, title and interest in and to all present and future Goods (as defined in the PPSA) owned or acquired by or on behalf of Maplequest or in respect of which Maplequest then or thereafter has any rights and which is then or thereafter may become located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of, the Countryside Real Property or any part thereof and all Proceeds (as defined in the PPSA) and other amounts derived directly or indirectly from any dealings with any such personal property (collectively, the

“**Maplequest FS Personal Property Collateral**” and, together with the Maplequest KS Personal Property Collateral, the “**Personal Property**”) and grant to and in favour of First Source a security interest in the Maplequest FS Personal Property Collateral as continuing security for the payment of the applicable indebtedness and the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of Maplequest as set out in the First Source Commitment Letter and corresponding loan documents (the “**First Source GSA**”). A copy of the First Source GSA is attached hereto as **Exhibit “Q”**. The security interest granted to First Source pursuant to the First Source GSA was registered pursuant to the PPSA on November 25, 2020 and is reflected in the search results conducted against Maplequest attached hereto as **Exhibit “L”**.

33. The payment and performance of all of Maplequest’s indebtedness under the First Source Facility is guaranteed by Ali Memon, Muhammad Ikhtlaq Memon and 2608289 Ontario Limited on a joint and several basis (the “**First Source Guarantee**”). A copy of the First Source Guarantee dated November 30, 2020 is attached hereto as **Exhibit “R”**.

D. The Other Secured Creditors

(a) Maplequest’s Other Secured Creditors

34. As disclosed within the parcel register for the Heritage Road Real Property, the parcel register for the Countryside Real Property, and the PPSA search results for Maplequest, various other registrations have been made against the Property, including the Real Property. These include registrations made by Vector Financial Services Limited (“**Vector**”), CWB National Leasing Inc. (“**CWB**”), Newcap Leasing (“**Newcap**”), Bodkin (a division of Bennington Financial Corp.) (“**Bodkin**”), Xpedite Leasing Inc. (“**Xpedite**”) and Mercedes-Benz Financial and Mercedes-Benz Financial Services Canada Corporation (“**Mercedes**”).

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

(i) Vector

36. On May 29, 2023, Vector filed a registration under the PPSA against Maplequest. Such registration is in respect of all of the Debtor's personal property located at or used or acquired in connection with or primarily related to the business of Maplequest conducted on or with respect to PIN 14222-0290 (LT) and PIN 14222-0291 (LT).⁶

37. A charge was registered on title to such properties as Instrument No. PR4206151 by Vector against Maplequest on May 31, 2023. A related Notice of Assignments of Rents – General was registered on title to such properties as Instrument No. PR4206152 on May 31, 2023. A related Transfer of Charge was registered on title to such properties as Instrument No. PR4212239 on June 15, 2023, transferring Vector's interest in such charges to Vector and Olympia Trust Company (“**Olympia**”). A Notice of Assignment of Rents – General was registered on the properties as Instrument No. PR4212240 on June 15, 2023 in favour of Vector and Olympia. The foregoing charge and Notice of Assignment of Rents – General do not encumber the Real Property.

(ii) CWB

38. On June 17, 2022, CWB filed a registration under the PPSA against Maplequest, Memon Supermarket Limited, Ali Memon, and Muhammad Ikhlq Memon. Such registration is in respect

⁶ As discussed at footnote 1, on June 1, 2023, First Source discharged its PPSA and mortgage charges and related encumbrance's interests in the property located at PIN 14222-0290 and PIN 14222-0291.

of all restaurant equipment described in “Agreement Number 3100752” (as referenced in the PPSA registration), between CWB and the Debtor.

(iii) Newcap

39. On February 28, 2022, Newcap filed a registration under the PPSA against Maplequest, Memon Supermarket Limited, Lanhill Management Inc., Ali Memon, and Muhammad Ikhlaq Memon. Such registration is in respect of food-related equipment.

(iv) Bodkin

40. On December 21, 2021, Bodkin filed a registration under the PPSA against Maplequest, Memon Supermarket Limited, Muhammad Ikhlaq Memon, Ali Memon, and Lanhill Management Inc. Such registration is pursuant to the equipment in lease agreement 50017954.

(v) Xpedite

41. On August 19, 2021, Xpedite filed a registration under the PPSA against Maplequest. Such registration is pursuant to all phone systems and equipment as listed in Telico Invoice 007691 dated August 19, 2021 leased to Maplequest from Xpedite pursuant to lease agreement number 302068.

(vi) Mercedes

42. On February 5, 2021, Mercedes filed a registration under the PPSA against Maplequest. Such registration is in respect of a 2020 Mercedes-Benz, Model E350W4M with V.I.N. WDDZF8EB7LA744522.

(b) **Digram Developments' Other Secured Creditors**

43. The only other encumbrance on the Mayfield Remainder Parcel Real Property or the Mayfield Development Land Real Property is on PIN 14235-6794 (LT) and is a construction lien registered as Instrument No. PR4126438 on October 7, 2022, in the amount of \$791,768, in favour of Niran Construction Ltd.

E. The Events of Default

44. On April 25, 2024, the Applicants issued the Demand Letters to Maplequest and the Guarantors (which includes Digram Developments) as follows:

- (a) KingSett issued a Demand Letter to Maplequest (the “**KingSett Maplequest Demand Letter**”) advising Maplequest that it was in default under the KingSett Commitment Letter, the KingSett Mortgages, the KingSett GSA and other security (the “**KingSett Loan and Security Documents**”). The KingSett Maplequest Demand Letter was issued contemporaneously with a notice of intention to enforce security in accordance with section 244 of the BIA (the “**KingSett NITES**”). A copy of the KingSett Maplequest Demand Letter, attaching the KingSett NITES, is attached hereto as **Exhibit “S”**
- (b) First Source issued a Demand Letter to Maplequest (the “**First Source Maplequest Demand Letter**”) advising Maplequest of its default under the First Source Commitment Letter, the First Source Mortgage, the First Source GSA and other security (the “**First Source Loan and Security Documents**” and together with the KingSett Loan and Security Documents, the “**Loan and Security Documents**”). The First Source Maplequest Demand Letter was issued contemporaneously with a

notice of intention to enforce security in accordance with section 244 of the BIA (the “**First Source NITES**”). A copy of the First Source Maplequest Demand Letter, attaching the First Source NITES, is attached hereto as **Exhibit “T”**

- (c) KingSett issued a Demand Letter to the Heritage Road Guarantors (the “**KingSett Guarantors Demand Letter**”) advising the Heritage Road Guarantors of Maplequest’s default under the KingSett Loan and Security Documents. A copy of the KingSett Guarantors Demand Letter is attached hereto as **Exhibit “U”**
- (d) First Source issued a Demand Letter to the Countryside Guarantors (the “**First Source Guarantors Demand Letter**”) advising the Countryside Guarantors of Maplequest’s default under the First Source Loan and Security Documents. A copy of the First Source Guarantors Demand Letter is attached hereto as **Exhibit “V”**.

45. On June 5, 2024, KingSett issued a subsequent letter to Digram Developments, together with a notice of intention to enforce security in accordance with section 244 of the BIA, copies of which are attached hereto as **Exhibit “W”**.

46. The defaults by Maplequest and the Guarantors (which includes Digram Developments) that led to the issuance of the Demand Letters included Maplequest missing two months of interest payments under both the KingSett Commitment Letter, pursuant to which the underlying loan matured on March 1, 2024, and the First Source Commitment Letter, pursuant to which the underlying loan matured on May 8, 2024.

47. Notwithstanding the issuance of the Demand Letters, the entirety of the Indebtedness remains outstanding and no prospect for immediate repayment, in whole or in part, has materialized to date.

F. The Proposed Receivership

48. Maplequest and the Guarantors (which includes Digram Developments) are in default of their obligations under the Loan and Security Documents and are unable to repay the Indebtedness. Prior to bringing this Application, the Applicants engaged in efforts to reach a consensual resolution with the Debtors, including by meeting with and introducing the Debtors to prospective buyers; however, these meetings did not lead to a resolution. In the circumstances, the Applicants have lost all confidence in the Debtors' ability to continue to satisfy the Debtors' significant obligations, obtain refinancing, manage the Property and complete the Projects in a timely manner or at all. The Applicants have likewise lost all faith in the Debtors' ability to protect the Property by which the Indebtedness is secured.

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


50. The Applicants believe that if the Receiver is appointed on the terms of the proposed Receivership Order, these Receivership Proceedings will provide the stability, structure and supervision required to preserve the value of the Property, including the Projects. Moreover, the Applicants believe that these Court-supervised Receivership Proceedings and the appointment of the proposed Receiver will, among other things, provide the most effective and appropriate means of, among other things, attending to, securing and advancing the development of the Projects as and where appropriate, and effecting an orderly, efficient and transparent sale of the Property, with a view to maximizing recoveries for, and distributing funds to, the Debtors' stakeholders.

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


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

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

SWORN BEFORE ME this 14th day of June, 2024 in the City of Toronto, in the Province of Ontario.




Commissioner for Taking Affidavits
(or as may be)



DANIEL POLLACK

SIERRA ELISABETH MARGARET FARR
LSO# 87551D

This is Exhibit "A" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

Ministry of Public and
Business Service Delivery

Profile Report

MAPLEQUEST VENTURES INC. as of June 11, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	MAPLEQUEST VENTURES INC.
Ontario Corporation Number (OCN)	2045864
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	April 30, 2004
Registered or Head Office Address	40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada

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

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

Director/Registrar

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

Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name ALI MUHAMMAD MEMON
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Resident Canadian Yes
Date Began December 01, 2017

Name MUHAMMAD IKHLAQ MEMON
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Resident Canadian Yes
Date Began May 01, 2004

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 ALI MUHAMMAD MEMON
Position Authorized Signing Officer
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began April 09, 2014

Name ALI MUHAMMAD MEMON
Position Secretary
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began December 01, 2017

Name ISHAQ MUHAMMAD MEMON
Position Authorized Signing Officer
Address for Service 40 Vogel Suite 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began November 10, 2014

Name MUHAMMAD IKHLAQ MEMON
Position President
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began May 01, 2004

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**

MAPLEQUEST VENTURES INC.

Effective Date

April 30, 2004

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

Name	MAPLEQUEST GROUP
Business Identification Number (BIN)	240033092
Status	Inactive - Expired
Registration Date	January 13, 2014
Expired Date	January 12, 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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Document List

Filing Name	Effective Date
Annual Return - 2023 PAF: MUHAMMAD IKHLAQ MEMON	May 18, 2023
Annual Return - 2022 PAF: MUHAMMAD IKHLAQ MEMON	May 18, 2023
Annual Return - 2021 PAF: MUHAMMAD IKHLAQ MEMON	May 18, 2023
Annual Return - 2020 PAF: MUHAMMAD IKHLAQ MEMON	May 18, 2023
Annual Return - 2019 PAF: ALI IKHLAQ MEMON - DIRECTOR	November 01, 2020
Annual Return - 2018 PAF: ALI IKHLAQ MEMON - DIRECTOR	July 07, 2019
Annual Return - 2017 PAF: ALI IKHLAQ MEMON - DIRECTOR	July 22, 2018
CIA - Notice of Change PAF: ALI MUHAMMAD MEMON - DIRECTOR	February 06, 2018
Annual Return - 2016 PAF: ALI IKHLAQ MEMON - DIRECTOR	June 25, 2017
Annual Return - 2015 PAF: ALI IKHLAQ MEMON - DIRECTOR	June 26, 2016
Annual Return - 2014 PAF: IKHLAQ IKHLAQ MEMON - DIRECTOR	July 04, 2015
CIA - Notice of Change PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	June 02, 2014
Annual Return - 2013 PAF: IKHLAQ IKHLAQ MEMON - DIRECTOR	April 19, 2014

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

V. Quintanilla W.

Director/Registrar

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Annual Return - 2012 PAF: IKHLAQ IKHLAQ MEMON - DIRECTOR	March 09, 2013
Annual Return - 2011 PAF: MASOOD IKHLAQ PERVEZ - DIRECTOR	April 14, 2012
Annual Return - 2010 PAF: MASOOD PERVEZ - DIRECTOR	May 14, 2011
Annual Return - 2009 PAF: MASOOD PERVEZ - DIRECTOR	June 19, 2010
CIA - Notice of Change PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	April 20, 2010
Annual Return - 2008 PAF: ABDULLAH CHUTANI - DIRECTOR	April 18, 2009
Annual Return - 2007 PAF: ABDULLAH CHUTANI - DIRECTOR	April 26, 2008
Annual Return - 2006 PAF: ABDULLAH CHUTANI - DIRECTOR	May 26, 2007
Annual Return - 2006 PAF: ABDULLAH CHUTANI - DIRECTOR	May 26, 2007
Annual Return - 2005 PAF: SALMA CHUTANI - DIRECTOR	June 03, 2006
Annual Return - 2004 PAF: SALMA CHUTANI - DIRECTOR	June 11, 2005
BCA - Articles of Incorporation	April 30, 2004

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


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

V. Quintanilla W.

Director/Registrar

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This is Exhibit "B" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

Ministry of Public and
Business Service Delivery

Profile Report

DIGRAM DEVELOPMENTS CALEDON INC. as of June 11, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	DIGRAM DEVELOPMENTS CALEDON INC.
Ontario Corporation Number (OCN)	2335332
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	July 13, 2012
Registered or Head Office Address	40 Vogell Road, Suite 51, Richmond Hill, Ontario, L4B 3N6, Canada

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

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

Director/Registrar

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Active Director(s)

Minimum Number of Directors 1
Maximum Number of Directors 10

Name ALI MUHAMMAD MEMON
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Resident Canadian Yes
Date Began December 01, 2017

Name MUHAMMAD IKHLAQ MEMON
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Resident Canadian Yes
Date Began June 12, 2013

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 ALI MUHAMMAD MEMON
Position Authorized Signing Officer
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began March 06, 2014

Name ALI MUHAMMAD MEMON
Position Secretary
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began December 01, 2017

Name MUHAMMAD IKHLAQ MEMON
Position President
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began June 12, 2013

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V. Quintanilla W.

Director/Registrar

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Corporate Name History**Name**

DIGRAM DEVELOPMENTS CALEDON INC.

Effective Date

July 13, 2012

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: ALI MEMON - DIRECTOR	May 02, 2021
Annual Return - 2019 PAF: ALI MEMON - DIRECTOR	March 15, 2020
Annual Return - 2018 PAF: ALI MEMON - DIRECTOR	March 17, 2019
Annual Return - 2017 PAF: ALI MEMON - DIRECTOR	March 25, 2018
CIA - Notice of Change PAF: ALI MUHAMMAD MEMON - DIRECTOR	February 06, 2018
Annual Return - 2016 PAF: ALI MEMON - DIRECTOR	March 28, 2017
Annual Return - 2015 PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	November 29, 2015
Annual Return - 2014 PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	February 21, 2015
CIA - Initial Return PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	November 05, 2014
Annual Return - 2013 PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	June 28, 2014
CIA - Initial Return PAF: MUHAMMAD IKHLAQ MEMON - DIRECTOR	September 10, 2013
Annual Return - 2012 PAF: MASOOD PERVEZ - DIRECTOR	June 29, 2013
CIA - Initial Return PAF: SALMA MEMON - DIRECTOR	October 17, 2012

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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BCA - Articles of Incorporation

July 13, 2012

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.

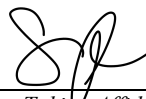
Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

V. Quintanilla W.

Director/Registrar

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This is Exhibit "C" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

Ministry of Public and
Business Service Delivery

Profile Report

2608289 ONTARIO LIMITED as of June 11, 2024

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	2608289 ONTARIO LIMITED
Ontario Corporation Number (OCN)	2608289
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	November 29, 2017
Registered or Head Office Address	40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada

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

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

Director/Registrar

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Active Director(s)

Minimum Number of Directors

1

Maximum Number of Directors

5

Name

IKHLAQ MEMON

Address for Service

40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada

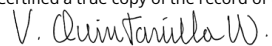
Resident Canadian

Yes

Date Began

November 29, 2017

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



Director/Registrar

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Active Officer(s)

Name ALI MUHAMMAD MEMON
Position Authorized Signing Officer
Address for Service 40 Vogell Road, 51, Richmond, Ontario, L4B 3N6, Canada
Date Began January 18, 2019

Name IKHLAQ MEMON
Position President
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began November 29, 2017

Name IKHLAQ MEMON
Position Secretary
Address for Service 40 Vogell Road, 51, Richmond Hill, Ontario, L4B 3N6, Canada
Date Began November 29, 2017

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

V. Quintanilla W.

Director/Registrar

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Corporate Name History**Name**

2608289 ONTARIO LIMITED

Effective Date

November 29, 2017

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

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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Document List

Filing Name	Effective Date
Annual Return - 2020 PAF: ALI MEMON - DIRECTOR	March 07, 2021
Annual Return - 2018 PAF: ALI MEMON - DIRECTOR	March 22, 2020
Annual Return - 2019 PAF: ALI MEMON - DIRECTOR	March 22, 2020
CIA - Initial Return PAF: MATTHEW GRAY - OTHER	January 18, 2019
BCA - Articles of Incorporation	November 29, 2017

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.

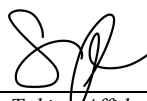
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Director/Registrar

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This is Exhibit "D" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D



July 28, 2017

Maplequest Group
40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

Attention: Mr. Ali Memon

Re: First ranking land financing of a +/- 50 acre residential development site to be located at 10475 Heritage Road, Brampton, ON

We are pleased to advise that KingSett Mortgage Corporation has approved the following credit facility in connection with the above noted matter, as more particularly described below and within Schedules A, B, C, D, E, F, and G attached hereto (the “**Commitment**” or “**Commitment Letter**”).

A. LOAN TERMS

1. **Project:** The subject site is a +/- 50 acre residential development site located at 10475 Heritage Road, Brampton, Ontario expected to yield ~8,568 front feet (the “**Property**” or “**Project**”).
2. **Lender:** KingSett Mortgage Corporation (the “**Lender**”).
3. **Borrower:** Maplequest Ventures Inc. (the “**Borrower**”).
4. **Guarantor(s):** Unlimited joint and several credit guarantee of Muhammad Ikhtlaq Memon and Digram Developments Caledon Inc. (the “**Guarantor**”) for 100% of the Borrower’s indebtedness to the Lender, together with Independent Legal Advice as required.
5. **Loan Facility:** \$24,000,000 non-revolving, demand first mortgage land loan, inclusive of a \$1,980,000 interest reserve (the “**Loan**” or “**Loan Amount**”).
6. **Sources and Uses:**

Uses	Total	Per Acre	Per F.F.	%
Land Acquisition Costs	\$ 15,000,000	\$ 299,754	\$ 1,751	43%
Land Closing Costs/Carry to Date	3,277,058	65,487	382	9%
Appraisal Surplus	16,722,943	334,185	1,952	48%
Total Uses	\$ 35,000,000	\$ 699,426	\$ 4,085	100%

Sources	Total	Per Acre	Per F.F.	%
Land Loan	\$ 24,000,000	\$ 479,607	\$ 2,801	69%
Borrower's Equity - Appraisal Surplus	11,000,000	219,820	1,284	31%
Total Sources	\$ 35,000,000	\$ 699,426	\$ 4,085	100%



7. **Interest Rate:** 8.25% per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan (the "**Interest Rate**").
8. **Lender's Fee:** \$360,000 (1.50% of the Loan Amount) upfront fee earned by the Lender upon the Borrower's execution of this Commitment Letter (the "**Lender's Fee**"). The Lender's Fee is non-refundable. The portion of the Good Faith Deposit, as defined herein, not used to pay transaction expenses incurred by the Lender, if any, shall be applied as a credit toward the Lender's Fee at the time of the initial advance of the Loan. The Lender shall deduct the unpaid balance of the Lender's Fee from the proceeds of the Loan advance.
9. **Good Faith Deposit:** \$48,000 to be paid upon the Borrower's execution of this Commitment Letter (the "**Good Faith Deposit**"). This deposit will be used for expenses and the related GST/PST/HST that may be incurred by the Lender prior to the initial advance of the Loan, such as, but not limited to, the cost of property inspections, legal fees and disbursements, planning reviews, environmental site assessments, appraisal reports, building condition reports, insurance consultant reports and the cost of title insurance, if applicable, with the remaining balance, if any, to be credited towards the Lender's Fee at the time of the initial advance of the Loan.

The Borrower acknowledges that the Good Faith Deposit is a reasonable estimate of the Lender's cost incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that same may be retained by the Lender should the Loan not be funded as a result of non-performance by the Borrower.

10. **Monthly Payments:** Monthly payments of interest only are required to be made by the Borrower to the Lender in connection with the Loan at the Interest Rate defined below and subject to the Interest Reserve provisions of this Commitment Letter (the "**Monthly Payments**"). Monthly Payments are to be made on the first calendar day of every month until the Loan is repaid in full commencing on the first calendar day of the month next following the date of initial advance of the Loan. NSF payments will be subject to a Lender's administration fee of \$500.
11. **Interest Reserve:** Provided the Loan is not in default, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total of \$1,980,000 of monthly interest to the Loan (the "**Interest Reserve**"). Upon default by the Borrower under the Commitment Letter or Security, as defined herein, or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.
12. **Term:** 24 months from the date of initial advance of the Loan if the same occurs on the first calendar day of a month otherwise 24 months from the first calendar day of the month next following the date of initial advance of the Loan (the "**Maturity Date**"). Loan Amount repayable in full on the Maturity Date.



13. **Extension Options:** Subject to there having been no default by the Borrower or Guarantor(s), the Lender shall permit two (2) extension options of three (3) months each to the Term of the Loan (the “**Extension Option(s)**”) which shall result in a corresponding extension of the Maturity Date, each subject to five (5) days prior written request from the Borrower and prior receipt of the Extension Fee, hereinafter defined.
14. **Extension Fee:** \$45,000 fee (the “**Extension Fee**”) earned by the Lender for each Extension Option under the Loan and payable prior to the Lender granting an extension of the Loan Term. Should the extension not be granted, the Lender will return the Extension Fee to the Borrower.
15. **Amortization:** Not applicable; monthly interest payments only.
16. **Prepayment:** Closed for prepayment during the term of the Loan, save and except for unit/lot closings of the Project, Mayfield West Phase 1 Development and/or Mayfield West Phase 2 & 3 Development in the normal course of business, as defined in the Partial Discharges section herein, and subject to a minimum of 30 days prior written notice to the Lender.
17. **Partial Discharges:** Provided the Loan is not in default, the Lender shall provide partial mortgage discharges on a per unit/lot basis subject to the prior or concurrent receipt of the Partial Discharge Fee and the Net Proceeds, as described herein, until such time as the Loan is repaid in full.

The net proceeds shall be 1) 100% of the vendor take back discharge amount to be received on a unit/lot basis as it relates to the Mayfield West Phase 1 Development and/or Mayfield West Phase 2 & 3 Development, as determined at the sole and unfettered discretion of the Lender; and/or 2) 100% of the actual gross selling price (net of GST/PST/HST) of the Maplequest Lots in the Mayfield West Phase 1 Development and the School Block in the Mayfield West Phase 2 & 3 Development as described in Schedule “C”, to be approved by the Lender in its sole discretion, less approved legal fees, reasonable arm’s length realty commissions and reasonable closing adjustments for property of this nature (i.e. realty taxes). Maximum deductions for legal fees, realty commissions and closing adjustments are cumulatively not to exceed 5% of the gross unit selling price (inclusive of GST/PST/HST) (collectively, the “**Net Proceeds**”).

In order of priority, the Net Proceeds will be applied as follows: 1) Mayfield West Phase 1 Development - firstly to the permanent reduction of the first mortgage land development financing of \$24,906,500 including cash securing any outstanding letters of credit/guarantee; secondly to the permanent reduction of the second mortgage land development financing of \$5,000,000; thirdly to the permanent reduction of the Cornell Land Loan; fourthly to the payment of deferred costs of \$1,225,000; and fifthly to reduce the outstanding principal balance of the Loan and 2) Mayfield West Phase 2 & 3 Development - firstly to the permanent reduction of the first mortgage land development financing of \$40,145,000 including cash securing any outstanding letters of credit/guarantee; secondly to the payment of deferred costs of \$1,167,500; and thirdly to reduce the outstanding principal balance of the Loan.



Cash held to secure issued and outstanding letters of credit/guarantee shall be directed by the Borrower to the Lender to reduce the outstanding balance of the Loan upon the release of such cash from the respective lender to the Borrower.

A partial discharge fee of \$550 per discharge document (with multiple discharges permitted in a document) shall be deemed earned by the Lender and payable by the Borrower contemporaneously with each partial discharge, as the case may be, of the Lender's mortgage registered against the Property (the "**Partial Discharge Fee**").

The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Lender's mortgage registered against the Property (the "**Administration Fee**").

The Borrower's solicitor shall prepare all security discharge documents for review by the Lender and its legal counsel. All legal fees, disbursements and GST/PST/HST related to the discharge of the Lender's mortgage and other security shall be for the exclusive account of the Borrower.

18. **Over Holding Fee:** If the Loan is not repaid in full on or before the Maturity Date, the Borrower shall be required to pay to the Lender an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Lender by the Borrower pursuant to this Commitment Letter. More particularly, this fee shall be earned by and payable to the Lender monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "**Over Holding Fee**"). The Borrower hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Borrower under the Commitment and Security, as defined herein, notwithstanding payment of the Over Holding Fee. The Borrower further acknowledges that the Lender, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan, as defined herein, also secures the Over Holding Fee.
19. **Costs and Expenses:** Borrower to bear all costs and expenses incurred by the Lender from time to time in connection with the subject Loan regardless of whether or not the Loan Amount is ever advanced and, such costs may include, but shall not be limited to, legal fees, disbursements, environmental site assessment reports, appraisal reports, building condition reports, insurance consulting reviews, reliance letters, title insurance, out-of-pocket expenses for property inspections and the GST/PST/HST related to all such costs and expenses.



B. SECURITY

The Loan shall be secured by the following security which, prior to any advance under the Loan, shall be delivered by the Borrower to the Lender in form, scope and substance satisfactory to the Lender and its legal counsel in its sole, absolute and unfettered discretion (collectively, the “**Security**”):

1. Registered mortgage with a principal amount of \$30,000,000 (~125% of the Loan Amount) granting a first fixed charge against the Project.
2. Registered collateral mortgage in the amount of \$45,375,000 on lands related to Mayfield West Phase 1 Development converting to a registered assignment of the builder VTB mortgage(s) registered on such lands on terms and conditions approved by the Lender. The Lender acknowledges said registration is shared as collateral to secure land financing provided for +/- 10 acres located at the northwest corner of Highway 7 and Donald Cousens Parkway in Markham, Ontario (hereinafter, the “**Cornell Land Loan**”).
3. Registered collateral mortgage in the amount of \$45,375,000 on lands related to Mayfield West Phase 2 & 3 Development converting to a registered assignment of the builder VTB mortgage(s) registered on such lands on terms and conditions approved by the Lender.
4. General assignment of rents and leases registered on title to the Project.
5. General security agreement registered under the Personal Property Security Act (the “**PPSA**”) creating a security interest over all personal property of the Borrower pertaining to the Project.
6. Guarantee as per Section A.4, together with an assignment and postponement of claim executed by the Guarantor(s) and all shareholders of the Borrower relating to any claims against the Borrower and/or Project. In addition, the Guarantor(s) will provide a guarantee for environmental issues, misrepresentations, negligence and willful misconduct.
7. General assignment of all current and future material contracts for the Project including, without limitation, those relating to engineering specifications and drawings, architectural specifications and drawings, plans, licenses and permits.
8. Specific assignment of any and all easement, access, egress, maintenance, parking, crane swing, tie-back and other agreements with neighbouring land owners to the Project in scope, form and content acceptable to the Lender. Such assignment(s) to be acknowledged in writing by all parties that are neither the assignor nor the assignee of such assignment(s). The requirements of this paragraph shall not apply to agreements registered on title to the Project lands in priority to the Lender’s mortgage.
9. General assignment of individual agreements of purchase and sale pertaining to the Project, including builder/purchaser deposits, registered under the PPSA. Builder/Purchaser deposits from the sale of units/lots may be held in a solicitor’s deposit trust account and/or used in the



Project provided that the said deposits are at all times utilized in accordance with the provisions of applicable legislation within the Province of Ontario.

10. Assignment of profit and equity related to the Mayfield West Phase 1 Development.
11. Assignment of profit and equity related to the Mayfield West Phase 2 & 3 Development.
12. Amended Proceeds Agreement.
13. Amended Priority Agreement with Royal Bank of Canada related to the Mayfield West Phase 1 Development and the Mayfield West Phase 2 & 3 Development.
14. Specific assignment and direction of cash-secured letters of credit related to the Wismer Commons project located at McCowan Road and Major MacKenzie Drive in Markham, Ontario (hereinafter, "**Wismer Commons**"). Such assignment and direction to be acknowledged in writing by all parties to which the subject letters of credit are addressed on a best efforts basis.
15. Specific assignment or charge over the cash, term deposit, GIC, as the case may be, securing the letters of credit related to Wismer Commons.
16. Indemnification Agreement in respect to the letters of credit related to Wismer Commons.
17. Assignment of all insurance for the Project as set out Schedule "A". The Lender's independent insurance consultant shall, at the Borrower's expense, review the required insurance coverages and policies.
18. Environmental Indemnity with respect to the Project.
19. Beneficial owners agreement, if applicable, whereby the beneficial owners of the Project acknowledge, consent to and direct the registered owners of the Project to provide all of the Security to the Lender.
20. Hypothecation and pledge to the Lender of any and all issued and outstanding common shares, preferred shares and limited partnership units of the Borrower (and any and all shares of a general partner for the Project). The Lender's interest in such securities shall be perfected by possession and control by the Lender (or its legal counsel on behalf of the Lender) of the original share and unit certificates. If the registered owners of such shares and units are not a Guarantor, then such registered owner shall be required to jointly and severally guarantee the Loan; provided, however, that such guarantee shall be limited in scope to the pledge of shares/units. If the registered owners are different than the beneficial owners of such securities, then the beneficial owners shall be required to enter into an acknowledgement, direction and security agreement authorizing the registered owner to pledge the shares/units to the Lender.



21. Negative pledge by the Borrower and Guarantor(s) to not repay any shareholder loans, redeem shares, pay out dividends, or to otherwise compensate the Project sponsors and other non-arm's length parties until such time as the Loan has been repaid in full, save and except for those development, marketing and/or construction fees specifically approved in writing by the Lender and included in the Project Budget prepared by the Project Monitor.
22. Cross default provision, as it relates to all current and future obligations of the Borrower and Guarantor(s) to the Lender.
23. Right of first opportunity/refusal agreement to finance the development of the Project.
24. Such other Security as the Lender and/or its legal counsel may reasonably require.

The Lender's mortgage and general assignment of rents and leases shall be registered on title to the Property. Where applicable, as determined by the Lender and its legal counsel, PPSA registrations shall be granted in favour of the Lender with respect to the Lender's personal property security for the Loan.

C. CONDITIONS PRECEDENT

The Loan shall be subject to the following pre-funding conditions which shall each have been received, reviewed and/or met, as the context implies, to the satisfaction of the Lender in its sole, absolute and unfettered discretion prior to any advance of the Loan (collectively, the "**Conditions Precedent**"):

1. Completion and registration of the Security and satisfaction of all other terms and conditions of this Commitment Letter, as required by the Lender and its legal counsel.
2. Satisfactory due diligence on the Borrower, Guarantor(s), Mayfield West Phase 1 Development, Mayfield West Phase 2 & 3 Development and Project.
3. Satisfactory site inspection of the Property, Mayfield West Phase 1 Development and Mayfield West Phase 2 & 3 Development by the Lender.
4. Receipt and satisfactory review by the Lender and its legal counsel of a complete copy of all agreements setting out the registered and beneficial ownership of the Project and the Borrower, together with a complete organizational chart.
5. Receipt and satisfactory review by the Lender of accountant prepared financial statements for the Borrower and corporate Guarantor(s), if applicable, for its last 2 fiscal year-ends.
6. Receipt and satisfactory review by the Lender of a current dated and signed personal net worth statement from each personal Guarantor.
7. Receipt and satisfactory review by the Lender of the agreement of purchase and sale, and any amendments thereto, for the Project lands.



8. Receipt and satisfactory review by the Lender and its planning consultant of evidence confirming zoning and draft plan approvals will be in place within the term of the Loan to permit the development of the site as described herein, together with satisfactory review of all conditions thereof. The Lender reserves the right to contact the City of Brampton planning and/or engineering departments in order to receive confirmation. Lender's planning consultant also to opine on physical and capacity allocations of all municipal services available for the Project.
9. Receipt and satisfactory review by the Lender and its solicitor of any and all cost sharing, parking, maintenance, easements, egress/ingress, crane swing, tieback or other contracts with neighbouring land owners, as applicable.
10. Receipt and satisfactory review by the Lender of the environmental site assessment for the Project from an acceptable environmental site assessment firm. Report to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
11. Receipt and satisfactory review by the Lender of the geotechnical soil report for the Property from an acceptable engineering firm confirming the feasibility of the proposed Project under existing soil conditions. Report to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
12. Receipt and satisfactory review by the Lender of the A.A.C.I. appraisal report for the Property from an acceptable appraisal firm on an "as is" basis confirming a fair market value of \$35,000,000. Report to be addressed to the Lender or supported by a letter of transmittal in favour of the Lender.
13. Receipt and satisfactory review by the Lender and its insurance consultant, Canrisc Insurance Consulting Services, of appropriate insurance coverage for the Project. The cost of the insurance review by the Lender's insurance consultant will be for the exclusive account of the Borrower. See attached Schedule "A" for Lender's insurance requirements.
14. Receipt and satisfactory review by the Lender and its legal counsel of a payout statement(s) for any loan(s) being discharged with the proceeds of the subject Loan.
15. Receipt and satisfactory review by the Lender of all offers to purchase the Project, Mayfield West Phase 1 Development and/or Mayfield West Phase 2 & 3 Development as approved and serviced subdivision lots as received by the Borrower.
16. Receipt and satisfactory review by the Lender of the first mortgage land development commitment letter(s), and any amendments thereto, related to the Mayfield West Phase 1 Development and Mayfield West Phase 2 & 3 Development.
17. Written confirmation, addressed to the Lender, from the first mortgage land development lender(s) related to the Mayfield West Phase 1 Development and the Mayfield West Phase 2 & 3



Development confirming the outstanding balance of the respective loan(s), that the mortgage is in good standing and providing its approval for the Lender's mortgage.

18. Receipt and satisfactory review of a statement of account from the financial institution holding the cash as security for the letters of credit related to Wismer Commons evidencing a minimum amount held of \$1,966,956.
19. Approval of the Lender's credit committee.
20. Receipt and satisfactory review by the Lender and its legal counsel of a real property report/survey for the Project prepared by an accredited land surveyor confirming no encroachments, easements or rights of way, save those which the Lender may specifically accept, and setting out the relationship of the lands and proposed improvements thereon to public thoroughfares for access purposes. Alternatively, at the cost of the Borrower, title insurance may be put in place that is satisfactory in form, scope and content to the Lender and its legal counsel.
21. Receipt and satisfactory review by the Lender and its legal counsel of all customary off-title searches for properties of similar nature to that of the Project including, without limitation, searches for unregistered easements, rights of way, property tax status and environmental notices. The off-title searches are to be obtained by the Borrower's solicitor and forwarded to the Lender's legal counsel for review. Alternatively, at the cost of the Borrower, title insurance may be put in place that is satisfactory in form, scope and content to the Lender and its legal counsel.
22. Evidence satisfactory to the Lender and its legal counsel of clean title including the absence of liens and other encumbrances unless specifically approved in writing by the Lender.
23. All levies, impost fees, local improvement charges, property taxes and other charges that are due and payable in connection with the Project shall have been paid to the date of the advance of the Loan unless the same form part of the Lender-approved Project Budget and are to be included in ongoing advances under the Loan.
24. Borrower to complete and execute the Lender's Pre-Authorized Debit ("PAD") form which shall permit the Lender to debit the Borrower's applicable current account each month for the Monthly Payments required hereunder should full utilization, suspension or cancellation of the Interest Reserve occur. See Schedule "F" attached hereto.
25. Borrower to complete and execute the Lender's Notice to Property Tax Authority form which shall permit the Lender to request information from the municipality regarding realty taxes. See Schedule "G" attached hereto.
26. All Conditions Precedent to be satisfied at least 1 business day prior to the initial advance of the Loan.



27. Other usual matters involved in due diligence for a project of this nature.

D. FUNDING

1. **Advances:** An advance of the Loan is subject to the prior execution and registration of the Security and the satisfaction of all terms and conditions of this Commitment Letter including, without limitation, the Conditions Precedent. The Lender will require two business days prior written notice from the Borrower of its intention to draw down the Loan.

The Loan shall be funded as follows:

- a. an initial advance of \$22,020,000 shall be made on or about August 17, 2017 (to be completed simultaneously with full repayment of the Mayfield West Phase 2 & 3 Development Loan); and
- b. the Interest Reserve shall be capitalized monthly in accordance with the Interest Reserve provisions herein.

In the event that the initial advance of the Loan has not been made by September 30, 2017, at the exclusive option of the Lender, its obligations under this Commitment shall cease and be at an end and the Lender shall be released from any and all of its present and/or future obligations under the Commitment and Security documents. Provided, however, that if the Loan is not advanced due to non-performance by the Borrower of its covenants and other obligations under this Commitment, the Borrower shall remain obligated to make and the Lender shall remain entitled to forthwith receive the full payment of the outstanding balance of the Lender's Fee.

E. SPECIAL CONDITIONS

1. **Governing Laws:** The Commitment and Loan shall be governed by and construed under the laws of the Province of Ontario and the laws of Canada as applicable therein.
2. **Legal Counsel:**

Lender's Legal Counsel:

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

Attention: Mr. Avrom Brown
 Phone: (416) 869-7600
 Email: abrown@garfinkle.com



Borrower's Legal Counsel:

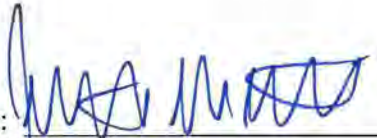
3. **Other Conditions:** See Schedule "B".
4. **Reporting:** See Schedule "D"
5. **Privacy Act Consent:** See Schedule "E"
6. **Sales Tax:** Borrower accepts full responsibility for remittance and payment of any and all GST/PST/HST due and the periodic submission and collection of all GST/PST/HST claims and credits.
7. **Assignment and Direction of Letters of Credit:** As letters of credit related to Wismer Commons are reduced/cancelled, the Borrower shall direct all cash security released to Lender's counsel to be held in trust until such time that i) the requirement to design, construct and convey that portion of Abbotside Way from the east limits of Plan 43M-1800 to Heart Lake Road is struck from the Conditions of Draft Plan Approval (File 21T-13001C) (hereinafter, "**DPA Condition #35**"); or ii) the Borrower has obtained a separate letter of credit facility, 100% cash-secured, for the purpose of obtaining registration of the Mayfield West Phase 1 Development and in satisfaction of DPA Condition #35. Failure to direct all cash security released to Lender's counsel shall constitute a default under the Commitment and Security documents.
8. **Status Updates:** The Lender shall be entitled to monthly status reports regarding the letters of credit related to Wismer Commons and the corresponding cash security.



If you are in agreement with the foregoing terms and conditions, please indicate this by signing and returning one copy of this Commitment together with the Good Faith Deposit cheque payable to **KingSett Mortgage Corporation** to the Lender's office by 3:00pm Eastern Standard Time on August 7, 2017, failing which this letter shall, at the Lender's option, be deemed null and void.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Justin Walton
Director, Mortgage Investments

Per: 
Scott Coates
Managing Director, Mortgage Investments

****Borrower and Guarantor(s) Acknowledgement on next page****



ACKNOWLEDGEMENT

The terms and conditions of this Commitment Letter are acknowledged and agreed to by the Borrower and Guarantor(s) at _____ this _____ day of _____ 20__.

BORROWER:
MAPLEQUEST VENTURES INC.

WITNESS:

Per: Mahd Ikhtly
Name: _____
Title: _____
I/we have authority to bind the Corporation

Per: _____
Name: _____

GUARANTOR(S):
DIGRAM DEVELOPMENTS CALEDON INC.

WITNESS:

Per: Mahd Ikhtly
Name: _____
Title: _____
I/we have authority to bind the Corporation

Per: _____
Name: _____

MUHAMMAD IKHLAQ MEMON

WITNESS:

Per: Mahd Ikhtly
Name: _____
Date of Birth: _____

Per: _____
Name: _____



SCHEDULE "A"
OPERATING INSURANCE REQUIREMENTS CHECKLIST

1. All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
2. All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
3. KingSett Mortgage Corporation must be shown as Loss Payee AND First Mortgagee under the Property and, if applicable, Boiler and Machinery Insurance
4. The Borrower must be shown as a Named Insured or Additional Named Insured under all policies of insurance in force with respect to the Property, if possible.
5. The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.
6. The Property and, where applicable, Boiler and Machinery policies shall contain a standard mortgage clause in favour of KingSett Mortgage Corporation.
7. All policies of insurance must provide KingSett Mortgage Corporation with at least 30 days' prior written notice of adverse material change or cancellation, except for the non-payment of premium, in which case the Statutory Conditions may apply.
8. Insurance must be on an "All Risks" basis of physical loss or damage, including Earthquake and Flood Insurance and must be for 100% of the Full Replacement Cost of the Property, without deduction for foundations and footings, and including confirmation that the "same or adjacent site" clause has been deleted from the Replacement Cost wording.
9. There must be a Stated Amount clause to waive the co-insurance conditions, or confirmation that there are co-insurance restrictions applicable to the building(s).
10. There must be evidence of full By-Laws extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the Property and resultant loss of income.
11. If the Property is insured under a blanket insurance policy, amount of blanket limit and declared values for physical loss or damage and business interruption for the Property filed with the insurers.
12. There must be evidence of Liability Insurance, with a minimum limit of \$5,000,000.00 per occurrence covering the Property. This may be in the form of primary insurance and/or excess/umbrella insurance.
13. KingSett Mortgage Corporation must be an Additional Insured under the Liability Insurance covering the Property with respect to claims arising out of the operations of the Insured.
14. Such other insurance as KingSett Mortgage Corporation may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.



There must be full, original, certified, endorsed copies of the insurance policies provided to KingSett Mortgage Corporation as soon as available from the insurers. (The certified policy copies should be available within 60 to 90 days). Signed Certificates or Binders of Insurance addressing the above will suffice as insurance evidence for closing purposes.

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

(end of Schedule "A")



SCHEDULE "B" OTHER CONDITIONS

1. Subsequent encumbrance and/or indebtedness to the Loan, secured or unsecured, is not permitted without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender. Subsequent encumbrance and/or indebtedness to the Loan, secured or unsecured, without the Lender's prior written consent shall constitute default under the Commitment and Security documents.
2. Prior to full repayment of the Loan, the Borrower may not sell the Property, in whole or in part, without the Lender's prior written consent which approval may be arbitrarily withheld, delayed or conditioned and the assumption of the Loan by a purchaser of the Property, or part thereof, shall not be permitted. Sale of the Property, in whole or in part, without the Lender's prior written consent shall constitute default under the Commitment and Security documents.
3. A change in ownership of the Borrower shall not be permitted without the Lender's prior written consent, which consent may be arbitrarily withheld, delayed or conditioned. A change in ownership of the Borrower without the Lender's prior written request shall constitute default under the Commitment and Security documents.
4. The Borrower shall pay when due to the taxing authority or authorities having jurisdiction all property taxes and provide to the Lender evidence of such payment annually or as otherwise requested from time to time by the Lender.
5. Loan disbursements shall take place only on title to the Property being acceptable to our legal counsel and all matters in connection with the Security and other documentation deemed necessary or advisable by our legal counsel being complied with by the Borrower and all Security and other instruments and agreements to evidence and secure the Loan being duly executed with evidence of registration where applicable.
6. The Lender shall require a satisfactory opinion and report from its legal counsel regarding any encumbrances, financial charges or claims registered or to be registered against the Property.
7. The Lender shall require evidence of all corporate authorities together with an opinion of the Borrower's counsel as to usual matters such as: corporate authorities, absence of litigation, delivery of security and execution of all security listed herein.
8. The Borrower and Guarantor(s) shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued or indemnified, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections and other activities permitted by the Commitment and the Security.

In addition to any liability imposed on the Borrower and Guarantor(s) under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantor(s) shall be jointly



and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and Guarantor(s) set forth in this subparagraph:

- a. are separate and distinct obligations from the Borrower's and Guarantor(s)' other obligations;
 - b. survive the payment and satisfaction of the Borrower's and Guarantor(s)' other obligations and the discharge of the Security from time to time taken as security therefore;
 - c. are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
 - d. shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
10. The Lender's Commitment and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent. However, the Commitment and Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower. Except as hereinafter provided, the Borrower consents to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Property and the Borrower within the possession or control of the Lender.
11. The Borrower acknowledges that the Lender may inspect the Property at any time at the expense of the Borrower.
12. In the event of the Borrower failing to pay any amount when due or being in breach of any covenant, condition or term of the Commitment or the Security, or if any representation made by the Borrower and any guarantor or their respective agents, or any information provided by them is found to be untrue or incorrect, or if any Event of Default as defined in the Security occurs, or if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, the Property, any guarantor of the Loan or the risk associated with the Loan, the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender and the Lender may cease or delay funding or may exercise any and/or all remedies available to it at law and/or in equity. Further, the Lender may, at its option, on notice to the Borrower, declare the principal and interest on the Loan, and any other amount due under the Commitment forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
13. No extension, postponement, forbearance, delay, or failure on the part of Lender in the exercise of any power, right or remedy under this Commitment or any Security agreement or instrument executed in connection therewith or evidencing or securing the Loan, or at law or in equity, shall



operate as a waiver thereof, nor shall a single or partial exercise of any power, right or remedy preclude other or further exercise thereof or the exercise of any other power, right or remedy. Neither the acceptance of any payment nor the making of any concession by the Lender at any time during the existence of a default shall be construed as a waiver of any continuing default or of any of the Lender's rights or remedies. All of the powers, rights and remedies of the Lender shall be cumulative and may be exercised simultaneously or from time to time in such order or manner as the Lender may elect. No waiver of any condition, covenant or default of the Borrower or of the breach of any such covenant or condition shall be deemed to constitute a waiver of any other covenant, condition or default or of any subsequent breach of such covenant or condition or justify or constitute a consent to or approval by Lender of any violation, failure or default by Borrower of the same or any other covenant or condition contained in the Loan, the Commitment or the Security or any other document or instrument executed in connection therewith.

14. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.
15. The Borrower and Guarantor(s) agrees that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
16. If the Borrower is comprised of more than one person or corporation, the obligations shall be the joint and several obligations of each such person or corporation comprising the Borrower unless otherwise specifically stated herein.
17. Time is of the essence in this Commitment.
18. The Borrower will repay all indebtedness to the Lender on or before the Maturity Date, if so permitted pursuant to this Commitment, and, prior to the repayment of the Loan in full, hereby covenants to promptly pay its taxes, protect its property by contest of adverse claims, maintain required insurance, perform its obligations under contracts and agreements, remedy any liens, obtain, where applicable, all necessary approvals for construction and use of the Property, comply with all governmental rules and regulations, permit reasonable inspections by the Lender and its agents of the Property and of all records pertaining to the Property.
19. The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Commitment will prevail.



20. The Borrower will provide the usual warranties and representations respecting: accuracy of financial statements and that there has been no material adverse change in the Borrower's financial condition or operations, as reflected in the financial statements used to evaluate this credit; title to the Property charged by the Security; power and authority to execute and deliver documents; accuracy of documents delivered and representations made to Lender; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the Property; preservation of assets; no undefended material actions, suits or proceedings; payment of all taxes; no consents, approvals or authorizations necessary in connection with documentation; compliance of any construction related to the Property with all laws; no other charges against mortgaged lands except permitted encumbrances; all necessary services available to the Property; no hazardous substances used, stored, discharged or present on the mortgaged lands and will warrant such other reasonable matters as Lender or its legal counsel may require.
21. At the sole option of the Lender, this Commitment may be cancelled and there shall be no obligation to disburse the Loan if the results of the Lender's due diligence investigations regarding the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) are not wholly satisfactory to the Lender, in its sole discretion acting reasonably, or the Borrower or any guarantor fails to provide all information requested by the Lender pursuant to said Act.
22. No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on his behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by a duly authorized officer of the Borrower.
23. Any word importing the singular or plural shall include the plural and singular respectively. If any party is comprised of more than one entity, the obligations of each of such entities shall be joint and several. Any word importing persons of either gender or firms or corporations shall include persons of the other gender and firms or corporations were the context so requires.
24. The headings and section numbers appearing in this Commitment are included only for convenience of reference and in no way define, limit, construe or describe the scope or intent of any provision of this Commitment.
25. The parties agree that this Commitment and the Security documents and the acceptance thereof by all parties may be made by facsimile transmission or by certified electronic signature and electronic transmission.
26. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Commitment will prevail.

(end of Schedule "B")



**SCHEDULE "C"
COLLATERAL SECURITY**

Mayfield West Phase 1 Development						
Builder	Total F.F.	# of Lots	Serviced Lot Value	Builder Deposits	VTB Security Value	
Treasure Hill Homes (TH)	2,610	145	\$ 26,643,750	\$ 9,325,313	\$ 17,318,437	
Primont Homes (SF)	3,681	91	\$ 27,216,338	\$ 9,525,718	\$ 17,690,620	
Maplequest Lots (SF)	378	9	\$ 3,240,000	\$ -	\$ -	

Mayfield West Phase 2 & 3 Development						
Builder	Total F.F.	# of Lots	Serviced Lot Value	Builder Deposits	VTB Security Value	
Primont Homes (SF)	1,518	40	\$ 11,923,520	\$ 3,577,056	\$ 8,346,464	
Primont Homes (TH)	792	44	\$ 10,098,000	\$ 3,534,300	\$ 6,563,700	
Digreen Homes (SF)	2,520	70	\$ 23,688,000	\$ 8,290,800	\$ 15,397,200	
Pristine Homes (TH)	594	33	\$ 8,791,200	\$ 3,076,920	\$ 5,714,280	
Primont Homes (TH)	1,080	60	\$ 13,770,000	\$ 4,819,500	\$ 8,950,500	
Primont Homes (SF)	1,123	25	\$ 11,225,000	\$ 3,928,750	\$ 7,296,250	
Unsold (SF)	228	5	\$ 3,185,000	\$ 1,114,750	\$ 2,070,250	
School Block	-	-	\$ 1,999,850	-	-	

(end of Schedule "C")



SCHEDULE "D" REPORTING

Borrower shall provide the Lender with copies of the following regarding the Project:

1. Any and all insurance policy renewals and/or amendments within 10 business days of the issuance thereof. Lender will require their insurance consultant to conduct an insurance review at the Borrower's expense.
2. Property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Lender from time to time.
3. Quarterly updates on the status of site plan and development approvals.
4. All offers to purchase the Project, Mayfield West Phase 1 Development and/or Mayfield West Phase 2 & 3 Development as approved and serviced subdivision lots as received by the Borrower.
5. Annual Review Engagement financial statements for the Borrower and Guarantor(s) prepared by a chartered accountant within 90 days of each fiscal year end.

At the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

(end of Schedule "D")



SCHEDULE "E"
PRIVACY ACT CONSENT

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

- a. Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding and will help protect you from fraud and will also protect the integrity of the credit-granting system; and
- b. Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) above (collectively your "**Personal Information**") to other organizations which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information.

(end of Schedule "E")



**SCHEDULE "F"
PRE-AUTHORIZED DEBIT ("PAD") PLAN**

I/we authorize KingSett Mortgage Corporation ("KingSett") and the financial institution designated (or any other financial institution I/we may authorize at any time) to begin deductions as agreed under the KingSett loan agreement(s) for monthly regular recurring payment and/or one-time payments from time to time. Regular monthly interest payments will be debited from my/our specific account on the 1st business day of each month. KingSett will provide five days written notice of the amount of each regular monthly debit. KingSett will obtain my/our authorization for any other one-time or irregular debits.

This authority is to remain in effect until KingSett has received written notification from me/us of its change or termination. This change or termination notification must be received by KingSett at least 10 business days before the next debit is scheduled at the address provided below.

KingSett may not assign this authorization, whether directly or indirectly, by operation of law, change of control or otherwise, without providing at least 10 days prior written notice to me/us.

I/we have certain recourse rights if any debit does not comply with this agreement. For example, I/we have the right to receive reimbursement for any debit that is not authorized by the KingSett loan agreement(s) or is inconsistent with this PAD agreement. To obtain more information on my/our recourse rights, I/we may contact your financial institution or visit www.cdnpay.com.

PAD Category: *Personal* _____ *Business* _____ *Fund Transfer* _____

DATE: _____

Name(s): _____ Loan Number: _____

Phone Number: _____ Purpose: Personal _____ Business _____

Address: _____

City/Town: _____ Province: _____ Postal Code: _____

FI Name: _____ FI Transit Number: _____

(branch-5 digits, F1-3 digits)

FI Account Number: _____

Address: _____

City/Town: _____ Province: _____ Postal Code: _____

Authorized Signature(s): _____

Name: _____

**c/o KingSett Capital
Toronto-Dominion Centre, TD Bank Tower
66 Wellington Street West, Suite 4400
Toronto, Ontario M5K 1H6
www.kingsettcapital.com**

(end of Schedule "F")



SCHEDULE "G"
NOTICE TO PROPERTY TAX AUTHORITY

Re: Borrower: Maplequest Ventures Inc.
Property: 10475 Heritage Road, Brampton, Ontario
Loan No.: 345

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Real Estate Mortgage LP No. 3, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

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

Dated this _____ day of _____, 2017.

BORROWER:
MAPLEQUEST VENTURES INC.

Per:

Witness:

Property Civic Address:

Roll Number:

(Please complete in full)



NOTICE TO PROPERTY TAX AUTHORITY

Re: Borrower: Maplequest Ventures Inc.
Property: South of Larson Peak Road and north of Abbotside Way in Caledon, Ontario
(Mayfield West Phase 1 Development)
Loan No.: 345

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Real Estate Mortgage LP No. 3, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

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

Dated this _____ day of _____, 2017.

BORROWER:
MAPLEQUEST VENTURES INC.

 Per:

 Witness:

Property Civic Address:

Roll Number:

(Please complete in full)



NOTICE TO PROPERTY TAX AUTHORITY

Re: Borrower: Maplequest Ventures Inc.
Property: 12654, 12688, 12728 and 12738 Kennedy Road, Caledon, Ontario (Mayfield West Phase 2 & 3 Development)
Loan No.: 345

To Whom It May Concern:

Approval is being given to release any information verbally or in writing as requested by our mortgage company, KingSett Real Estate Mortgage LP No. 3, regarding all matters related to taxes for the above-noted property. This is including but not limited to taxes outstanding, status of tax account, payments received and/or outstanding or copies of tax statements.

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

Dated this _____ day of _____, 2017.

BORROWER:
MAPLEQUEST VENTURES INC.

 Per:

 Witness:

Property Civic Address:

Roll Number:

(Please complete in full)

 (end of Schedule "G")



August 30, 2017

Maplequest Group
40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

Attention: Mr. Ali Memon

Re: First ranking land financing of a +/- 50 acre residential development site to be located at 10475 Heritage Road, Brampton, ON

KingSett Mortgage Corporation ("KingSett" or the "Lender") is pleased to confirm approval of the following amendment (the "First Amendment") to the commitment letter dated July 28, 2017 (the "Commitment" or "Commitment Letter").

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

A. AMENDED LOAN TERMS

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

Partial Discharges: Loan to reduce by \$2,708,781 upon achievement of conditions for increased availability under the first mortgage land development financing to \$24,906,500 (initial limit of \$22,197,719) for the Mayfield West Phase I development.

Provided the Loan is not in default, the Lender shall provide partial mortgage discharges on a per unit/lot basis subject to the prior or concurrent receipt of the Partial Discharge Fee and the Net Proceeds, as described herein, until such time as the Loan is repaid in full.

The net proceeds shall be 1) 100% of the vendor take back discharge amount to be received on a unit/lot basis as it relates to the Mayfield West Phase I Development and/or Mayfield West Phase 2 & 3 Development, as determined at the sole and unfettered discretion of the Lender; and/or 2) 100% of the actual gross selling price (net of GST/PST/HST) of the ~~Maplequest Lots in the Mayfield West Phase I Development and/or Mayfield West Phase 2 & 3 Development and the School Block in the Mayfield West Phase 2 & 3 Development~~ as described in Schedule "C", to be approved by the Lender in its sole discretion, less approved legal fees, reasonable arm's length realty commissions and reasonable closing adjustments for property of this nature (i.e. realty taxes). Maximum deductions for legal fees, realty commissions and closing adjustments are cumulatively not to exceed 5% of the gross unit selling price (inclusive of GST/PST/HST) (collectively, the "Net Proceeds").

In order of priority, the Net Proceeds will be applied as follows: 1) Mayfield West Phase I Development - firstly to the permanent reduction of the first mortgage land development financing of \$24,906,500 including cash securing any outstanding letters of



credit/guarantee; secondly to the permanent reduction of the second mortgage land development financing of \$5,000,000; thirdly to the permanent reduction of the Cornell Land Loan, if applicable; fourthly to the payment of deferred costs of \$1,225,000; and fifthly to reduce the outstanding principal balance of the Loan and 2) Mayfield West Phase 2 & 3 Development - firstly to the permanent reduction of the first mortgage land development financing of \$40,145,000 including cash securing any outstanding letters of credit/guarantee; secondly to the payment of deferred costs of \$1,141,730; and thirdly to reduce the outstanding principal balance of the Loan.

Cash held to secure issued and outstanding letters of credit/guarantee shall be directed by the Borrower to the Lender to reduce the outstanding balance of the Loan upon the release of such cash from the respective lender to the Borrower.

A partial discharge fee of \$550 per discharge document (with multiple discharges permitted in a document) shall be deemed earned by the Lender and payable by the Borrower contemporaneously with each partial discharge, as the case may be, of the Lender's mortgage registered against the Property (the "**Partial Discharge Fee**").

The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Lender's mortgage registered against the Property (the "**Administration Fee**").

The Borrower's solicitor shall prepare all security discharge documents for review by the Lender and its legal counsel. All legal fees, disbursements and GST/PST/HST related to the discharge of the Lender's mortgage and other security shall be for the exclusive account of the Borrower.

2. Schedule "C" of the Commitment is deleted in its entirety and replaced with the schedule attached.
3. Schedule "D" of the Commitment is deleted in its entirety and replaced with the schedule attached.

B. GENERAL MATTERS

1. Entire Agreement – No alteration, modification, amendment, change or addition to this First Amendment shall be effective unless the same is in writing and signed by all of the parties hereto.
2. Not a Novation – It is the intent of the Borrower and Lender that this First Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.



3. Captions – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this First Amendment.
 4. Successors and Assigns – The First Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
 5. Limited Modification – The Commitment, as amended by this First Amendment, and the Security shall remain in full force and effect and all parties originally liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this First Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this First Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the Loan documents including, without limitation, the Commitment and the Security (the "Loan Documents"), nor the priority thereof over other liens, charges, encumbrances or conveyances. This First Amendment shall not release or affect the liability of any party who may now or hereafter be liable under or on account of any of the Loan Documents. If any obligation of any party who may now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this First Amendment and/or the modification of the Loan Documents as contemplated by this First Amendment, the Borrower hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney's fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.
 6. Commitment References – This First Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed to include this First Amendment.
 7. Time is of the Essence - Time is of the essence in this First Amendment.
-
8. Conflict - In the event of any inconsistency between the terms and conditions of any one or more of the Loan Documents and this First Amendment, the terms, conditions and provisions of this First Amendment shall prevail; provided, however, that whenever possible, this First Amendment shall be read to harmonize, rather than conflict, with any term or provision contained in the Loan Documents which is not specifically modified by this First Amendment.



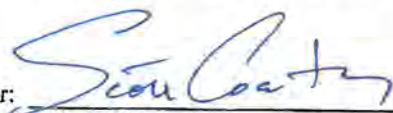
9. Facsimile Transmission - The parties hereto acknowledge that this First Amendment may be transmitted by facsimile transmission and that, if signed by each party hereto, such facsimile transmission will constitute a legally binding agreement between the parties.
10. Privacy Act Consent - The parties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

Please execute and return one copy of this First Amendment to the attention of the undersigned no later than September 21, 2017, failing which, at the Lender's exclusive option, this First Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Justin Walton
Director, Mortgage Investments

Per: 
Scott Coates
Managing Director, Mortgage Investments

****Borrower and Guarantor(s) Acknowledgement on next page****



ACKNOWLEDGEMENT

The terms and conditions of this First Amendment are acknowledged and agreed to by the Borrower and Guarantors at Richmond Hill this 9th day of September 2017.

BORROWER:
MAPLEQUEST VENTURES INC.

WITNESS:

Per: Mahd Ikhtlaq
Name: _____
Title: _____
I/we have authority to bind the Corporation

Per: [Signature]
Name: **KHURRAM ALI KHAN**

GUARANTOR(S):
DIGRAM DEVELOPMENTS CALEDON INC.

WITNESS:

Per: Mahd Ikhtlaq
Name: _____
Title: _____
I/we have authority to bind the Corporation

Per: [Signature]
Name: **KHURRAM ALI KHAN**

MUHAMMAD IKHLAQ MEMON

WITNESS:

Per: Mahd Ikhtlaq
Name: _____
Date of Birth: _____

Per: [Signature]
Name: **KHURRAM ALI KHAN**



**SCHEDULE "C"
COLLATERAL SECURITY**

Mayfield West Phase 1 Development					
Builder	Total F.F.	# of Lots	Serviced Lot Value	Builder Deposits	VTB Security Value
Treasure Hill Homes (TH)	2,610	145	\$ 26,643,750	\$ 9,325,313	\$ 17,318,437
Primont Homes (SF)	3,681	91	\$ 27,216,338	\$ 9,525,718	\$ 17,690,620
Primont Homes (SF)	217	6	\$ 2,166,000	\$ 758,100	\$ 1,407,900
Maplequest Lots (SF)	192	5	\$ 1,800,000	\$ -	\$ -

Mayfield West Phase 2 & 3 Development					
Builder	Total F.F.	# of Lots	Serviced Lot Value	Builder Deposits	VTB Security Value
Primont Homes (SF)	1,518	40	\$ 11,923,520	\$ 3,577,056	\$ 8,346,464
Primont Homes (TH)	792	44	\$ 10,098,000	\$ 3,534,300	\$ 6,563,700
Digreen Homes (SF)	2,520	70	\$ 23,688,000	\$ 8,290,800	\$ 15,397,200
Pristine Homes (TH)	594	33	\$ 8,791,200	\$ 3,076,920	\$ 5,714,280
Primont Homes (TH)	1,080	60	\$ 13,770,000	\$ 4,819,500	\$ 8,950,500
Primont Homes (SF)	1,123	25	\$ 11,225,000	\$ 3,928,750	\$ 7,296,250
Maplequest Lots (SF)	180	5	\$ 3,185,000	\$ 1,114,750	\$ 2,070,250
School Block	-	-	\$ 2,233,390	-	-

(end of Schedule "C")



**SCHEDULE "D"
REPORTING**

Borrower shall provide the Lender with copies of the following regarding the Project:

1. Any and all insurance policy renewals and/or amendments within 10 business days of the issuance thereof. Lender will require their insurance consultant to conduct an insurance review at the Borrower's expense.
2. Property tax statements supported by proof of payment on an annual basis or as otherwise requested by the Lender from time to time.
3. Quarterly updates on the status of site plan and development approvals.
4. All offers to purchase the Project, Mayfield West Phase 1 Development and/or Mayfield West Phase 2 & 3 Development as approved and serviced subdivision lots as received by the Borrower.
5. Regular Project Budget updates prepared by the Project Monitor from time to time related to Mayfield West Phase 1 Development and/or Mayfield West Phase 2 & 3 Development (i.e., until the Loan is repaid in full, the Borrower shall provide the Lender with a copy of *each and every* Project Monitor report prepared for the Borrower, the first mortgagee or the Lender).
6. Annual Review Engagement financial statements for the Borrower and Guarantor(s) prepared by a chartered accountant within 90 days of each fiscal year end.

At the Lender's request from time to time, the Borrower shall provide the Lender with any other relevant updates regarding the Project.

(end of Schedule "D")



October 25, 2019

Maplequest Group
40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

Attention: Mr. Ali Memon

Re: First ranking land financing of a +/- 50 acre residential development site to be located at 10475 Heritage Road, Brampton, ON

We are pleased to advise that KingSett Mortgage Corporation has approved the following Second amendment (the "**Second Amendment**") to the commitment letter dated July 28, 2017 and the First Amendment dated August 30, 2017 (the "**Commitment**"), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

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

AMENDED LOAN TERMS

A. LOAN TERMS

1. Section A. 5 is deleted in its entirety and replaced with the following:

Loan Facility: \$26,668,763 non-revolving, demand first mortgage land loan, inclusive of a \$4,480,000 interest reserve (the "**Loan**" or "**Loan Amount**") of which \$1,980,000 has been utilized at the time of this Second Amendment.

2. Section A. 7 is deleted in its entirety and replaced with the following:

Interest Rate: RBC Prime Rate + 5.55% (Floor rate of 9.50%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan (the "**Interest Rate**").

"**RBC Prime Rate**" means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

3. Section A. 11 is deleted in its entirety and replaced with the following:

Interest Reserve: Provided the Loan is not in default, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total of \$4,480,000 of monthly interest to the Loan (the "**Interest Reserve**"). Upon default by the Borrower under the Commitment Letter or Security, as defined herein, or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.



4. Section A. 12 is deleted in its entirety and replaced with the following:

Term: Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan shall mature on December 1, 2020 (the “**Maturity Date**”). Loan Amount is repayable in full on the Maturity Date.

5. Sections A. 13 and A. 14 are deleted in their entirety.

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

Second Amendment Fee - \$400,000 (1.5% of the Loan Amount) fee (the “**Second Amendment Fee**”) earned by and payable to the Lender upon receipt of the executed Second Amendment.

B. CONDITIONS PRECEDENT

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

1. Subject to Investment Committee Approval;
2. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Second Amendment.
3. Receipt and satisfactory review of a report from the Lender’s planner confirming the feasibility of the proposed Project.

In the event that the abovementioned Second Amendment Conditions Precedent have not been satisfied by November 31, 2019 at the exclusive option of the Lender, the Lender’s obligations under this Second Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Second Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

C. GENERAL MATTERS

1. **Entire Agreement** – No alteration, modification, amendment, change or addition to this Second Amendment (nor further alteration, modification, amendment, change or addition to the Commitment) shall be effective unless the same is in writing and signed by all of the parties hereto.
2. **Not a Novation** – It is the intent of the Borrower and Lender that this Second Amendment shall not constitute a novation or in any way adversely affect the Commitment or the Security for the Loan, including, without limitation, the mortgage/charge in favour of the Lender.
3. **Captions** – The captions and headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Second Amendment.



4. Successors and Assigns – The Second Amendment shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, successors and assigns but may not be assigned by the Borrower under any circumstances and the parties hereto agree that any such attempted assignment by the Borrower shall be null and void and of no force and effect.
5. Limited Modification – The Commitment, as amended by this Second Amendment, and the Security shall remain in full force and effect and all parties liable or obligated with respect thereto shall remain so liable or obligated with respect to the Commitment, as amended by this **Second** Amendment, and the Security. The Property shall remain in all respects subject to the liens, charges and encumbrances as set out in the Commitment, as amended by this **Second** Amendment, and the Security and nothing herein and nothing done pursuant hereto shall affect or be construed to affect the liens, charges and encumbrances of, or warranties of title in, any of the loan documents including, without limitation, the Commitment and the Security (the “**Loan Documents**”), nor the priority thereof over other liens, charges, encumbrances or conveyances. This Second Amendment shall not release or affect the liability of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents.

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



PRIVACY ACT CONSENT

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

Please execute and return one copy of this Second Amendment to the attention of the undersigned no later than October 31, 2019 along with a cheque for the Second Fee in the amount of \$400,000 failing which, at the Lender's exclusive option, this Second Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.


Yours truly,

KINGSETT MORTGAGE CORPORATION

Per:


Justin Walton
Executive Director, Mortgage Investments

Per:


Scott Coates
Group Head, Mortgage Investments

Borrower and Guarantor acknowledgement on following page




ACKNOWLEDGEMENT

The terms and conditions of this Commitment Letter are acknowledged and agreed to by the Borrower and Guarantor(s) at Richmond Hill this 28th day of Oct 2019.

BORROWER:
MAPLEQUEST VENTURES INC.


WITNESS:

Per: 
 Name: ALI MEMON
 Title:
 I/we have authority to bind the Corporation

Per: 
 Name: _____

GUARANTOR(S):
DIGRAM DEVELOPMENTS CALEDON INC.


WITNESS:

Per: 
 Name: ALI MEMON
 Title:
 I/we have authority to bind the Corporation

Per: 
 Name: _____

MUHAMMAD IKHLAQ MEMON

WITNESS:

Per: 
 Name: IKHLAQ MEMON
 Date of Birth: _____

Per: 
 Name: _____



November 16, 2020

Maplequest Group
40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

Attention: Mr. Ali Memon

Re: First ranking land financing of a +/- 50 acre residential development site to be located at 10475 Heritage Road, Brampton, ON

We are pleased to advise that KingSett Mortgage Corporation has approved the following third amendment (the “**Third Amendment**”) to the commitment letter dated July 28, 2017, the First Amendment dated August 30, 2017, and the Second Amendment dated October 25, 2019 (the “**Commitment**”), which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

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

AMENDED LOAN TERMS

A. LOAN TERMS

1. Section A. 12 is deleted in its entirety and replaced with the following:

Term: Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan shall mature on September 1, 2021 (the “**Maturity Date**”). Loan Amount is repayable in full on the Maturity Date.

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

Third Amendment Fee - \$150,000 (0.5625% of the Loan Amount) fee (the “**Third Amendment Fee**”) earned by and payable to the Lender upon receipt of the executed Third Amendment.

B. CONDITIONS PRECEDENT

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

1. Subject to Investment Committee Approval;
2. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Third Amendment.

In the event that the abovementioned Third Amendment Conditions Precedent have not been satisfied by November 31, 2020 at the exclusive option of the Lender, the Lender’s obligations under this



Third Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Third Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

C. GENERAL MATTERS

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

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Third Amendment and/or the modification of the Loan Documents as contemplated by this Third Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney’s fees, whether or not litigation has been commenced, and any and all costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

6. Commitment References – This Third Amendment shall form a part of the Commitment and shall be read as such and reference in the Commitment to the Commitment or similar expressions shall be deemed, as of the date hereof, to include this Third Amendment.
7. Time is of the Essence - Time is of the essence in this Third Amendment.



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


PRIVACY ACT CONSENT


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

Please execute and return one copy of this Third Amendment to the attention of the undersigned no later than November 23, 2020 along with a cheque for the Third Amendment Fee in the amount of \$150,000 failing which, at the Lender's exclusive option, this Third Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Justin Walton
Executive Director, Mortgage Investments

Per: 
Scott Coates
Group Head, Mortgage Investments

Borrower and Guarantor acknowledgement on following page




ACKNOWLEDGEMENT

The terms and conditions of this Commitment Letter are acknowledged and agreed to by the Borrower and Guarantor(s) at Richmond Hill this 30th day of November 2020

BORROWER:
MAPLEQUEST VENTURES INC.


WITNESS:

Per: 
Name: ALE Memon
Title:
I/we have authority to bind the Corporation

Per: _____
Name:

GUARANTOR(S):
DIGRAM DEVELOPMENTS CALEDON INC.


WITNESS:

Per: 
Name: ALE Memon
Title:
I/we have authority to bind the Corporation

Per: _____
Name:

MUHAMMAD IKHLAQ MEMON

WITNESS:

Per: 
Name: _____
Date of Birth: _____

Per: _____
Name:



August 19, 2021

Maplequest Group
40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

Attention: Mr. Ali Memon

Re: First ranking land financing of a +/- 50 acre residential development site to be located at 10475 Heritage Road, Brampton, ON

We are pleased to advise that KingSett Mortgage Corporation has approved the following fourth amendment (the "**Fourth Amendment**") to the commitment letter dated July 28, 2017, the First Amendment dated August 30, 2017, the Second Amendment dated October 25, 2019 (the "**Commitment**") and the Third Amendment dated November 16, 2020, which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

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

AMENDED LOAN TERMS

A. LOAN TERMS

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

Project: The subject site is a +/- 50 acre residential development site located at 10475 Heritage Road, Brampton, Ontario which is expected to yield 375 townhomes.

2. Section A. 5 is deleted in its entirety and replaced with the following:

Loan Facility: \$40,272,233 non-revolving, demand first mortgage land loan, inclusive of a \$4,000,000 interest reserve (the "**Loan**" or "**Loan Amount**").

For clarity, the outstanding Loan balance at the time of this Fourth Amendment is \$25,772,233. The current Loan increase of \$14,500,000 will repay the existing Second Mortgage of \$6,500,000, provide a \$4,000,000 interest reserve for the remainder of the Term, with the remaining \$4,000,000 to be funded to the Borrower as equity take-out.

3. Section A. 7 is deleted in its entirety and replaced with the following:

Interest Rate: RBC Prime Rate + 5.80% (Floor rate of 8.25%) per annum, calculated on the daily outstanding balance, compounded and payable monthly, not in advance, both before and after maturity, default and/or judgment with respect to the Loan (the "**Interest Rate**").

"**RBC Prime Rate**" means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada as the reference rate of interest for the determination



of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

4. Section A. 11 is deleted in its entirety and replaced with the following:

Interest Reserve: Provided the Loan is not in default, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total of \$4,000,000 of monthly interest to the Loan (the “**Interest Reserve**”). Upon default by the Borrower under the Commitment Letter or Security, as defined herein, or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve.

5. Section A. 12 is deleted in its entirety and replaced with the following:

Term: Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan shall mature on March 1, 2023 (the “**Maturity Date**”). Loan Amount is repayable in full on the Maturity Date.

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

Partial Discharges: Partial discharges for the Property are neither applicable nor permitted.

Collateral Discharge: Notwithstanding whether an Event of Default has occurred as defined in this Commitment Letter, Lender will provide the Borrower with partial real and personal property discharges of the Security on a per unit/lot basis over Mayfield West Phase 2 & 3 upon receipt of the net closing proceeds for each unit/lot (the “**Net Closing Proceeds**”) calculated as the aggregate of:

- (a) 100% of the vendor take back discharge amount to be received on a unit/lot basis as it relates to the Mayfield West Phase 2 & 3 Development, net of existing Royal Bank of Canada (“**RBC**”) mortgage debt
- (b) the actual gross unit selling price net of applicable sales tax of the residual Maplequest Lots in Mayfield West Phase 1, 2 & 3 Developments, net of existing land and construction financing provided the Lender; and
- (c) 100 % of the cash security released as existing letters of credit for Mayfield West Phase 1 are reduced/cancelled.

In order of priority, the Net Closing Proceeds will be applied as follows:

- 1) Mayfield West Phase 1 Development – as existing cash-secured letters of credit are reduced, the cash will be released to the permanent reduction of the first mortgage land development financing of \$938,464 provided by the Lender; secondly to the permanent reduction of the Loan.
- 2) Mayfield West Phase 2 & 3 Development - firstly to the permanent reduction of the first mortgage land development financing of \$40,145,000 from RBC including cash securing any outstanding letters of credit/guarantee; secondly to the permanent reduction of the Loan.



Cash held to secure issued and outstanding letters of credit/guarantee shall be directed by the Borrower to the Lender to reduce the outstanding balance of the Loan upon the release of such cash from the respective lender to the Borrower subject to the order of priority outlined above.

A partial discharge fee of \$550 per discharge document (with multiple discharges permitted in a document) shall be deemed earned by the Lender and payable by the Borrower contemporaneously with each partial collateral discharge, as the case may be, of the Lender's mortgage registered against the Property (the "**Collateral Discharge Fee**").

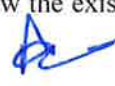
The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Lender's mortgage registered against the Property (the "**Administration Fee**").

The Borrower's solicitor shall prepare all security discharge documents for review by the Lender and its legal counsel. All legal fees, disbursements and GST/PST/HST related to the discharge of the Lender's mortgage and other security shall be for the exclusive account of the Borrower.

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


No Further Encumbrances: Additional financing (prior or subsequent) of the Project, secured or unsecured, or the registration of any other encumbrance save and except for Permitted Encumbrances is not permitted in connection with the Project without the prior written consent of the Lender, which consent may be arbitrarily withheld, delayed and/or conditioned by the Lender.

8. The following new section Section A. 23 is added immediately below the existing Section A. 22 as follows:

~~\$504,000~~ ^{25% to CIF possibly} 

Fourth Amendment Fee - \$605,000 (1.50% of the Loan Amount) fee (the "**Fourth Amendment Fee**") earned by and payable to the Lender upon receipt of the executed Fourth Amendment.

9. The following new section Section B. 25 is added immediately below the existing Section B. 24 as follows:

Registered collateral second mortgage in the amount of \$40,272,233 on lands related to the Borrower's Maplequest Countryside site, being three development sites located generally north of Countryside drive, south of Mayfield Road, east of Bramalea Road and west of Airport Road in Brampton, Ontario totaling 40.3 acres. *see index A* 

B. CONDITIONS PRECEDENT

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

1. Subject to Investment Committee Approval;
2. Receipt by Lender of Fourth Amendment Fee;



3. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Fourth Amendment.
4. Receipt and satisfactory review by the Lender of evidence confirming zoning as described under the Project, is attainable during the Term of the Loan.

In the event that the abovementioned Fourth Amendment Conditions Precedent have not been satisfied by September 30, 2021 at the exclusive option of the Lender, the Lender's obligations under this Fourth Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Fourth Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

C. GENERAL MATTERS

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

If any obligation of any party or parties who may have been, now or hereafter be liable under or on account of any of the Loan Documents is determined to be void or unenforceable on account of this Fourth Amendment and/or the modification of the Loan Documents as contemplated by this Fourth Amendment, the Borrower, as an additional and independent obligation, hereby agrees to indemnify and hold harmless the Lender against and from all loss, cost, damage or expense (including attorney's fees, whether or not litigation has been commenced, and any and all



costs for trial, bankruptcy and appellate proceedings) suffered or incurred by the Lender as the result of any such obligation being void or unenforceable.

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




PRIVACY ACT CONSENT


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

Please execute and return one copy of this Fourth Amendment to the attention of the undersigned no later than August 24, 2021 along with a cheque for the Fourth Amendment Fee in the amount of \$605,000 failing which, at the Lender's exclusive option, this Fourth Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Justin Walton
Managing Director, Mortgage Investments

Per: 
Bryan Salazar
Managing Director, Mortgage Underwriting
& Funding

Borrower and Guarantor acknowledgement on following page




ACKNOWLEDGEMENT

The terms and conditions of this Fourth Amendment are acknowledged and agreed to by the Borrower and Guarantor(s) at Richmond Hill this 23 day of Aug 20 .

BORROWER:
MAPLEQUEST VENTURES INC.

WITNESS:

Per: 

Per: 

Name: ALI Memar

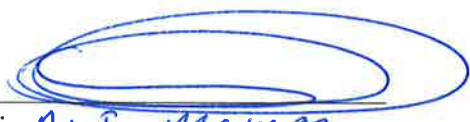
Name: Oosman Sadiq

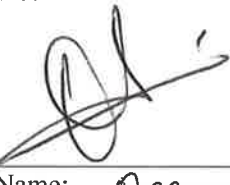
Title:

I/we have authority to bind the Corporation

GUARANTOR(S):
DIGRAM DEVELOPMENTS CALEDON INC.

WITNESS:

Per: 

Per: 

Name: ALI Memar

Name: Oosman Sadiq

Title:

I/we have authority to bind the Corporation

MUHAMMAD IKHLAQ MEMON

WITNESS:

Per: _____

Per: _____

Name:

Name:

Date of Birth:

RIDER A

Collateral Discharge

Condition 9 (appended)

The lender is aware that on expiration of the 1st mortgage on the borrower's countryside properties, the Borrower will seek an increase to the loan amount on said site in the amount +/- \$6,500,000 to fund the following:

- Interest Reserve for the term on a go-forward basis;
- Loan closing costs and fees;
- Soft costs up to a maximum of \$1,500,000 to advance the project through the planning process.

The lender hereby notes the above and acknowledges that it will subordinate its cross-collateral mortgage accordingly.

KS: The above condition is subject to approval by the 1st mortgage lender on the Countryside properties.

Condition 10 (added)

The lender acknowledges that on registration of the collateral second mortgage on the borrower's countryside properties, the lender will discharge its cross-collateral mortgage on the borrower's langstaff site.



November 25, 2022

Maplequest Group
40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

Attention: Mr. Ali Memon

Re: First ranking land financing of a +/- 50 acre residential development site to be located at 10475 Heritage Road, Brampton, ON

We are pleased to advise that KingSett Mortgage Corporation has approved the following fifth amendment (the "**Fifth Amendment**") to the commitment letter dated July 28, 2017, the First Amendment dated August 30, 2017, the Second Amendment dated October 25, 2019 (the "**Commitment**") the Third Amendment dated November 16, 2020 and the Fourth Amendment dated August 19, 2021, which Commitment sets out the terms and conditions of the Loan granted by the Lender to the Borrower and is incorporated herein by reference.

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

AMENDED LOAN TERMS

A. LOAN TERMS

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

Project: The subject site is a +/- 50 acre residential development site located within the Heritage Heights Secondary Plan at 10475 Heritage Road, Brampton, Ontario. The development is expected to yield 147 townhouse units, 288 mid-rise apartment units, and 1,599 high-rise apartment units.

2. Section A. 5 is deleted in its entirety and replaced with the following:

Loan Facility: \$49,495,000 non-revolving, demand first mortgage land loan, inclusive of an increase of \$7,780,000 to the interest reserve (the "**Loan**" or "**Loan Amount**").

For clarity, the outstanding Loan balance at the time of this Fifth Amendment is \$40,272,233. The current Loan increase of \$9,222,767 will be applied as follows:

- (a) \$1,442,767 to repay the existing loan made by the Lender under 1n0183 (Mayfield West Phase 1), to pay the Fifth Amendment Fee as outlined herein, and to pay for any other fees as deemed appropriate by the Lender.
- (b) \$7,780,000 to increase the existing Interest Reserve.



3. Section A. 11 is deleted in its entirety and replaced with the following:

Interest Reserve: Provided the Loan is not in default, monthly interest shall be capitalized to the outstanding principal balance of the Loan until the earlier of repayment of the Loan in full or the capitalization of a total of \$11,780,000 of monthly interest to the Loan (the “**Interest Reserve**”). Upon default by the Borrower under the Commitment Letter or Security, as defined herein, or upon full utilization of the Interest Reserve, the Borrower shall be required to make Monthly Payments from its own financial resources and not from the Interest Reserve. For greater clarity, \$4,000,000 has already been utilized of the Interest Reserve, with the remaining \$7,780,000 expected to be sufficient until the Maturity Date of March 1, 2024.

4. Section A. 12 is deleted in its entirety and replaced with the following:

Term: Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan shall mature on March 1, 2024 (the “**Maturity Date**”). Loan Amount is repayable in full on the Maturity Date.

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

Partial Discharges: Partial discharges for the Property are neither applicable nor permitted.

Collateral Discharge: Lender will provide the Borrower with partial real and personal property discharges of the Security on a per unit/lot basis over Mayfield West Phase 2 & 3 upon receipt of the net closing proceeds for each unit/lot (the “**Net Closing Proceeds**”) calculated as the aggregate of:

- (a) 100% of the vendor take back discharge amount to be received on a unit/lot basis as it relates to the Mayfield West Phase 2 & 3 Development, net of existing Royal Bank of Canada (“**RBC**”) mortgage debt
- (b) the actual gross unit selling price net of applicable sales tax of the residual Maplequest Lots in Mayfield West Phase 1, 2 & 3 Developments, net of existing land and construction financing provided the Lender; and
- (c) 100 % of the cash security released as existing letters of credit for Mayfield West Phase 1, 2 and 3 are reduced/cancelled.

Cash held to secure issued and outstanding letters of credit/guarantee shall be directed by the Borrower to the Lender to reduce the outstanding balance of the Loan upon the release of such cash from the respective lender to the Borrower subject to the order of priority outlined above.

A partial discharge fee of \$550 per discharge document (with multiple discharges permitted in a document) shall be deemed earned by the Lender and payable by the Borrower contemporaneously with each partial collateral discharge, as the case may be, of the Lender’s mortgage registered against the Property (the “**Collateral Discharge Fee**”).

The Lender shall charge a one-time administrative fee of \$1,000 for ongoing administration of the Loan including, but not limited to, providing a full discharge of the Lender’s mortgage registered against the Property (the “**Administration Fee**”).



The Borrower's solicitor shall prepare all security discharge documents for review by the Lender and its legal counsel. All legal fees, disbursements and GST/PST/HST related to the discharge of the Lender's mortgage and other security shall be for the exclusive account of the Borrower.

6. The following new section Section A. 24 is added immediately below the existing Section A. 23 as follows:

Fifth Amendment Fee - \$490,000 (1.00% of the Loan Amount) fee (the "**Fifth Amendment Fee**") earned by and payable to the Lender upon receipt of the executed Fifth Amendment.

7. Section B. 25 is deleted in its entirety and replaced with the following:

Registered collateral second mortgage in the amount of \$49,495,000 on lands related to the Borrower's Maplequest Countryside site ("**Countryside**"), being three development sites located generally north of Countryside drive, south of Mayfield Road, east of Bramalea Road and west of Airport Road in Brampton, Ontario totaling 40.3 acres.

8. The following new section Section B. 26 is added immediately below the existing Section B. 25 as follows:

Registered first ranking mortgage in the amount of \$49,495,000 on any residual lots in the Borrower's Mayfield West 1, 2, and 3 subdivision.

B. CONDITIONS PRECEDENT

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

1. Subject to Investment Committee Approval;
2. Receipt by Lender of Fifth Amendment Fee;
3. Security to be amended and/or extended as deemed necessary by the Lender and its legal counsel to reflect the revised terms specified in this Fifth Amendment.
4. Consent from the existing lender on Countryside for the increased collateral charge outlined in Section B.26.

In the event that the abovementioned Fifth Amendment Conditions Precedent have not been satisfied by December 15, 2022 at the exclusive option of the Lender, the Lender's obligations under this Fifth Amendment shall cease and the Loan will become due and payable in accordance with the terms of the original Commitment. Notwithstanding the same, the Lender shall remain entitled to earn and receive full payment of the Fifth Amendment Fee and to fully recover from the Borrower and Guarantor any expenses incurred by the Lender.

C. GENERAL MATTERS



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

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



to the Lender's appointment of a receiver manager or receiver, either privately or court appointed, to manage the Property and do all things necessary as an owner would be entitled to do, including sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.

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




PRIVACY ACT CONSENT


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

Please execute and return one copy of this Fifth Amendment to the attention of the undersigned no later than November 28, 2022 along with a cheque for the Fifth Amendment Fee in the amount of \$490,000 failing which, at the Lender's exclusive option, this Fifth Amendment shall be null and void and of no force nor effect and the Lender shall be entitled to all of its rights and remedies under the Commitment and the Security.

Yours truly,

KINGSETT MORTGAGE CORPORATION

Per: 
Justin Walton (Nov 25, 2022 15:05 EST)
 Justin Walton
 Managing Director, Mortgage Investments

Per: 
Bryan Salazar (Nov 25, 2022 15:09 EST)
 Bryan Salazar
 Managing Director, Mortgage Underwriting
 & Funding


Borrower and Guarantor acknowledgement on following page




ACKNOWLEDGEMENT

The terms and conditions of this Fifth Amendment are acknowledged and agreed to by the Borrower and Guarantor(s) at Richmond Hill this 28 day of Nov 2022


BORROWER:
MAPLEQUEST VENTURES INC.

Per: 
 Name: ALI MEMON
 Title:
 I/we have authority to bind the Corporation


WITNESS:

Per: 
 Name: Osman Sadiq

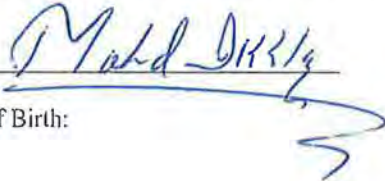
GUARANTOR(S):
DIGRAM DEVELOPMENTS CALEDON INC.

Per: 
 Name: ALI MEMON
 Title:
 I/we have authority to bind the Corporation


WITNESS:

Per: 
 Name: Osman Sadiq

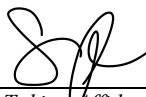
MUHAMMAD IKHLAQ MEMON

Per: 
 Name:
 Date of Birth:

WITNESS:

Per: 
 Name: KHURRAM ALI KHAN

This is Exhibit "E" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

LRO # 43 **Charge/Mortgage**Registered as **PR3240081** on 2017 11 22 at 11:05

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

yyyy mm dd Page 1 of 23

Properties

PIN 14363 - 0048 LT *Interest/Estate* Fee Simple
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Chargor(s)

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

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre
 TD Bank Tower
 66 Wellington Street West
 Suite 4400, P.O. Box 163
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

Principal \$30,000,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate 8.25%
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount full insurable value
Guarantor

Signed By

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for Signed 2017 11 22
 Toronto
 M5C 2V9
 Chargor(s)

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2017 11 22
 Toronto
 M5C 2V9

Tel 416-869-1234

LRO # 43 Charge/Mortgage

Registered as PR3240081 on 2017 11 22 at 11:05

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

yyyy mm dd Page 2 of 23

Submitted By

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$63.65
Total Paid	\$63.65

File Number

Chargee Client File Number : 6333-093

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated July 28, 2017 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 8.25% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

LRO # 43 **Charge/Mortgage**

Registered as PR3445336 on 2019 02 13 at 11:28

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

yyyy mm dd Page 1 of 23

Properties

PIN 14363 - 0048 LT *Interest/Estate* Fee Simple
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Chargor(s)

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

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$6,875,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2019 02 05
 Toronto Chargor(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2019 02 13
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$64.40

LRO # 43 Charge/Mortgage

Registered as PR3445336 on 2019 02 13 at 11:28

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

yyyy mm dd Page 2 of 23

Fees/Taxes/Payment

Total Paid \$64.40

File Number

Chargee Client File Number : 6333-124

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated December 6, 2018 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

With respect to Facilities 1 and 3, the mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 2.30% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. DEFAULT

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **RESTRICTION ON TRANSFER**

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

12. **SUBSEQUENT FINANCING**

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

13. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

14. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

15. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

16. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

17. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

18. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

19. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

20. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all

insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

21. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

22. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.
- (c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.
- (d) The Chargee shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.
- (e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

23. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

24. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

25. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

26. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

27. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

28. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

29. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

30. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the

Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of

the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

31. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the

Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any

competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

32. **INSPECTION**

THE CHARGE shall have access to and the right to inspect the said lands at all reasonable times.

33. **RIGHT OF CHARGE TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

34. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

35. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

36. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

37. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

38. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be

implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

39. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

40. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

41. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

42. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

43. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

44. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

45. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

46. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

47. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

48. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

49. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

50. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

51. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

52. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

53. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

54. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

55. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

56. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

57. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

58. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

59. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

LRO # 43 **Charge/Mortgage**

Registered as PR3445337 on 2019 02 13 at 11:28

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

yyyy mm dd Page 1 of 23

Properties

PIN 14363 - 0048 LT *Interest/Estate* Fee Simple
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Chargor(s)

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

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$6,875,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2019 02 05
 Toronto Chargor(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2019 02 13
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$64.40

LRO # 43 Charge/Mortgage

Registered as PR3445337 on 2019 02 13 at 11:28

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

yyyy mm dd Page 2 of 23

Fees/Taxes/Payment

Total Paid \$64.40

File Number

Chargee Client File Number : 6333-124

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated December 6, 2018 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 2, the mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 6.30% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 10.25% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. **DEFAULT**

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEЕ MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **RESTRICTION ON TRANSFER**

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

12. **SUBSEQUENT FINANCING**

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

13. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

14. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

15. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

16. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

17. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

18. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

19. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

20. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all

insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

21. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

22. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.
- (c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.
- (d) The Chargee shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.
- (e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.
- (g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.
- (h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

23. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

24. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

25. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

26. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

27. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

28. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

29. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

30. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the

Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of

the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

31. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the

Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any

competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

32. **INSPECTION**

THE CHARGE shall have access to and the right to inspect the said lands at all reasonable times.

33. **RIGHT OF CHARGE TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

34. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

35. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

36. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

37. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

38. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be

implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

39. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

40. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

41. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

42. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

43. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

44. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

45. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

46. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

47. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

48. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

49. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

50. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

51. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

52. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

53. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

54. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

55. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

56. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

57. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

58. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

59. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

PIN 14363 - 0048 LT
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Consideration

Consideration \$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6
 I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Scotia Plaza, 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

I, Scott Coates, President, have the authority to bind the corporation
 This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, PR3240081 registered on 2017/11/22 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)PR3240081

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2019 11 12
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2019 11 12
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05
Total Paid \$65.05

File Number

Party To Client File Number : 6333-093

MORTGAGE AMENDING AGREEMENT

BETWEEN:

MAPLEQUEST VENTURES INC.

(hereinafter called the "Borrower")

OF THE FIRST PART,

- and -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Lender")

OF THE SECOND PART,

- and -

DIGRAM DEVELOPMENTS CALEDON INC. AND
MUHAMMAD IKHLAQ MEMON

(hereinafter called the "Guarantors")

OF THE THIRD PART.

WHEREAS the Lender issued a Letter of Commitment to the Borrower dated July 28, 2017 ("Letter of Commitment");

AND WHEREAS the transaction was completed and all security taken pursuant to that Letter of Commitment;

AND WHEREAS by amendment dated October 25, 2019, the Letter of Commitment was amended;

AND WHEREAS the parties wish to enter into this Agreement, in order to reflect the amendments set out in that letter of October 25, 2019;

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

1. The Charge given by the Borrower to the Lender registered November 22, 2017 as Instrument No. PR3240081 ("Charge") is hereby amended by deleting Paragraph No. 3 of the Additional Provisions and substituting with the following:

“3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 9.50% per annum, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 5.55% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

- 2 -

2. All security documentation shall be deemed amended in order to give effect to the provisions herein, and to the provisions of the amendment dated October 25, 2019.
3. In all other respects, all aspects of the original Letter of Commitment, as amended and all security documentation are hereby confirmed.
4. The Guarantors hereby consent to this amendment.
5. This Amending Agreement may be executed in counterpart.
6. This Agreement may be executed by facsimile or email, and receipt by any party to this agreement of a facsimile or PDF copy showing execution by one or more parties shall be considered firm and binding upon the parties having so executed.

LRO # 43 Notice

Registered as PR3903520 on 2021 09 02 at 12:55

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

yyyy mm dd Page 1 of 3

Properties

PIN 14363 - 0048 LT
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Consideration*Consideration* \$2.00**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6
 I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 40 King Street West, 37th Floor
 Suite 3700, PO Box 110
 Toronto, ON M3H 3Y2

I, Bryan Salazar, Managing Director, have the authority to bind the corporation
 This document is not authorized under Power of Attorney by this party.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, PR3240081 registered on 2017/11/22 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)PR3240081 and PR3240082

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2021 09 02
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2021 09 02
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30
Total Paid \$65.30

File Number*Party To Client File Number :* 6333-093

MORTGAGE AMENDING AGREEMENT

BETWEEN:

MAPLEQUEST VENTURES INC.

(hereinafter called the "Borrower")

OF THE FIRST PART,

- and -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Lender")

OF THE SECOND PART,

- and -

DIGRAM DEVELOPMENTS CALEDON INC. AND
MUHAMMAD IKHLAQ MEMON

(hereinafter called the "Guarantors")

OF THE THIRD PART.

WHEREAS the Lender issued a Letter of Commitment to the Borrower dated July 28, 2017 ("Letter of Commitment");

AND WHEREAS the transaction was completed and all security taken pursuant to that Letter of Commitment;

AND WHEREAS by amendment dated August 19, 2021, the Letter of Commitment was amended;

AND WHEREAS the parties wish to enter into this Agreement, in order to reflect the amendments set out in that letter of August 19, 2021;

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

1. The Charge given by the Borrower to the Lender registered November 22, 2017 as Instrument No. PR3240081 ("Charge") is hereby increased from \$30,000,000.00 to \$50,340,291.00.
2. The Charge is hereby further amended by deleting Paragraph No. 3 of the Additional Provisions and substituting with the following:

“3. **INTEREST RATE**

The mortgage shall bear interest at the greater rate of: (i) 8.25% per annum, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 5.80% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

- 2 -

3. All other security documentation given pursuant to the Letter of Commitment shall be deemed amended as applicable, by increasing any reference to the principal amount from \$30,000,000.00 to \$50,340,291.00, and all security given shall now be referable to this increased Charge.
4. The Guarantor acknowledges that a Guarantee given by it guaranteeing the indebtedness of the Borrower now relates to the increased amount of principal.
5. All security documentation shall be deemed amended in order to give effect to the provisions herein, and to the provisions of the amendment dated August 19, 2021.
6. In all other respects, all aspects of the original Letter of Commitment, as amended and all security documentation are hereby confirmed.
7. The Guarantors hereby consent to this amendment.
8. This Amending Agreement may be executed in counterpart.
9. This Agreement may be executed by facsimile or email, and receipt by any party to this agreement of a facsimile or PDF copy showing execution by one or more parties shall be considered firm and binding upon the parties having so executed.

Properties

PIN 14363 - 0048 LT
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Consideration

Consideration \$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name MAPLEQUEST VENTURES INC.
Address for Service 68B Leek Crescent, Suite 202
 Richmond Hill, ON L4B 1H1

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West, Suite 3700
 Toronto, ON M5H 3Y2

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.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, PR3240081 registered on 2017/11/22 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)PR3240081 and PR3903520

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2023 05 04
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2023 05 04
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Party To Client File Number : 6333-093

MORTGAGE AMENDING AGREEMENT

BETWEEN:

MAPLEQUEST VENTURES INC.

(hereinafter called the "Borrower")

OF THE FIRST PART,

- and -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Lender")

OF THE SECOND PART,

- and -

DIGRAM DEVELOPMENTS CALEDON INC. AND
MUHAMMAD IKHLAQ MEMON

(hereinafter collectively called the "Guarantors")

OF THE THIRD PART.

WHEREAS the Lender issued a Letter of Commitment to the Borrower dated July 28, 2017 ("Letter of Commitment");

AND WHEREAS the transaction was completed and all security taken pursuant to that Letter of Commitment;

AND WHEREAS by amendments dated August 30, 2017, October 25, 2019, November 16, 2020 and August 19, 2021, the Letter of Commitment was amended;

AND WHEREAS by amendment dated November 25, 2022, the Letter of Commitment was further amended;

AND WHEREAS the parties wish to enter into this Agreement, in order to reflect the amendments set out in that letter of November 25, 2022;


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

1. The Charge given by the Borrower to the Lender registered November 22, 2017 as Instrument No. PR3240081 as amended by Instrument No. PR3903520 ("Charge") is hereby increased from \$50,340,291.00 to \$59,565,058.00.
2. The Collateral Charge given by the Borrower to the Lender registered September 2, 2021 as Instrument No. PR3903530 ("Collateral Charge") is hereby increased from \$40,272,233.00 to \$49,495,000.00.
3. All other security documentation given pursuant to the Letter of Commitment shall be deemed amended as applicable, by increasing any reference to the principal amount from \$50,340,291.00 to \$59,565,058.00, and all security given shall now be referable to this increased Charge.
4. The Guarantor acknowledges that a Guarantee given by it guaranteeing the indebtedness of the Borrower now relates to the increased amount of principal.
5. All security documentation shall be deemed amended in order to give effect to the provisions herein, and to the provisions of the amendment dated November 25, 2022.
6. In all other respects, all aspects of the original Letter of Commitment, as amended and all security documentation are hereby confirmed.
7. The Guarantors hereby consent to this amendment.

- 2 -

8. This Amending Agreement may be executed in counterpart.
9. This Agreement may be executed by facsimile or email, and receipt by any party to this agreement of a facsimile or PDF copy showing execution by one or more parties shall be considered firm and binding upon the parties having so executed.

This is Exhibit "F" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

LRO # 43 **Charge/Mortgage**Registered as **PR3903530** on 2021 09 02 at 12:59

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

yyyy mm dd Page 1 of 23

Properties

PIN 14222 - 0290 LT *Interest/Estate* Fee Simple
Description PT LT 17, CON 5 EHS (CHINGUACOUSY), DES PTS 1 & 2, 43R36311; SUBJECT TO AN EASEMENT IN GROSS OVER PT 2, 43R36311 AS IN PR2516850; CITY OF BRAMPTON
Address BRAMPTON

PIN 14222 - 0291 LT *Interest/Estate* Fee Simple
Description PT LT 17, CON 5 EHS (CHINGUACOUSY), DES PTS 3 & 4, 43R36311; SUBJECT TO AN EASEMENT IN GROSS OVER PT 4, 43R36311 AS IN PR2516850; CITY OF BRAMPTON
Address BRAMPTON

PIN 14222 - 0326 LT *Interest/Estate* Fee Simple
Description PART LOT 16 CONCESSION 5 EAST OF HURONTARIO STREET AS IN RO531582 EXCEPT PART 20 43R35903; SUBJECT TO AN EASEMENT IN GROSS OVER PART 21 43R35903 AS IN PR3336328; CITY OF BRAMPTON
Address BRAMPTON

PIN 14222 - 0328 LT *Interest/Estate* Fee Simple
Description PART LOT 16 CONCESSION 6 EAST OF HURONTARIO STREET PART 13 43R18218 & PART 6 43R36289 EXCEPT PART 4 43R36289 & PART 3 43R35903; CITY OF BRAMPTON
Address BRAMPTON

Chargor(s)

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

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 40 King Street West, 37th Floor
 Suite 3700, PO Box 110
 Toronto, ON M3H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$40,272,233.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate see Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

Signed By

Avrom Warren Brown

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9acting for
Chargor(s)

Signed 2021 09 02

Tel 416-869-1234

LRO # 43 Charge/Mortgage

Registered as PR3903530 on 2021 09 02 at 12:59

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

yyyy mm dd Page 2 of 23

Signed By

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 09 02

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Total Paid \$65.30

File Number

Chargor Client File Number : 6333-093

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated July 28, 2017 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

The mortgage shall bear interest at the greater rate of: (i) 8.25% per annum, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus 5.80% per annum, adjusted daily and compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. DEFAULT

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any

conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. INSURANCE

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the

said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component

parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the

power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;

(viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make

such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEЕ NOT TO BE DEEMED CHARGEЕ IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargee or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this

Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such

postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

PIN 14222 - 0328 LT
Description PART LOT 16 CONCESSION 6 EAST OF HURONTARIO STREET PART 13 43R18218 & PART 6 43R36289 EXCEPT PART 4 43R36289 & PART 3 43R35903; CITY OF BRAMPTON
Address BRAMPTON

PIN 14222 - 0291 LT
Description PT LT 17, CON 5 EHS (CHINGUACOUSY), DES PTS 3 & 4, 43R36311; SUBJECT TO AN EASEMENT IN GROSS OVER PT 4, 43R36311 AS IN PR2516850; CITY OF BRAMPTON
Address BRAMPTON

PIN 14222 - 0290 LT
Description PT LT 17, CON 5 EHS (CHINGUACOUSY), DES PTS 1 & 2, 43R36311; SUBJECT TO AN EASEMENT IN GROSS OVER PT 2, 43R36311 AS IN PR2516850; CITY OF BRAMPTON
Address BRAMPTON

PIN 14222 - 0326 LT
Description PART LOT 16 CONCESSION 5 EAST OF HURONTARIO STREET AS IN RO531582 EXCEPT PART 20 43R35903; SUBJECT TO AN EASEMENT IN GROSS OVER PART 21 43R35903 AS IN PR3336328; CITY OF BRAMPTON
Address BRAMPTON

Consideration

Consideration \$2.00

Applicant(s)

The notice is based on or affects a valid and existing estate, right, interest or equity in land

Name MAPLEQUEST VENTURES INC.
Address for Service 68B Leek Crescent, Suite 202
 Richmond Hill, ON L4B 1H1

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 40 King Street West, Suite 3700
 Toronto, ON M5H 3Y2

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.

Statements

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, PR3903530 registered on 2021/09/02 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s)PR3903530

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2023 05 04
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

LRO # 43 Notice

Registered as PR4196418 on 2023 05 04 at 09:57

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

yyyy mm dd Page 2 of 4

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2023 05 04

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$69.00

Total Paid \$69.00

File Number

Party To Client File Number : 6333-093

MORTGAGE AMENDING AGREEMENT

BETWEEN:

MAPLEQUEST VENTURES INC.

(hereinafter called the "Borrower")

OF THE FIRST PART,

- and -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Lender")

OF THE SECOND PART,

- and -

DIGRAM DEVELOPMENTS CALEDON INC. AND
MUHAMMAD IKHLAQ MEMON

(hereinafter collectively called the "Guarantors")

OF THE THIRD PART.

WHEREAS the Lender issued a Letter of Commitment to the Borrower dated July 28, 2017 ("Letter of Commitment");

AND WHEREAS the transaction was completed and all security taken pursuant to that Letter of Commitment;

AND WHEREAS by amendments dated August 30, 2017, October 25, 2019, November 16, 2020 and August 19, 2021, the Letter of Commitment was amended;

AND WHEREAS by amendment dated November 25, 2022, the Letter of Commitment was further amended;

AND WHEREAS the parties wish to enter into this Agreement, in order to reflect the amendments set out in that letter of November 25, 2022;

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

1. The Charge given by the Borrower to the Lender registered November 22, 2017 as Instrument No. PR3240081 as amended by Instrument No. PR3903520 ("Charge") is hereby increased from \$50,340,291.00 to \$59,565,058.00.
2. The Collateral Charge given by the Borrower to the Lender registered September 2, 2021 as Instrument No. PR3903530 ("Collateral Charge") is hereby increased from \$40,272,233.00 to \$49,495,000.00.
3. All other security documentation given pursuant to the Letter of Commitment shall be deemed amended as applicable, by increasing any reference to the principal amount from \$50,340,291.00 to \$59,565,058.00, and all security given shall now be referable to this increased Charge.
4. The Guarantor acknowledges that a Guarantee given by it guaranteeing the indebtedness of the Borrower now relates to the increased amount of principal.
5. All security documentation shall be deemed amended in order to give effect to the provisions herein, and to the provisions of the amendment dated November 25, 2022.
6. In all other respects, all aspects of the original Letter of Commitment, as amended and all security documentation are hereby confirmed.
7. The Guarantors hereby consent to this amendment.

- 2 -

8. This Amending Agreement may be executed in counterpart.
9. This Agreement may be executed by facsimile or email, and receipt by any party to this agreement of a facsimile or PDF copy showing execution by one or more parties shall be considered firm and binding upon the parties having so executed.

This is Exhibit "G" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

LRO # 43 **Charge/Mortgage**

Registered as PR3617556 on 2020 02 21 at 14:38

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

yyyy mm dd Page 1 of 23

Properties

PIN 14235 - 5967 LT Interest/Estate Fee Simple
 Description BLOCK 115, PLAN 43M2042; TOWN OF CALEDON
 Address CALEDON

PIN 14235 - 5968 LT Interest/Estate Fee Simple
 Description BLOCK 116, PLAN 43M2042; TOWN OF CALEDON
 Address CALEDON

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
 Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
 Address for Service c/o KingSett Capital
 Scotia Plaza, 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$45,375,000.00 Currency CDN
 Calculation Period monthly, not in advance
 Balance Due Date ON DEMAND
 Interest Rate See Schedule
 Payments
 Interest Adjustment Date
 Payment Date interest only, on the 1st day of each month
 First Payment Date
 Last Payment Date
 Standard Charge Terms
 Insurance Amount Full insurable value
 Guarantor

Signed By

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for Signed 2020 02 21
 Toronto Chargor(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 02 21
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$65.05
Total Paid	\$65.05

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

(d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

63. COLLATERAL SECURITY FOR HERITAGE PROJECT

THE Chargor acknowledges that the Chargee has issued a Letter of Commitment to Maplequest Ventures Inc. dated the 28th day of July, 2017 relating to a project being a 50 acre residential development site located at 10475 Heritage Road, City of Brampton ("Heritage Project") and that the herein Charge shall now also stand as security for loans made with regard to the Heritage Project.

Properties

PIN 14235 - 5967 LT Interest/Estate Fee Simple
 Description BLOCK 115, PLAN 43M2042; TOWN OF CALEDON
 Address CALEDON

PIN 14235 - 5968 LT Interest/Estate Fee Simple
 Description BLOCK 116, PLAN 43M2042; TOWN OF CALEDON
 Address CALEDON

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
 Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
 Address for Service c/o KingSett Capital
 Scotia Plaza, 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

Provisions

Principal \$6,250,000.00 Currency CDN
 Calculation Period monthly, not in advance
 Balance Due Date ON DEMAND
 Interest Rate 9.5%
 Payments
 Interest Adjustment Date
 Payment Date interest only, on the 1st day of each month
 First Payment Date
 Last Payment Date
 Standard Charge Terms
 Insurance Amount Full insurable value
 Guarantor

Signed By

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for Signed 2020 02 21
 Toronto Chargor(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 02 21
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

LRO # 43 Charge/Mortgage

Registered as PR3617557 on 2020 02 21 at 14:38

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

yyyy mm dd Page 2 of 23

Fees/Taxes/Payment

Statutory Registration Fee	\$65.05
Total Paid	\$65.05

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. **UTILITIES**

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 6711	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 49, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6764	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 102, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6285	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 78, PLAN 43M2055; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3616235; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6773	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 111, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 115, PLAN 43M2042; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3617553; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6295	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 88, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 87, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6293	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 86, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6969	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 52, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6968	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 51, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 50, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.

Address for Service 40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION

Address for Service 40 King Street West, 37th Floor
Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3753399 registered on 2020/12/18, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$6,875,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Additional Provisions

In accordance with registration PR3339647 registered 2018/06/22, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

In accordance with registration PR3566656 registered 2019/11/05, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

Signed By

Avrom Warren Brown	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Signed	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$65.30
<i>Total Paid</i>	\$65.30

File Number

Chargee Client File Number : 6333-124

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated December 6, 2018 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

With respect to Facilities 1 and 3, the mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 2.30% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. DEFAULT

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. CONSTRUCTION LOAN

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

18. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

19. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

20. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

21. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

22. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

23. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel

or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

24. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

25. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

26. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

27. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

28. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

29. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

30. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

31. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

32. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under

the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge

conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

33. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and

with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof absent manifest error;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or

amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

34. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

35. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a

servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

36. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

37. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

38. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

39. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

40. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in

the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

41. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

42. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

43. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

44. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

45. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

46. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

47. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

48. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

49. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

50. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

51. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a

matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

52. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

53. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

54. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

55. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

56. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

57. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the

provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

58. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

59. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

60. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

61. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 6711	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 49, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6764	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 102, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6285	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 78, PLAN 43M2055; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3616235; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6773	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 111, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 115, PLAN 43M2042; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3617553; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6295	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 88, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 87, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6293	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 86, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6969	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 52, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6968	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 51, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 50, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.

Address for Service 40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West, 37th Floor
Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3753399 registered on 2020/12/18, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$6,875,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Additional Provisions

In accordance with registration PR3339647 registered 2018/06/22, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

In accordance with registration PR3566656 registered 2019/11/05, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

Signed By

Avrom Warren Brown	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Signed	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$65.30
<i>Total Paid</i>	\$65.30

File Number

Chargee Client File Number : 6333-124

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated December 6, 2018 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

With respect to Facilities 1 and 3, the mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 2.30% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. DEFAULT

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. CONSTRUCTION LOAN

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

18. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

19. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

20. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

21. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

22. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

23. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel

or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

24. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

25. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

26. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

27. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

28. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

29. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

30. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

31. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

32. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under

the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge

conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

33. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and

with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof absent manifest error;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or

amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

34. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

35. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a

servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

36. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

37. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

38. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

39. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

40. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in

the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

41. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

42. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

43. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

44. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

45. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

46. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

47. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

48. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

49. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

50. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

51. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a

matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

52. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

53. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

54. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

55. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

56. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

57. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the

provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

58. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

59. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

60. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

61. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 6280	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 73, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6293	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 86, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 87, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6295	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 88, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3339647 registered on 2018/06/22, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$45,375,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Signed By

Avrom Warren Brown	1 Adelaide Street E., Suite 801	acting for	Signed	2021 03 31
	Toronto	Chargor(s)		
	M5C 2V9			

Tel 416-869-1234

Fax 416-869-0547

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

LRO # 43 Charge/Mortgage

Registered as PR3809489 on 2021 03 31 at 16:59

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

yyyy mm dd Page 2 of 23

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 03 31

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Total Paid \$65.30

File Number

Chargee Client File Number : 6333-074

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

63. COLLATERAL SECURITY FOR HERITAGE PROJECT

THE Chargor acknowledges that the Chargee has issued a Letter of Commitment to Maplequest Ventures Inc. dated the 28th day of July, 2017 relating to a project being a 50 acre residential development site located at 10475 Heritage Road, City of Brampton ("Heritage Project") and that the herein Charge shall now also stand as security for loans made with regard to the Heritage Project.

Properties

<i>PIN</i>	14235 - 6280	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 73, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6293	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 86, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 87, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6295	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 88, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3339647 registered on 2018/06/22, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$6,250,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Signed By

Avrom Warren Brown	1 Adelaide Street E., Suite 801	acting for	Signed	2021 03 31
	Toronto	Chargor(s)		
	M5C 2V9			

Tel 416-869-1234

Fax 416-869-0547

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

LRO # 43 Charge/Mortgage

Registered as PR3809491 on 2021 03 31 at 16:59

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

yyyy mm dd Page 2 of 23

Submitted By

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801
Toronto
M5C 2V9

2021 03 31

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.30

Total Paid \$65.30

File Number

Chargee Client File Number : 6333-074

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 6277	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 70, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6285	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 78, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6286	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 79, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6290	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 83, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6291	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 84, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6292	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 85, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Scotia Plaza, 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3339647 registered on 2018/06/22, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

Principal \$45,375,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date interest only, on the 1st day of each month
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount Full insurable value
Guarantor

LRO # 43 Charge/Mortgage

Registered as PR3616237 on 2020 02 19 at 14:38

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

yyyy mm dd Page 2 of 23

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 01 31
Toronto Chargor(s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 02 19
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Total Paid \$65.05

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

63. COLLATERAL SECURITY FOR HERITAGE PROJECT

THE Chargor acknowledges that the Chargee has issued a Letter of Commitment to Maplequest Ventures Inc. dated the 28th day of July, 2017 relating to a project being a 50 acre residential development site located at 10475 Heritage Road, City of Brampton ("Heritage Project") and that the herein Charge shall now also stand as security for loans made with regard to the Heritage Project.

Properties

<i>PIN</i>	14235 - 6277	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 70, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6285	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 78, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6286	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 79, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6290	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 83, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6291	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 84, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6292	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 85, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Scotia Plaza, 40 King Street West
 Suite 3700, PO Box 110
 Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3339647 registered on 2018/06/22, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$6,250,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	9.5%		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

LRO # 43 Charge/Mortgage

Registered as PR3616238 on 2020 02 19 at 14:38

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

yyyy mm dd Page 2 of 23

Signed By

Avrom Warren Brown 1 Adelaide Street E., Suite 801 acting for Signed 2020 01 31
Toronto Chargor(s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2020 02 19
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$65.05

Total Paid \$65.05

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

(d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

This is Exhibit "H" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

Properties

<i>PIN</i>	14235 – 4684 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4682 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4683 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 0282 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323; TOWN OF CALEDON		
<i>Address</i>	12688 KENNEDY ROAD CALEDON		
<i>PIN</i>	14235 – 3915 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 19, CON 2 EHS CHING DES PTS 3, 4, 5 & 6 PL 43R34717; TOWN OF CALEDON		
<i>Address</i>	CALEDON		

Chargor(s)

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

<i>Name</i>	DIGRAM DEVELOPMENTS CALEDON INC.
<i>Address for Service</i>	40 Vogell Road, Suite 51 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorizing Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

<i>Name</i>	KINGSETT MORTGAGE CORPORATION
<i>Address for Service</i>	Toronto–Dominion Centre, TD Bank Tower 66 Wellington Street West, Suite 4400 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$45,375,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the greater of: (i) Royal Bank of Canada Prime Rate of Interest plus 3.55% per annum, adjusted daily and compounded and payable monthly, not in advance, and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any

conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforementioned servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. **UTILITIES**

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the

said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.
- (c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.
- (d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.
- (e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component

parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the

power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;

(viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make

such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. CHARGEЕ NOT TO BE DEEMED CHARGEЕ IN POSSESSION

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. ADDITIONAL SECURITY

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. TAKING OF JUDGEMENT NOT A MERGER

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. PRIORITY OVER VENDOR'S LIEN

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargee or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this

Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such

postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. FAMILY LAW ACT

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. INDEPENDENT LEGAL ADVICE

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. NONMERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. CONSENT OF CHARGE

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. INVALIDITY

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. HEADINGS

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

LRO # 43 **Charge/Mortgage**

Registered as PR3050723 on 2016 12 20 at 09:53

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

yyyy mm dd Page 1 of 23

Properties

<i>PIN</i>	14235 - 5327 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323 SAVE AND EXCEPT PT 5 PL 43R-36348; SAVE AND EXCEPT PART 1, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 4684 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; SAVE AND EXCEPT PART 2, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	12654 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4683 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12728 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4682 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12738 KENNEDY ROAD CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre
 TD Bank Tower
 66 Wellington Street West, Suite 4400
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$6,250,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	9.5%		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

Signed By

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	First Signed	2016 12 20
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Tel 416-869-1234

Fax 416-869-0547

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Last Signed	2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9			2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 4682 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12738 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4683 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258 EXCEPT PART 1, PLAN 43R37697; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1 AND 7, PLAN 43R-37566 AS IN PR3196743; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1 AND 7, PLAN 43R-37566 AS IN PR3196839; TOWN OF CALEDON			
<i>Address</i>	12728 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 5685 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY PT 1 43R36259 EXCEPT PT 2 43R37417; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 6 AND 12, PLAN 43R-37566 AS IN PR3196743; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 6 AND 12, PLAN 43R-37566 AS IN PR3196839; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5687 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PART LOT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323 EXCEPT PT 5 43R36348 & PT 1 43R37417; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 5 AND 11, PLAN 43R-37566 AS IN PR3196743; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 5 AND 11, PLAN 43R-37566 AS IN PR3196839; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5986 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Affects Part of Prop
<i>Description</i>	PART ROAD ALLOWANCE BETWEEN CONCESSIONS 1 & 2, EHS (CHINGUACOUSY)(CLOSED, BY BY-LAW NO. BL-2012-0124, REGISTERED AS NO. PR3154460) BEING PART 2, 43R37920, S/T AN EASEMENT IN GROSS AS IN PR2480476; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5992 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PART LOT 21, CONCESSION 1, EHS (CHING), PART 1, 43R37584; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre, TD Bank Tower
 66 Wellington Street West, Suite 4400
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

Principal \$6,250,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date ON DEMAND

Provisions

Interest Rate 9.5%

Payments

Interest Adjustment Date

Payment Date interest only, on the 1st day of each month

First Payment Date

Last Payment Date

Standard Charge Terms

Insurance Amount full insurable value

Guarantor

Signed By

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for First 2018 02 01
Toronto Chargor(s) Signed
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for Last 2018 02 05
Toronto Chargor(s) Signed
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2018 02 05
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.65

Total Paid \$63.65

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. **UTILITIES**

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 4682 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12738 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4683 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258, EXCEPT PART 1, PLAN 43R37697; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1 AND 7, PLAN 43R-37566 AS IN PR3196743; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 1 AND 7, PLAN 43R-37566 AS IN PR3196839; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5300 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 19, CONC 2 EHS(CHING) DES PTS 1 TO 4, 43R37071; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5685 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY PT 1 43R36259 EXCEPT PT 2 43R37417; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 6 AND 12, PLAN 43R-37566 AS IN PR3196743; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 6 AND 12, PLAN 43R-37566 AS IN PR3196839; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5687 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PART LOT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323 EXCEPT PT 5 43R36348 & PT 1 43R37417; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 5 AND 11, PLAN 43R-37566 AS IN PR3196743; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 5 AND 11, PLAN 43R-37566 AS IN PR3196839; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5986 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Affects Part of Prop
<i>Description</i>	PART ROAD ALLOWANCE BETWEEN CONCESSIONS 1 & 2, EHS (CHINGUACOUSY)(CLOSED, BY BY-LAW NO. BL-2012-0124, REGISTERED AS NO. PR3154460) BEING PART 2, 43R37920, S/T AN EASEMENT IN GROSS AS IN PR2480476; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5992 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PART LOT 21, CONCESSION 1, EHS (CHING), PART 1, 43R37584; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5989 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PART OF LOT 19, CON 2, EHS CHINGUACOUSY, PART 1, 43R37966; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5990 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PART OF BLOCK 233, PLAN 43M1926, BEING PART 14, PLAN 43R37644; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre, TD Bank Tower
 66 Wellington Street West, Suite 4400
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$45,375,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

Signed By

Blair Adam Mestel	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	First Signed	2018 02 01
Tel 416-869-1234				
Fax 416-869-0547				
Blair Adam Mestel	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Last Signed	2018 02 05
Tel 416-869-1234				
Fax 416-869-0547				

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	2018 02 05
Tel 416-869-1234		
Fax 416-869-0547		

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$63.65
<i>Total Paid</i>	\$63.65

File Number

Chargee Client File Number : 6333-074

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEЕ MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

63. COLLATERAL SECURITY FOR HERITAGE PROJECT

THE Chargor acknowledges that the Chargee has issued a Letter of Commitment to Maplequest Ventures Inc. dated the 28th day of July, 2017 relating to a project being a 50 acre residential development site located at 10475 Heritage Road, City of Brampton ("Heritage Project") and that the herein Charge shall now also stand as security for loans made with regard to the Heritage Project.

Properties

<i>PIN</i>	14235 – 4684 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4682 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4683 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 0282 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323; TOWN OF CALEDON		
<i>Address</i>	12688 KENNEDY ROAD CALEDON		
<i>PIN</i>	14235 – 3915 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 19, CON 2 EHS CHING DES PTS 3, 4, 5 & 6 PL 43R34717; TOWN OF CALEDON		
<i>Address</i>	CALEDON		

Chargor(s)

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

<i>Name</i>	DIGRAM DEVELOPMENTS CALEDON INC.
<i>Address for Service</i>	40 Vogell Road, Suite 51 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorizing Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

<i>Name</i>	KINGSETT MORTGAGE CORPORATION
<i>Address for Service</i>	Toronto–Dominion Centre, TD Bank Tower 66 Wellington Street West, Suite 4400 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$45,375,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

LRO # 43 Charge/Mortgage

Registered as PR2861457 on 2016 01 29 at 16:55

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

yyyy mm dd Page 2 of 23

Signed By

Jeremy Nathaniel Mandell 1 Adelaide Street E., Suite 801 acting for Chargor Signed 2016 01 29
Toronto (s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2016 01 29
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee	\$62.85
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Total Paid	\$62.85
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File Number

Charge Client File Number : 6333-074

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the greater of: (i) Royal Bank of Canada Prime Rate of Interest plus 3.55% per annum, adjusted daily and compounded and payable monthly, not in advance, and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any

conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. **UTILITIES**

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the

said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component

parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the

power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;

(viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make

such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. CHARGEЕ NOT TO BE DEEMED CHARGEЕ IN POSSESSION

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. ADDITIONAL SECURITY

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. TAKING OF JUDGEMENT NOT A MERGER

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. PRIORITY OVER VENDOR'S LIEN

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargee or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this

Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such

postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. FAMILY LAW ACT

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. INDEPENDENT LEGAL ADVICE

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. NONMERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. CONSENT OF CHARGE

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. INVALIDITY

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. HEADINGS

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 5327 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323 SAVE AND EXCEPT PT 5 PL 43R-36348; SAVE AND EXCEPT PART 1, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 4684 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; SAVE AND EXCEPT PART 2, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	12654 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4683 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12728 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4682 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12738 KENNEDY ROAD CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre
 TD Bank Tower
 66 Wellington Street West, Suite 4400
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$6,250,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	9.5%		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

Signed By

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	First Signed	2016 12 20
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Tel 416-869-1234

Fax 416-869-0547

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Last Signed	2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9			2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 – 4684 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4682 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4683 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 0282 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323; TOWN OF CALEDON		
<i>Address</i>	12688 KENNEDY ROAD CALEDON		
<i>PIN</i>	14235 – 3915 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 19, CON 2 EHS CHING DES PTS 3, 4, 5 & 6 PL 43R34717; TOWN OF CALEDON		
<i>Address</i>	CALEDON		

Chargor(s)

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

<i>Name</i>	DIGRAM DEVELOPMENTS CALEDON INC.
<i>Address for Service</i>	40 Vogell Road, Suite 51 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorizing Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

<i>Name</i>	KINGSETT MORTGAGE CORPORATION
<i>Address for Service</i>	Toronto–Dominion Centre, TD Bank Tower 66 Wellington Street West, Suite 4400 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$45,375,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

Signed By

Jeremy Nathaniel Mandell 1 Adelaide Street E., Suite 801 acting for Chargor Signed 2016 01 29
 Toronto (s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2016 01 29
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

File Number

Chargee Client File Number : 6333-074

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the greater of: (i) Royal Bank of Canada Prime Rate of Interest plus 3.55% per annum, adjusted daily and compounded and payable monthly, not in advance, and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

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

4. DEFAULT

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEЕ MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any

conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. **UTILITIES**

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the

said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.
- (c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.
- (d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.
- (e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component

parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the

power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;

(viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make

such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. CHARGEЕ NOT TO BE DEEMED CHARGEЕ IN POSSESSION

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. ADDITIONAL SECURITY

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. TAKING OF JUDGEMENT NOT A MERGER

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. PRIORITY OVER VENDOR'S LIEN

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargee or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this

Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such

postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. FAMILY LAW ACT

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. INDEPENDENT LEGAL ADVICE

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. NONMERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. CONSENT OF CHARGE

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. INVALIDITY

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. HEADINGS

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 5327 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323 SAVE AND EXCEPT PT 5 PL 43R-36348; SAVE AND EXCEPT PART 1, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 4684 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; SAVE AND EXCEPT PART 2, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	12654 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4683 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12728 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4682 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12738 KENNEDY ROAD CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre
 TD Bank Tower
 66 Wellington Street West, Suite 4400
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$6,250,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	9.5%		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

Signed By

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	First Signed	2016 12 20
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Tel 416-869-1234

Fax 416-869-0547

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Last Signed	2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9			2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 – 4684 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4682 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 4683 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON		
<i>Address</i>	CALEDON		
<i>PIN</i>	14235 – 0282 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323; TOWN OF CALEDON		
<i>Address</i>	12688 KENNEDY ROAD CALEDON		
<i>PIN</i>	14235 – 3915 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PT LT 19, CON 2 EHS CHING DES PTS 3, 4, 5 & 6 PL 43R34717; TOWN OF CALEDON		
<i>Address</i>	CALEDON		

Chargor(s)

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

<i>Name</i>	DIGRAM DEVELOPMENTS CALEDON INC.
<i>Address for Service</i>	40 Vogell Road, Suite 51 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorizing Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

<i>Name</i>	KINGSETT MORTGAGE CORPORATION
<i>Address for Service</i>	Toronto–Dominion Centre, TD Bank Tower 66 Wellington Street West, Suite 4400 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$45,375,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

LRO # 43 Charge/Mortgage

Registered as PR2861457 on 2016 01 29 at 16:55

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

yyyy mm dd Page 2 of 23

Signed By

Jeremy Nathaniel Mandell 1 Adelaide Street E., Suite 801 acting for Chargor Signed 2016 01 29
Toronto (s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2016 01 29
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

File Number

Chargee Client File Number : 6333-074

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 22, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

With respect to Facility 1, the mortgage shall bear interest at the rate of 8.00% per annum, compounded and payable monthly, not in advance.

With respect to Facility 2, the mortgage shall bear interest at the greater of: (i) Royal Bank of Canada Prime Rate of Interest plus 3.55% per annum, adjusted daily and compounded and payable monthly, not in advance, and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, 1990.

7. **CONSTRUCTION LOAN**

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. **ENVIRONMENTAL**

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any

conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. **UTILITIES**

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the

said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component

parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. SALE OR CHANGE OF CONTROL

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. DEFAULT

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the

power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to

exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;

(viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;

(ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make

such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. CHARGEЕ NOT TO BE DEEMED CHARGEЕ IN POSSESSION

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. ADDITIONAL SECURITY

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. TAKING OF JUDGEMENT NOT A MERGER

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. PRIORITY OVER VENDOR'S LIEN

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargee or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this

Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such

postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. FAMILY LAW ACT

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. INDEPENDENT LEGAL ADVICE

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. NONMERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. CONSENT OF CHARGE

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. INVALIDITY

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. HEADINGS

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 5327 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY AS IN RO550323 SAVE AND EXCEPT PT 5 PL 43R-36348; SAVE AND EXCEPT PART 1, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 4684 LT	<i>Interest/Estate</i>	Fee Simple	<input checked="" type="checkbox"/> Redescription
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36259; SAVE AND EXCEPT PART 2, 43R-37417; TOWN OF CALEDON			
<i>Address</i>	12654 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4683 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 1, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12728 KENNEDY ROAD CALEDON			
<i>PIN</i>	14235 - 4682 LT	<i>Interest/Estate</i>	Fee Simple	
<i>Description</i>	PT LT 21 CON 1 EHS CHINGUACOUSY DES AS PT 2, PL 43R36258; TOWN OF CALEDON			
<i>Address</i>	12738 KENNEDY ROAD CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre
 TD Bank Tower
 66 Wellington Street West, Suite 4400
 Toronto, ON M5K 1H6

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$6,250,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	9.5%		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>			

LRO # 43 Charge/Mortgage

Registered as PR3050723 on 2016 12 20 at 09:53

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

yyyy mm dd Page 2 of 23

Signed By

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	First Signed	2016 12 20
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Tel 416-869-1234

Fax 416-869-0547

Cynthia June Clarkson	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Last Signed	2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9			2017 01 13
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.35

Total Paid \$63.35

File Number

Chargee Client File Number : 6333-081

1. **LETTER OF COMMITMENT**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated August 30, 2016 (and any amendments thereto, if applicable).

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

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

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

2. **DUE ON DEMAND**

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

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

3. **INTEREST RATE**

The mortgage shall bear interest at the rate of 9.50% per annum, compounded and payable monthly, not in advance.

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

4. **DEFAULT**

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

7. CONSTRUCTION LOAN

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

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

8. ENVIRONMENTAL

- (a) The following terms have the following meanings in this Section:
 - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from

time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent; or

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

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **JOINT & SEVERAL OBLIGATIONS**

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

18. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

19. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

20. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

21. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

22. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

23. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's

standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

24. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

25. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargee shall transmit to the Chargor the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands,

such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

26. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

27. REPAIR

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

28. ALTERATIONS OR ADDITIONS

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

29. LANDS INCLUDE ALL ADDITIONS

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

30. CHANGE OF USE

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

31. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

32. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

33. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the

Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to

obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

34. **APPOINTMENT OF A RECEIVER**

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and

stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the

Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

35. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

36. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

37. **CHARGEES NOT TO BE DEEMED CHARGEES IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

38. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

39. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

40. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

41. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof

notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

42. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

43. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

44. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

45. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing

from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

46. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

47. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

48. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

49. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

50. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

51. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

52. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as

the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

53. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

54. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

55. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

56. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

57. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

58. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

59. SHORT FORM OF MORTGAGES ACT

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

60. BONUS

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

61. COSTS

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

62. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 6711	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 49, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6764	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 102, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6285	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 78, PLAN 43M2055; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3616235; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6773	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 111, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 115, PLAN 43M2042; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3617553; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6295	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 88, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 87, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6293	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 86, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6969	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 52, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6968	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 51, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 50, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.

Address for Service 40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION

Address for Service 40 King Street West, 37th Floor
Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3753399 registered on 2020/12/18, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$6,875,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Additional Provisions

In accordance with registration PR3339647 registered 2018/06/22, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

In accordance with registration PR3566656 registered 2019/11/05, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

Signed By

Avrom Warren Brown	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Signed	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$65.30
<i>Total Paid</i>	\$65.30

File Number

Chargee Client File Number : 6333-124

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated December 6, 2018 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

With respect to Facilities 1 and 3, the mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 2.30% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. DEFAULT

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEES MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. CONSTRUCTION LOAN

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

18. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

19. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

20. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

21. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

22. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

23. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel

or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

24. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

25. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

26. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

27. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

28. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

29. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

30. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

31. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

32. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under

the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge

conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

33. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and

with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof absent manifest error;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or

amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

34. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

35. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a

servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

36. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

37. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

38. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

39. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

40. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in

the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

41. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

42. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

43. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

44. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

45. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

46. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

47. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

48. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

49. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

50. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

51. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a

matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

52. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

53. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

54. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

55. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

56. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

57. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the

provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

58. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

59. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

60. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

61. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

Properties

<i>PIN</i>	14235 - 6711	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LOT 49, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6764	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 102, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6285	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 78, PLAN 43M2055; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3616235; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6773	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 111, PLAN 43M2077; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 5967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 115, PLAN 43M2042; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3617553; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6295	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 88, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 87, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6293	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 86, PLAN 43M2055; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6969	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 52, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6968	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 51, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			
<i>PIN</i>	14235 - 6967	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	BLOCK 50, PLAN 43M2096; TOWN OF CALEDON			
<i>Address</i>	CALEDON			

Chargor(s)

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

Name DIGRAM DEVELOPMENTS CALEDON INC.

Address for Service 40 Vogell Road, Suite 51
Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Secretary, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service 40 King Street West, 37th Floor
Toronto, ON M5H 3Y2

Statements

Schedule: See Schedules

In accordance with registration PR3753399 registered on 2020/12/18, the consent of The Corporation of the Town of Caledon has been obtained for the registration of this document.

Provisions

<i>Principal</i>	\$6,875,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	monthly, not in advance		
<i>Balance Due Date</i>	ON DEMAND		
<i>Interest Rate</i>	see Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>			
<i>Payment Date</i>	interest only, on the 1st day of each month		
<i>First Payment Date</i>			
<i>Last Payment Date</i>			
<i>Standard Charge Terms</i>			
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>			

Additional Provisions

In accordance with registration PR3339647 registered 2018/06/22, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

In accordance with registration PR3566656 registered 2019/11/05, the consent of The Clerk of the Corporation of the Town of Caledon has been obtained for the registration of this document.

Signed By

Avrom Warren Brown	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	acting for Chargor(s)	Signed	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP	1 Adelaide Street E., Suite 801 Toronto M5C 2V9	2021 04 28
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Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$65.30
<i>Total Paid</i>	\$65.30

File Number

Chargee Client File Number : 6333-124

1. LETTER OF COMMITMENT

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated December 6, 2018 (and any amendments thereto, if applicable).

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

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

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

2. DUE ON DEMAND

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

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

3. INTEREST RATE

With respect to Facilities 1 and 3, the mortgage shall bear interest at the greater rate of: (i) RBC Prime Rate plus 2.30% per annum, adjusted daily and compounded and payable monthly, not in advance and (ii) 6.25% per annum, compounded and payable monthly, not in advance.

“**RBC Prime Rate**” means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

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

4. DEFAULT

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

(a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;

(b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;

(c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;

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

5. **CHARGEЕ MAY REMEDY DEFAULT**

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

6. **CONSTRUCTION LIENS**

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

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

required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act, 1990.

7. CONSTRUCTION LOAN

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

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

(b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.

(c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law.

(d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.

(e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. ENVIRONMENTAL

(a) The following terms have the following meanings in this Section:

(i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties

and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the Environmental Protection Act (Ontario), as amended from time to time (the "EPA"), and the Canadian Environmental Protection Act, as amended from time to time (the "CEPA"); and

- (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the Transportation of Dangerous Goods Act (Canada), as amended from time to time) or pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
 - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
 - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
 - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
 - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
 - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop

discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;

- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

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

- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
- (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal,

burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

(e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. **LETTERS OF CREDIT**

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

10. **MISCELLANEOUS**

The Chargor agrees as follows:

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

- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

11. **PREPAYMENT PROVISIONS**

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

12. **RESTRICTION ON TRANSFER**

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

13. **SUBSEQUENT FINANCING**

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

14. **PARTIAL DISCHARGES**

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

15. **CHANGE OF OWNERSHIP**

The Chargor agrees that ownership of the Borrower shall not change during the currency of this loan without the prior written consent of the Chargee.

16. **OVER HOLDING FEE**

If the Loan is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee an over holding fee, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment Letter. More particularly, this fee shall be earned by and payable to the Chargee monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Chargor under the Commitment and Security documents notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and that the Security for the Loan also secures the Over Holding Fee.

17. **STATUTORY COVENANTS**

THE IMPLIED COVENANTS deemed to be included in a charge pursuant to Section 7 (1) of the Land Registration Reform Act, 1984 (as varied herein) shall be in addition to, and not in substitution for the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail.

18. **PROVISO FOR REDEMPTION**

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge.

19. **RELEASE**

AND THE said Chargor doth release to the said Chargee all its claims upon the said lands subject to the proviso for redemption herein.

20. **ADVANCE OF FUNDS**

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor, and the expenses of the examination of the title and of this Charge and valuation are to be secured hereby in the event of the whole or any balance of the principal sum herein not being advanced, the same to be charged hereby upon the said lands, and shall be without demand thereof, payable forthwith with interest at the rate provided for in this Charge, and in default the remedies herein shall be exercisable.

21. **CHARGOR'S COVENANTS**

THE CHARGOR covenants with the Chargee that the Chargor will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the said lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee;

THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the said lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the said lands; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of, or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the said lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;

AND THAT THE CHARGOR has a good title in fee simple to the said lands and has good right, full power and lawful and absolute authority to charge the said lands and to give this Charge to the Chargee upon the covenants contained in this Charge;

AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the said lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose;

AND THAT THE CHARGOR will execute such further assurances of the said lands as may be requisite;

AND THAT THE CHARGOR will produce the title deeds and allow copies to be made at the expense of the Chargor.

22. **INSURANCE**

AND THAT the said Chargor will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risks basis in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy. The Chargor shall carry such liability, rental, boiler, plate glass and other insurance coverage as is required by the Chargee to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Chargee. All such policies shall provide for loss payable to the Chargee and contain such additional clauses and provisions as the Chargee may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge. It is further agreed that the Chargee may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Chargee therefor shall be forthwith payable to it, together with interest at the rate aforesaid by the Chargor (together with any costs of the Chargee as herein set out), and shall be a charge upon the said lands and secured by this Charge.

IN THE event that the evidence of continuation of such insurance as herein required has not been delivered to the Chargee within the required time, the Chargee shall be entitled to a servicing fee for each written inquiry which the Chargee shall make to the insurer or the Chargor pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenants). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the said lands, the Chargee, in addition to the aforesaid servicing fee, shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

IN THE EVENT of any loss or damage the Chargor shall forthwith notify the Chargee in writing and notwithstanding any other provision to the contrary, statutory or otherwise, in the event of any monies becoming payable pursuant to any insurance policy herein required, the Chargee may, at its option, require the said monies to be applied by the Chargor in making good the loss or damage in respect of which the money is received, or in the alternative, may require that any or all of the monies so received be applied in or towards satisfaction of any or all of the indebtedness hereby secured whether or not such indebtedness has become due. No damage may be repaired nor any reconstruction effected without the approval in writing of the Chargee in any event.

THE CHARGOR, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Chargee. The Chargee shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Chargee shall not be bound to accept the said monies in payment of any principal not yet due.

23. UTILITIES

THE CHARGOR covenants that he will pay all utility and fuel charges related to the said lands as and when they are due and that he will not allow or cause the supply of utilities or fuel to the said lands to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, he will take all steps that are necessary to ensure that the supply of utilities or fuel is restored forthwith. It is specifically agreed that the failure to pay all fuel and utility charges as and when they are due or the interruption or discontinuing of the supply of fuel

or utilities to the said lands shall constitute a default by the Chargor within the meaning of this Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Chargee forthwith become due and payable.

24. **TAXES**

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that:

(a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

(b) The Chargee may at its sole option estimate the amount of the taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on the 1st day of each and every month during the term of this Charge commencing with the 1st day of the first full month of the term of this Charge. The Chargee may at its option apply such payments to the taxes so long as the Chargor is not in default under any covenant or agreement contained in this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee, there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default. If the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee, such additional amounts as are required for that purpose.

(c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency. The Chargee may at its option, pay any of the taxes when payable, either before or after they are due, without notice, or may make advances therefor in excess of the then amount of credit held by the Chargee for the said taxes. Any excess amount advanced by the Chargee shall be secured as an additional principal sum under this Charge and shall bear interest at the rate as provided for in this Charge until repaid by the Chargor.

(d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt.

(e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.

(f) In no event shall the Chargee be liable for any interest on any amount paid to it as hereinbefore required and the monies so received may be held with its own funds pending payment or application thereof as hereinbefore provided; provided that in the event that the Chargee does not utilize the funds received on account of taxes in any calendar year, such amount or amounts may be held by the Chargee on account of any pre-estimate of taxes required for the next succeeding calendar year, or at the Chargee's option the Chargee may repay such amount to the Chargor without any interest.

(g) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

(h) In the event the Chargee does not collect payments on account of taxes as aforesaid, the Chargor hereby covenants and agrees with the Chargee to deliver to the Chargee on or before December 31st in each calendar year, written evidence from the taxing authority having jurisdiction with respect to the municipal realty taxes levied and assessed against the said lands, such evidence to be to the effect that all taxes for the then current calendar year and any preceding calendar years have been paid in full. In the event of the failure of the Chargor to comply with this covenant as aforesaid the Chargee shall be entitled to charge a servicing fee for each written enquiry directed to such taxing authority or the Chargor, for the purpose of ascertaining the status of the tax account pertaining to the said lands, together with any costs payable to the said taxing authority for such information.

25. **COMPLIANCE WITH LAWS AND REGULATIONS**

THE CHARGOR shall promptly observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances, and regulations of every governmental authority or agency concerning the said lands and further agrees at its cost and expense to take any and all steps or make any improvements or alterations thereto, structural or otherwise, ordinary or extraordinary, which may be required at any time hereafter by any such present or future laws, rules, requirements, orders, directions, ordinances or regulations.

26. **REPAIR**

THE CHARGOR will keep the said lands including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commit or permit any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Chargee, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the cost thereof with interest and the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the said lands prior to all claims thereon subsequent to this Charge.

27. **ALTERATIONS OR ADDITIONS**

THE CHARGOR will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee which consent may be withheld in the Chargee's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Chargor as the Chargee may impose.

28. **LANDS INCLUDE ALL ADDITIONS**

THE SAID LANDS shall include all structures and installations brought or placed on the said lands for the particular use and enjoyment thereof or as an integral part of or especially adapted for the buildings thereon whether or not affixed in law to the said lands including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aerials, refrigerators, stoves, clothes washers and dryers, dishwashers, incinerators, radiators and covers, fixed mirrors, fitted blinds, window screens and screen doors, storm windows and storm doors, shutters and awnings, floor coverings, fences, air conditioning, ventilating, heating, lighting, and water heating equipment, cooking and refrigeration equipment and all component parts of any of the foregoing and that the same shall become fixtures and an accession to the freehold and a part of the realty.

29. **CHANGE OF USE**

THE CHARGOR will not change or permit to be changed the use of the said lands, without the prior written consent of the Chargee and further that at no time shall the said lands be used in a manner that would contravene the legislation, laws, rules, requirements, orders, directions, ordinances, and regulations of any applicable governmental authority in force from time to time.

30. **EVENTS OF DEFAULT**

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand:

- (a) Failure of the Chargor or Covenantor(s) or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due.
- (b) Failure of the Chargor or Covenantor(s) to strictly and fully observe or perform any condition, agreement, covenant or term set out in the Application and/or Commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) Upon the registration of any construction lien or execution against the said lands which is not discharged within a period of ten (10) days after the date of registration thereof.
- (e) In the event that it is discovered that the building(s) on the said lands contain Urea Formaldehyde Foam insulation or that the Chargor has insulated the property with Urea Formaldehyde Foam Insulation.

31. **SALE OR CHANGE OF CONTROL**

PROVIDED that in the event of a further encumbrance or a sale, conveyance or transfer of the said lands or any portion thereof, or a change in control of the Chargor or a change in the beneficial ownership of the said lands or any portion thereof or a lease of the whole of the said lands, all sums secured hereunder shall, unless the written consent of the Chargee has been first obtained, forthwith become due and payable at the Chargee's option. The rights of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any person claiming through or under him and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

32. **DEFAULT**

PROVIDED that the Chargee may, on default of payment, or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on thirty-five (35) days notice enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under

the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained, or under disability. IF there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

PROVIDED FURTHER, without prejudice to the statutory powers of the Chargee under the preceding proviso, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two months after any payment of either principal or interest falls due, the Chargee may exercise the powers given under the preceding proviso with or without entry on the said lands without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. AND that the Chargee may sell the whole or any part or parts of the said lands by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the said lands or by reason of nonpayment or procuring payments of monies secured hereby or otherwise; and that the Chargee may sell any of the said lands on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper; and may buy in or rescind or vary any contract for the sale of the whole or any part of the said lands and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder and the title of a purchaser or lessee upon a sale or lease made in professed exercise of the above power shall not be liable to be impeached on the ground that no cause had arisen to authorize the exercise of such power or that such power had been improperly or irregularly exercised, or that such notice had not been given, but any person damnified by an unauthorized, improper or irregular exercise of the power shall have his remedy against the person exercising the power in damages only.

AND it is hereby agreed between the parties hereto that the Chargee may pay all premiums of insurance and all taxes and rates which shall from time to time fall due and be unpaid in respect of the said lands, and that such payments together with all costs, charges and legal fees (between a solicitor and his own client), and expenses which may be incurred in taking, recovering and keeping possession of the said lands, and of negotiating this loan, investigating title, and registering the Charge and other necessary deeds, and generally in any other proceedings taken in connection with or to realize this security (including legal fees, real estate commissions, appraisal costs and other costs incurred in leasing or selling the said lands or in exercising the power of entering leasing and selling herein contained), shall be with interest at the rate aforesaid, a charge upon the said lands in favour of the Chargee and that the Chargee may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the said lands, and that any amount paid by the Chargee shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default this Charge shall immediately become due and payable at the option of the Chargee, and all powers in this Charge

conferred shall become exercisable. In the event of the Chargee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of this Charge or otherwise, the Chargee shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Chargee shall deem it proper to do so.

PROVIDED that wherever a power of sale is hereby conferred upon the Chargor, all provisions hereof relating to exercising such power, including, without in any way limiting the generality of the foregoing, the persons to whom notice of exercising such power shall be given and the manner of giving such notice, shall be deemed to have been amended so as to comply with the requirements of law from time to time in force with respect to exercising such power of sale, and wherever there shall be a conflict between the provisions of this Charge relating to exercising such power of sale and the requirements of such law, the provisions of such law shall govern. Insofar as there is no such conflict, the provisions of this Charge shall remain unchanged.

PROVIDED that the Chargee may lease or sell as aforesaid without entering into possession of the said lands.

PROVIDED that the Chargee may distrain for arrears of interest and that the Chargee may distrain for arrears of principal and monthly payments of taxes, if required, in the same manner as if the same were arrears of interest.

PROVIDED that in default of the payment of the interest hereby secured the principal sum herein shall become payable at the option of the Chargee, together with interest thereon.

PROVIDED that upon default of payment of instalments of principal promptly as the same become due, the balance of the principal and interest shall immediately become due and payable at the option of the Chargee.

PROVIDED that the Chargee may in writing at any time or times after default waive such default and upon such waiver the time or times for payment of the principal secured herein shall be as set out in the proviso for redemption herein. Any such waiver shall apply only to the particular default waived and shall not operate as a waiver of any other or future default. No waiver shall be effective or binding on the Chargee unless made in writing.

AND it is further agreed by and between the parties that the Chargee may at its discretion at any time, release any part or parts of the said lands or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefor, without responsibility therefor, and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the said lands are or may hereafter be divided does and shall stand charged with all of the monies hereby secured and no person shall have the right to require the principal secured hereunder to be apportioned; further the Chargee shall not be accountable to the Chargor for the value thereof, or for any monies except those actually received by the Chargee. No sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of the monies hereby secured.

IT IS FURTHER agreed that the Chargee may exercise all remedies provided for in this Charge concurrently or in such order and at such times as it may see fit and shall not be obligated to exhaust any remedy or remedies before exercising its rights under any other provisions contained in this Charge.

33. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and

with or without entering into possession of the said lands appoint in writing a; Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the said lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Act, 1983 or pursuant to the Trustee Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the said lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the said lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the said lands, including without limitation, charges and construction lien claims.

UPON the appointment of any such Receiver from time to time the following provisions shall apply:

- (i) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof absent manifest error;
- (ii) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the said lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (iii) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the said lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (iv) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the said lands or any part thereof;
- (v) The Receiver shall have the power to rent any portion of the said lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the said lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the said lands;
- (vi) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor,
- (vii) Every such Receiver shall have full power to complete any unfinished construction upon the said lands;
- (viii) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the said lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the said lands or any part thereof;
- (ix) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or

amending all Charges which may be registered against the lands from time to time, whether or not such Charges are prior to the interest of the Chargee in the said lands; sale of the said lands; borrowing money on the security of the said lands; applying for and executing all documents in any way related to any rezoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements of rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing an application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(x) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect to the said lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(a) Its remuneration;

(b) All payments made or incurred by it in the exercise of its powers hereunder;

(c) Any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

THE CHARGOR hereby irrevocably appoints the Chargee as his attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitors so as to give effect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or the Receiver and/or with respect to the said lands in the same manner as if documentation was duly executed by the Chargor himself.

34. **INSPECTION**

THE CHARGEES shall have access to and the right to inspect the said lands at all reasonable times.

35. **RIGHT OF CHARGEES TO REPAIR**

THE CHARGOR covenants and agrees with the Chargee that in the event of default in the payment of any installment or other monies payable hereunder by the Chargor or on breach of any covenant, proviso or agreement herein contained, after all or any of the monies hereby secured have been advanced, the Chargee may, at such time or times as the Chargee may deem necessary and without the concurrence of any person, enter upon the said lands and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the said lands or for inspecting, taking care of, leasing, collecting the rents of and managing generally the said lands, as the Chargee may deem expedient; and all reasonable costs, charges and expenses including, but not limited to allowances for the time and services of any employee of the Chargee or other person appointed for the above purposes, and a

servicing fee shall be forthwith payable to the Chargee by the Chargor and shall be a charge upon the said lands and shall bear interest at the aforesaid rate until paid.

36. **CHARGE NOT TO BE DEEMED CHARGE IN POSSESSION**

PROVIDED and it is agreed between the Chargor and the Chargee that the Chargee in exercising any of the rights given to the Chargee under this Charge shall be deemed not to be a Chargee in possession nor a Mortgagee in possession.

37. **ADDITIONAL SECURITY**

IN THE EVENT that the Chargee, in addition to the said lands secured hereunder, holds further security on account of the monies secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

38. **TAKING OF JUDGEMENT NOT A MERGER**

THE taking of a judgment or judgments on any of the covenants herein contained shall not operate as a merger of the said covenants or affect the Chargee's right to interest at the rate and times herein provided; and further that the said judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as herein provided until the said judgment shall have been fully paid and satisfied.

39. **PRIORITY OVER VENDOR'S LIEN**

THE CHARGOR hereby acknowledges that this Charge is intended to be prior to any vendor's lien, whether in favour of the Chargor or otherwise, and the Chargor covenants that he has done no act to give priority over this Charge to any vendor's lien, nor is he aware of any circumstances that could create a vendor's lien. Further, the Chargor covenants to do all acts and execute or cause to be executed all documents required to give this Charge priority over any vendor's lien and to give effect to the intent of this clause.

40. **RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS**

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge. PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

PROVIDED further that the terms of this Charge may be amended or extended from time to time by mutual agreement between the Chargor and the Chargee and the Chargor hereby further covenants and agrees that, notwithstanding that the Chargor may have disposed of his interest in

the lands hereby secured, the Chargor will remain liable as a principal debtor and not as a surety for the observance of all of the terms and provisions herein and will in all matters pertaining to this Charge well and truly do, observe, fulfill and keep all and singular the covenants, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or the rate of interest thereon or any other indulgence by the Chargee to the Chargor.

THE CHARGOR covenants and agrees with the Chargee that no agreement for renewal hereof or for extension of the time for payment of any monies payable hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the original term of this Charge or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no renewal hereof or extension of the time for payment of any monies hereunder shall result from, or be implied from, any other act, matter or thing, save only express agreement in writing between the Chargor and the Chargee.

41. **EXPROPRIATION**

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Chargee forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus equal to the aggregate of (a) three months' interest at the said rate calculated on the amount of the principal remaining unpaid, AND (b) one months' interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

42. **PREAUTHORIZED CHEQUING PLAN**

PROVIDED that all payments made under this Charge by the Chargor, his heirs, executors, administrators, successors and assigns shall be made by a preauthorized cheque payment plan as approved by the Chargee. The Chargee shall not be obligated to accept any payment excepting payment made by preauthorized cheque. Failure to make all payments by preauthorized cheque shall be an act of default within the meaning of this Charge and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

43. **POSTDATED CHEQUES**

THE CHARGOR shall, if and when required by the Chargee, in lieu of preauthorized cheque payment plan, deliver to the Chargee upon the first advance of monies hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of this Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve-month period commencing on each such anniversary date. In the event of default by the Chargor in delivery to the Chargee of the postdated cheques as herein provided, this Charge shall be deemed in default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Chargee upon the Chargor's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Chargor for the purpose of obtaining such postdated cheques.

ANY step taken by the Chargee hereunder by way of a request for further postdated cheques shall be without prejudice to the Chargee's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

44. **PAYMENT**

ALL payments of principal, interest and other monies payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee shall designate in writing from time to time. In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

45. **RECEIPT OF PAYMENT**

Any payment received after 1:00 p.m. on any date shall be deemed, for the purpose of calculation of interest to have been made and received on the next bank business day and the Chargee shall be entitled to interest on the amount due it, to and including the date on which the payment is deemed by this provision to have been received.

46. **NO DEEMED REINVESTMENT**

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder excepting only blended monthly payments, if applicable.

47. **DISCHARGE**

THE CHARGEES shall have a reasonable period of time after payment in full of the monies hereby secured within which to prepare and execute a discharge of this Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Chargee; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Chargee's fee for providing same, be borne by the Chargor. The discharge shall be prepared and executed by such persons as are specifically authorized by the Chargee and the Chargee shall not be obligated to execute any discharge other than a discharge which has been so authorized.

48. **DISHONOURED CHEQUES**

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of \$25.00 to cover the Chargee's administration costs with respect to same. In the event that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefor which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

49. **SERVICING FEES**

ALL servicing fees as herein provided are intended to compensate the Chargee for the Chargee's administrative costs and shall not be deemed a penalty. The amount of such servicing fees if not paid shall be added to the principal amount secured hereunder, and shall bear interest at the rate aforesaid and the Chargee shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

50. **STATEMENTS OF ACCOUNT**

THE CHARGOR shall be entitled to receive upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement.

51. **FAMILY LAW ACT**

THE CHARGOR shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Chargor, (b) the qualification of the said lands as a

matrimonial home within the meaning of the Family Law Act, as amended, (c) the ownership of the equity of redemption in the said lands, and (d) a shareholder of the Chargor obtaining rights to occupy the said lands by virtue of shareholding within the meaning of the Family Law Act, as the case may be, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the said equity of redemption and of any spouse who is not an owner but who has a right of possession in the said lands by virtue of the said Act. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b), (c) and (d) above as the Chargee may from time to time request.

52. **INDEPENDENT LEGAL ADVICE**

THE CHARGOR and Covenantor(s) acknowledge that they have full knowledge of the purpose and essence of this transaction, and that they have been appropriately and independently legally advised in that regard or have been advised of their right to independent legal advice and have declined same. Such parties agree to provide to the Chargee a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

53. **NONMERGER**

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto, the terms and/or conditions of the Letter of Commitment pertaining to the loan transaction evidenced by this Charge shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of such Letter of Commitment and this Charge, the provisions of the Letter of Commitment shall prevail.

54. **CONSENT OF CHARGE**

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that, subject to any other specific provision contained in this Charge to the contrary, the Chargee may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Chargee shall not be liable to the Chargor in damages or otherwise for its failure or refusal to give or withhold such consent or approval, and all costs of obtaining such approval shall be for the account of the Chargor.

55. **INVALIDITY**

IF ANY of the covenants or conditions in this Charge inclusive of all schedules forming a part hereof shall be void for any reason it shall be severed from the remainder of the provisions hereof and the remaining provisions shall remain in full force and effect notwithstanding such severance.

56. **HEADINGS**

THE headings with respect to the various paragraphs of this Charge are intended to be for identification of the various provisions of this Charge only and the wording of such headings is not intended to have any legal effect.

57. **INTERPRETATION**

PROVIDED and it is hereby agreed that, in construing this Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, executors, administrators, successors in office, successors and assigns, as the case may be, of each and every of the parties hereto, and where there is more than one Chargor or Chargee or more than one covenantor, or there is a female party or a corporation or there is no covenantor, the

provisions hereof shall be read with all grammatical changes thereby rendered necessary, and all covenants shall be deemed to be joint and several.

58. **SHORT FORM OF MORTGAGES ACT**

IF ANY of the forms of words contained herein are substantially in the form of words contained in Column One of Schedule B of the Short Form of Mortgages Act, R.S.O. 1980, c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number, and this Charge shall be interpreted as if the Short Form of Mortgages Act was still in full force and effect.

59. **BONUS**

UPON DEFAULT of payment of any principal monies hereby secured at the time or times herein provided, the Chargee shall be entitled to require, in addition to all monies payable in accordance with this Charge, a bonus equal to three (3) months' interest in advance on the said principal monies and the Chargor shall not be entitled to require a discharge of this Charge without such payment. Nothing herein contained shall effect or limit the right of the Chargee to recover by action or otherwise the principal money so in arrears after default has been made.

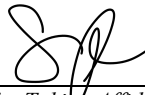
60. **COSTS**

IN THIS CHARGE the word "cost" shall extend to and include legal costs incurred by the Chargee as between a solicitor and his own client.

61. **NOTICE**

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address stated herein or such other address communicated in writing by the addressee in a written notice to the sender.

This is Exhibit "I" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

Properties

PIN 14363 - 0048 LT
Description PT LT 13 CON 5 WHS(CHING) DES PT 1, 43R34281; CITY OF BRAMPTON
Address 10475 HERITAGE ROAD
 BRAMPTON

Applicant(s)

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

Name MAPLEQUEST VENTURES INC.
Address for Service 40 Vogell Road, Suite 51
 Richmond Hill, ON L4B 3N6

I, Ali Muhammad Memon, Authorized Signing Officer, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Party To(s)*Capacity**Share*

Name KINGSETT MORTGAGE CORPORATION
Address for Service c/o KingSett Capital
 Toronto-Dominion Centre
 TD Bank Tower
 66 Wellington Street West
 Suite 4400, P.O. Box 163
 Toronto, ON M5K 1H6

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, PR3240081 registered on 2017/11/22 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for Signed 2017 11 22
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Blair Adam Mestel 1 Adelaide Street E., Suite 801 acting for Signed 2017 11 22
 Toronto Party To(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2017 11 22
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
Total Paid \$63.65

File Number

Party To Client File Number : 6333-093

ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made as of the 28th day of August, 2017.

B E T W E E N:

MAPLEQUEST VENTURES INC.

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- AND -

KINGSETT MORTGAGE CORPORATION

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

A. MAPLEQUEST VENTURES INC. is the registered and beneficial owner of the lands described as Part Lot 13, Con 5 WHS (Ching) designated as Part 1, 43R34281, City of Brampton, Regional Municipality of Peel and municipally known as: 10475 Heritage Road, Brampton ("Lands");

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

observed, performed or satisfied by the Assignor;

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

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

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

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

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

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

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

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

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

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

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

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

other company or corporation; or

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

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

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

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

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

Maplequest Ventures Inc.
40 Vogell Road, Suite 51
Richmond Hill, Ontario L4B 3N6

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

KingSett Mortgage Corporation
Toronto-Dominion Centre, TD Bank Tower,
66 Wellington Street West, Suite 4400
Toronto, Ontario M5K 1H6

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This is Exhibit "J" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

LAND
REGISTRY
OFFICE #43

14363-0076 (LT)

PAGE 1 OF 2
PREPARED FOR Charlene01
ON 2024/06/11 AT 10:31:31

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART LOT 13 CONCESSION 5 WEST OF HURONTARIO STREET (CHING) DESIGNATED PART 1, 43R34281; SAVE AND EXCEPT PARTS 1 AND 2, EXPROPRIATION PLAN PR4226364; CITY OF BRAMPTON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2011/11/03.

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 14363-0048

PIN CREATION DATE:

2023/07/26

OWNERS' NAMES

MAPLEQUEST VENTURES INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2023/07/26 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
43R34281	2011/11/03	PLAN REFERENCE				C
PR2102876	2011/11/03	APL ABSOLUTE TITLE		JOHNSON, ELDA BESSIE EILEEN		C
		REMARKS: PR2075068, PR2079201				
PR2372893	2013/05/24	TRANSFER	\$15,000,000	FLATO I HERITAGE MEADOWS INC.	MAPLEQUEST VENTURES INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
PR3240081	2017/11/22	CHARGE	\$30,000,000	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR3240082	2017/11/22	NO ASSGN RENT GEN		MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3240081.				
PR3445336	2019/02/13	CHARGE	\$6,875,000	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR3445337	2019/02/13	CHARGE	\$6,875,000	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR3569433	2019/11/12	NOTICE	\$2	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR3569445	2019/11/12	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3445336 TO PR3569433				
PR3569446	2019/11/12	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3445337 TO PR3569433				
PR3903520	2021/09/02	NOTICE	\$2	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

LAND
REGISTRY
OFFICE #43

14363-0076 (LT)

PAGE 2 OF 2
PREPARED FOR Charlene01
ON 2024/06/11 AT 10:31:31

* 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
PR3903603	2021/09/02	POSTPONEMENT <i>REMARKS: AMENDING CHARGE PR3240081</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR3903604	2021/09/02	POSTPONEMENT <i>REMARKS: PR3445336 TO PR3903520</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR4196413	2023/05/04	NOTICE <i>REMARKS: PR3240081</i>	\$2	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR4196414	2023/05/04	POSTPONEMENT <i>REMARKS: PR3445336 TO PR4196413</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR4196415	2023/05/04	POSTPONEMENT <i>REMARKS: PR3445337 TO PR4196413</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C

LAND
REGISTRY
OFFICE #43

14222-0326 (LT)

PAGE 1 OF 3
PREPARED FOR Charlene01
ON 2024/06/11 AT 10:32:36

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART LOT 16 CONCESSION 5 EAST OF HURONTARIO STREET AS IN R0531582 EXCEPT PART 20 43R35903; SUBJECT TO AN EASEMENT IN GROSS OVER PART 21 43R35903 AS IN PR3336328; CITY OF BRAMPTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

DIVISION FROM 14222-0014

PIN CREATION DATE:

2018/06/27

OWNERS' NAMES

MAPLEQUEST VENTURES 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 2018/06/27 **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1996/05/07 **						
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
PR2065193	2011/08/30	TRANSFER	\$3,862,500	903287 ONTARIO LIMITED	MAPLEQUEST VENTURES INC.	C
REMARKS: PLANNING ACT STATEMENTS						
43R35903	2014/05/05	PLAN REFERENCE				C
PR3314791	2018/04/26	CHARGE		*** DELETED AGAINST THIS PROPERTY *** MAPLEQUEST VENTURES INC.	FIRM CAPITAL MORTGAGE FUND INC.	
PR3336328	2018/06/15	TRANSFER EASEMENT	\$2	MAPLEQUEST VENTURES INC.	ALECTRA UTILITIES CORPORATION	C
PR3336329	2018/06/15	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** FIRM CAPITAL MORTGAGE FUND INC.	ALECTRA UTILITIES CORPORATION	
REMARKS: AFFECTS PART 21 43R35903 PR3314791 TO PR3336328						
PR3404340	2018/11/07	NOTICE		*** COMPLETELY DELETED ***		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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14222-0326 (LT)

PAGE 2 OF 3
PREPARED FOR Charlene01
ON 2024/06/11 AT 10:32:36

* 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
PR3450497	2019/02/27	CAUTION-LAND		PRISTINE HOMES (MAYFIELD) INC. *** COMPLETELY DELETED *** MAPLEQUEST VENTURES INC.	PRISTINE HOMES (MAYFIELD) INC. LANNISTER RIDGE ESTATES INC. CASTAMERE HEIGHTS ESTATES INC.	
PR3466284	2019/04/09	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	PRISTINE HOMES (MAYFIELD) INC.	
PR3586747	2019/12/12	NOTICE		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.	PRISTINE HOMES (MAYFIELD) INC.	
PR3742397	2020/11/30	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	MAPLEQUEST VENTURES INC.	
PR3742398	2020/11/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.		
		REMARKS: PR3404340.				
PR3742399	2020/11/30	WITHDRAWAL CAUTION		*** COMPLETELY DELETED *** LANNISTER RIDGE ESTATES INC. CASTAMERE HEIGHTS ESTATES INC.		
		REMARKS: PR3450497.				
PR3742400	2020/11/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.		
		REMARKS: PR3586747.				
PR3742401	2020/11/30	CHARGE	\$50,700,000	MAPLEQUEST VENTURES INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
PR3742402	2020/11/30	NO ASSGN RENT GEN		MAPLEQUEST VENTURES INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
		REMARKS: PR3742401.				
PR3743232	2020/11/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRM CAPITAL MORTGAGE FUND INC.		
		REMARKS: PR3314791.				
PR3903530	2021/09/02	CHARGE	\$40,272,233	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR4030351	2022/04/11	NOTICE	\$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	MAPLEQUEST VENTURES INC.	C
		REMARKS: PR3742401				
PR4030355	2022/04/11	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
		REMARKS: PR3903530 TO PR4030351, PR3742401				

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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14222-0326 (LT)

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* 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
PR4196418	2023/05/04	NOTICE <i>REMARKS: PR3903530</i>	\$2	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR4207159	2023/06/01	NOTICE <i>REMARKS: PR3742401</i>	\$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	MAPLEQUEST VENTURES INC.	C
PR4207160	2023/06/01	POSTPONEMENT <i>REMARKS: PR3903530 TO PR4207159</i>		KINGSETT MORTGAGE CORPORATION	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C

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14222-0328 (LT)

PAGE 1 OF 2
PREPARED FOR Charlene01
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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: PART LOT 16 CONCESSION 6 EAST OF HURONTARIO STREET PART 13 43R18218 & PART 6 43R36289 EXCEPT PART 4 43R36289 & PART 3 43R35903; CITY OF BRAMPTON

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

DIVISION FROM 14222-0053

PIN CREATION DATE:

2018/06/27

OWNERS' NAMES

MAPLEQUEST VENTURES 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 2018/06/27 **</p> <p>**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *</p> <p>** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **</p> <p>** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **</p>						
LT2057426	2000/03/27	NOTICE		HER MAJESTY THE QUEEN IN RIGHT OF THE DEPARTMENT OF TRANSPORT CANADA		C
REMARKS: PEARSON AIRPORT ZONING REGULATION						
PR1993365	2011/04/26	TRANSFER	\$4,050,000	PICCOLOTTO, ORILIO	MAPLEQUEST VENTURES INC.	C
REMARKS: PLANNING ACT STATEMENTS						
43R35903	2014/05/05	PLAN REFERENCE				C
43R36289	2014/12/16	PLAN REFERENCE				C
PR3314791	2018/04/26	CHARGE		*** DELETED AGAINST THIS PROPERTY *** MAPLEQUEST VENTURES INC.	FIRM CAPITAL MORTGAGE FUND INC.	
PR3404340	2018/11/07	NOTICE		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.	PRISTINE HOMES (MAYFIELD) INC.	
PR3450497	2019/02/27	CAUTION-LAND		*** COMPLETELY DELETED *** MAPLEQUEST VENTURES INC.	LANNISTER RIDGE ESTATES INC. CASTAMERE HEIGHTS ESTATES INC.	
PR3466284	2019/04/09	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	PRISTINE HOMES (MAYFIELD) INC.	
PR3586747	2019/12/12	NOTICE		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.	PRISTINE HOMES (MAYFIELD) INC.	
PR3742397	2020/11/30	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	MAPLEQUEST VENTURES INC.	

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14222-0328 (LT)

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PREPARED FOR Charlene01
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* 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
PR3742398	2020/11/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.		
	REMARKS: PR3404340.					
PR3742399	2020/11/30	WITHDRAWAL CAUTION		*** COMPLETELY DELETED *** LANNISTER RIDGE ESTATES INC. CASTAMERE HEIGHTS ESTATES INC.		
	REMARKS: PR3450497.					
PR3742400	2020/11/30	DISCHARGE INTEREST		*** COMPLETELY DELETED *** PRISTINE HOMES (MAYFIELD) INC.		
	REMARKS: PR3586747.					
PR3742401	2020/11/30	CHARGE	\$50,700,000	MAPLEQUEST VENTURES INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
PR3742402	2020/11/30	NO ASSGN RENT GEN		MAPLEQUEST VENTURES INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
	REMARKS: PR3742401.					
PR3743232	2020/11/30	DISCH OF CHARGE		*** COMPLETELY DELETED *** FIRM CAPITAL MORTGAGE FUND INC.		
	REMARKS: PR3314791.					
PR3903530	2021/09/02	CHARGE	\$40,272,233	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
PR4030351	2022/04/11	NOTICE	\$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	MAPLEQUEST VENTURES INC.	C
	REMARKS: PR3742401					
PR4030355	2022/04/11	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
	REMARKS: PR3903530 TO PR4030351, PR3742401					
PR4196418	2023/05/04	NOTICE	\$2	MAPLEQUEST VENTURES INC.	KINGSETT MORTGAGE CORPORATION	C
	REMARKS: PR3903530					
PR4207159	2023/06/01	NOTICE	\$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	MAPLEQUEST VENTURES INC.	C
	REMARKS: PR3742401					
PR4207160	2023/06/01	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
	REMARKS: PR3903530 TO PR4207159					

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
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14235-5967 (LT)

PAGE 1 OF 2
PREPARED FOR Charlene01
ON 2024/06/11 AT 10:37:20

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 115, PLAN 43M2042; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3617553; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2013/08/20.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
SUBDIVISION FROM 14235-5852

PIN CREATION DATE:
2017/09/21

OWNERS' NAMES
DIGRAM DEVELOPMENTS CALEDON INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2017/09/21 **</p> <p>**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *</p> <p>** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **</p> <p>** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **</p>						
PR2546600	2014/06/10	CHARGE		*** DELETED AGAINST THIS PROPERTY *** KENNEDY TRAILS DEVELOPMENT LTD.	THE TORONTO-DOMINION BANK	
43M2042	2017/09/18	PLAN SUBDIVISION				C
PR3204176	2017/09/19	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	KENNEDY TRAILS DEVELOPMENT LTD.	C
PR3204177	2017/09/19	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** THE TORONTO-DOMINION BANK	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
REMARKS: PR2546600 TO PR3204176						
PR3205737	2017/09/21	RESTRICTION-LAND		*** COMPLETELY DELETED *** KENNEDY TRAILS DEVELOPMENT LTD.		
REMARKS: NO TRANSFER OR CHARGE WITHOUT THE PRIOR WRITTEN APPROVAL OF THE REGIONAL MUNICIPALITY OF PEEL.						
PR3206649	2017/09/25	APL ANNEX REST COV		KENNEDY TRAILS DEVELOPMENT LTD.		C
REMARKS: EXPIRY DATE 15 YEARS FROM 2017/09/25						
PR3214483	2017/10/05	APL DELETE REST		*** COMPLETELY DELETED *** THE REGIONAL MUNICIPALITY OF PEEL		
REMARKS: PR3205737.						
PR3617553	2020/02/21	TRANSFER	\$40,409	KENNEDY TRAILS DEVELOPMENT LTD.	DIGRAM DEVELOPMENTS CALEDON INC.	C
REMARKS: PLANNING ACT STATEMENTS.						
PR3617555	2020/02/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** THE TORONTO-DOMINION BANK		

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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14235-5967 (LT)

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* 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: PR2546600.				
PR3617556	2020/02/21	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3617557	2020/02/21	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3822559	2021/04/28	CHARGE	\$6,875,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3822560	2021/04/28	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3822559				
PR3822561	2021/04/28	CHARGE	\$6,875,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3822562	2021/04/28	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3822561				
PR3822712	2021/04/28	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3617556 TO PR3822559				
PR3822713	2021/04/28	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3617557 TO PR3822559				
PR3822714	2021/04/28	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3617556 TO PR3822561				
PR3822715	2021/04/28	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3617557 TO PR3822561				
PR4266286	2023/10/26	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** AYA KITCHENS AND BATHS LTD.		
PR4295074	2024/01/23	APL DEL CONST LIEN		*** COMPLETELY DELETED *** AYA KITCHENS AND BATHS LTD.		
		REMARKS: PR4266286.				

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PREPARED FOR Charlene01
ON 2024/06/11 AT 10:37:55

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 73, PLAN 43M2055; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3809487; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2006/08/10.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
SUBDIVISION FROM 14235-6207

PIN CREATION DATE:
2018/06/26

OWNERS' NAMES
DIGRAM DEVELOPMENTS CALEDON INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2018/06/26 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PR1883430	2010/08/30	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
REMARKS: BY-LAW TO RENAME PARTS OF THE EXISTING KENNEDY ROAD TO OLD KENNEDY ROAD						
PR2931284	2016/06/16	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
REMARKS: BY-LAW NO. BL-2012-124 TO CLOSE AND DECLARE AS SURPLUS AND AUTHORIZE CONVEYANCE TO THE ABUTTING DEVELOPER AND LAND OWNERS PARTS 12 AND 15, ON PLAN 43R-34730						
PR3163689	2017/07/13	CHARGE		*** DELETED AGAINST THIS PROPERTY *** YEOMAN DEVELOPMENTS INC.	CANADIAN IMPERIAL BANK OF COMMERCE	
43M2055	2018/06/21	PLAN SUBDIVISION				C
PR3339641	2018/06/22	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	YEOMAN DEVELOPMENTS INC.	C
PR3339642	2018/06/22	POSTPONEMENT		CANADIAN IMPERIAL BANK OF COMMERCE	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
REMARKS: PR3163689 TO PR3339641						
PR3339647	2018/06/22	RESTRICTION-LAND		*** DELETED AGAINST THIS PROPERTY *** YEOMAN DEVELOPMENTS INC.		
REMARKS: NO TRANSFER OR CHARGE SHALL BE MADE OR REGISTERED WITH RESPECT TO THE LANDS WITHOUT THE WRITTEN CONSENT OF THE CLERK OF THE CORPORATION OF THE TOWN OF CALEDON						
PR3616236	2020/02/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		
REMARKS: PR3163689.						

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* 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
PR3809487	2021/03/31	TRANSFER	\$338,000	YEOMAN DEVELOPMENTS INC.	DIGRAM DEVELOPMENTS CALEDON INC.	C
PR3809488	2021/03/31	CHARGE		*** COMPLETELY DELETED *** DIGRAM DEVELOPMENTS CALEDON INC,	ROYAL BANK OF CANADA	
PR3809489	2021/03/31	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3809490	2021/03/31	NO ASSGN RENT GEN <i>REMARKS: PR3809489</i>		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3809491	2021/03/31	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR4214754	2023/06/22	DISCH OF CHARGE <i>REMARKS: PR3809488.</i>		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		

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PREPARED FOR Charlene01
ON 2024/06/11 AT 10:38:33

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 79, PLAN 43M2055; SUBJECT TO AN EASEMENT FOR ENTRY AS IN PR3616235; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2006/08/10.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
SUBDIVISION FROM 14235-6207

PIN CREATION DATE:
2018/06/26

OWNERS' NAMES
DIGRAM DEVELOPMENTS CALEDON INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2018/06/26 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PR1883430	2010/08/30	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
REMARKS: BY-LAW TO RENAME PARTS OF THE EXISTING KENNEDY ROAD TO OLD KENNEDY ROAD						
PR2931284	2016/06/16	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
REMARKS: BY-LAW NO. BL-2012-124 TO CLOSE AND DECLARE AS SURPLUS AND AUTHORIZE CONVEYANCE TO THE ABUTTING DEVELOPER AND LAND OWNERS PARTS 12 AND 15, ON PLAN 43R-34730						
PR3163689	2017/07/13	CHARGE		*** DELETED AGAINST THIS PROPERTY *** YEOMAN DEVELOPMENTS INC.	CANADIAN IMPERIAL BANK OF COMMERCE	
43M2055	2018/06/21	PLAN SUBDIVISION				C
PR3339641	2018/06/22	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	YEOMAN DEVELOPMENTS INC.	C
PR3339642	2018/06/22	POSTPONEMENT		CANADIAN IMPERIAL BANK OF COMMERCE	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
REMARKS: PR3163689 TO PR3339641						
PR3339647	2018/06/22	RESTRICTION-LAND		*** DELETED AGAINST THIS PROPERTY *** YEOMAN DEVELOPMENTS INC.		
REMARKS: NO TRANSFER OR CHARGE SHALL BE MADE OR REGISTERED WITH RESPECT TO THE LANDS WITHOUT THE WRITTEN CONSENT OF THE CLERK OF THE CORPORATION OF THE TOWN OF CALEDON						
PR3616235	2020/02/19	TRANSFER	\$569,000	YEOMAN DEVELOPMENTS INC.	DIGRAM DEVELOPMENTS CALEDON INC.	C
PR3616236	2020/02/19	DISCH OF CHARGE		*** COMPLETELY DELETED *** CANADIAN IMPERIAL BANK OF COMMERCE		

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14235-6286 (LT)

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PREPARED FOR Charlene01
ON 2024/06/11 AT 10:38:33

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
	<i>REMARKS: PR3163689.</i>					
PR3616237	2020/02/19	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3616238	2020/02/19	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C

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14235-6765 (LT)

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 103, PLAN 43M2077; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2009/02/18.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
SUBDIVISION FROM 14235-6662

PIN CREATION DATE:
2019/12/05

OWNERS' NAMES
DIGRAM DEVELOPMENTS CALEDON INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2019/12/05 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
PR2861457	2016/01/29	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR2861458	2016/01/29	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457.						
PR3050717	2016/12/20	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457						
PR3050723	2016/12/20	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3097560	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
REMARKS: RE: PR2861457						
PR3097561	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
REMARKS: RE: SC1397063 TO READ PR3050723						
PR3186417	2017/08/18	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	
PR3240203	2017/11/22	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457						
PR3240460	2017/11/22	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	ROYAL BANK OF CANADA	

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REGISTRY
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14235-6765 (LT)

PAGE 2 OF 3
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* 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
PR3240488	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		REMARKS: PR2861457 POSTPONED TO PR3240460				
PR3240489	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		REMARKS: PR3050723 POSTPONED TO PR3240460				
PR3240490	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	ROYAL BANK OF CANADA	
		REMARKS: PR3186417 POSTPONED TO PR3240460				
PR3240505	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: PR3186417 POSTPONED TO PR2861457 AFFECTS PART OF PROPERTY				
PR3240506	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: PR3186417 POSTPONED TO PR3050723				
PR3279212	2018/02/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: AFFECTS PART 1, 43R36258 SAVE & EXCEPT PART 1, 43R37697 AFFECTS PART 2, 43R37920				
PR3279219	2018/02/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
PR3279220	2018/02/01	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: PR3279219				
43M2077	2019/11/01	PLAN SUBDIVISION				C
PR3566641	2019/11/05	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	DIGRAM DEVELOPMENTS CALEDON INC.	C
PR3566642	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3186417 TO PR3566641				

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PREPARED FOR Charlene01
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* 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
PR3566643	2019/11/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		REMARKS: PR2861457 TO PR3566641				
PR3566644	2019/11/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		REMARKS: PR3050723 TO PR3566641				
PR3566645	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** ROYAL BANK OF CANADA	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3240460 TO PR3566641				
PR3566646	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3279212 TO PR3566641				
PR3566647	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3279219 TO PR3566641				
PR3566656	2019/11/05	RESTRICTION-LAND		DIGRAM DEVELOPMENTS CALEDON INC.		C
		REMARKS: BLOCKS 99 TO 112, PLAN 43M2077 BLOCKS 113, 118 AND 119, PLAN 43M2077 BLOCKS 114 TO 117, PLAN 43M2077				
PR3603596	2020/01/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** KINGSETT MORTGAGE CORPORATION		
		REMARKS: PR3279212.				
PR3603597	2020/01/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** KINGSETT MORTGAGE CORPORATION		
		REMARKS: PR3279219.				
PR3806430	2021/03/29	APL AMEND ORDER		*** COMPLETELY DELETED *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	
		REMARKS: DELETE PR3186417				
PR4214750	2023/06/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		REMARKS: PR3240460.				

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 132, PLAN 43M2077; SUBJECT TO AN EASEMENT OVER PART BLOCK 132, PLAN 43M2077 AS IN PR2480476; SUBJECT TO AN EASEMENT AS IN PR4013648; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2009/02/18.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
SUBDIVISION FROM 14235-6662

PIN CREATION DATE:
2019/12/05

OWNERS' NAMES
DIGRAM DEVELOPMENTS CALEDON INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2019/12/05 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
PR1883430	2010/08/30	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
REMARKS: BY-LAW TO RENAME PARTS OF THE EXISTING KENNEDY ROAD TO OLD KENNEDY ROAD						
PR2480476	2013/12/20	TRANSFER EASEMENT	\$1	THE CORPORATION OF THE TOWN OF CALEDON	HYDRO ONE NETWORKS INC.	C
PR2861457	2016/01/29	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR2861458	2016/01/29	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457.						
PR3050717	2016/12/20	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457						
PR3050723	2016/12/20	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3097560	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
REMARKS: RE: PR2861457						
PR3097561	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
REMARKS: RE: SC1397063 TO READ PR3050723						
PR3154460	2017/06/29	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
REMARKS: A BY-LAW TO CLOSE, DECLARE AS SURPLUS AND AUTHORIZE CONVEYANCE TO THE ABUTTING DEVELOPER AND LAND OWNERS. PARTS 13 AND 14 PLAN 43R34730.						
PR3186417	2017/08/18	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC.	

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* 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
PR3240203	2017/11/22	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	PRIMONT HOMES (GREENSBOROUGH 2) INC. KINGSETT MORTGAGE CORPORATION	C
		<i>REMARKS: PR2861457</i>				
PR3240460	2017/11/22	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	ROYAL BANK OF CANADA	
PR3240488	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		<i>REMARKS: PR2861457 POSTPONED TO PR3240460</i>				
PR3240489	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		<i>REMARKS: PR3050723 POSTPONED TO PR3240460</i>				
PR3240490	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	ROYAL BANK OF CANADA	
		<i>REMARKS: PR3186417 POSTPONED TO PR3240460</i>				
PR3240505	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
		<i>REMARKS: PR3186417 POSTPONED TO PR2861457 AFFECTS PART OF PROPERTY</i>				
PR3240506	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
		<i>REMARKS: PR3186417 POSTPONED TO PR3050723</i>				
PR3279212	2018/02/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
		<i>REMARKS: AFFECTS PART 1, 43R36258 SAVE & EXCEPT PART 1, 43R37697 AFFECTS PART 2, 43R37920</i>				
PR3279219	2018/02/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
PR3279220	2018/02/01	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
		<i>REMARKS: PR3279219</i>				
43M2077	2019/11/01	PLAN SUBDIVISION				C

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OFFICE #43

14235-6794 (LT)

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PREPARED FOR Charlene01
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* 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
PR3566641	2019/11/05	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	DIGRAM DEVELOPMENTS CALEDON INC.	C
PR3566642	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		<i>REMARKS: PR3186417 TO PR3566641</i>				
PR3566643	2019/11/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		<i>REMARKS: PR2861457 TO PR3566641</i>				
PR3566644	2019/11/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		<i>REMARKS: PR3050723 TO PR3566641</i>				
PR3566645	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** ROYAL BANK OF CANADA	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		<i>REMARKS: PR3240460 TO PR3566641</i>				
PR3566646	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		<i>REMARKS: PR3279212 TO PR3566641</i>				
PR3566647	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		<i>REMARKS: PR3279219 TO PR3566641</i>				
PR3603596	2020/01/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** KINGSETT MORTGAGE CORPORATION		
		<i>REMARKS: PR3279212.</i>				
PR3603597	2020/01/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** KINGSETT MORTGAGE CORPORATION		
		<i>REMARKS: PR3279219.</i>				
PR3609198	2020/01/31	APL COURT ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	2412229 ONTARIO INC.	
PR3806430	2021/03/29	APL AMEND ORDER		*** COMPLETELY DELETED *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC.	

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PREPARED FOR Charlene01
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* 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
PR3898208	2021/08/27	APL AMEND ORDER		*** COMPLETELY DELETED *** ONTARIO SUPERIOR COURT OF JUSTICE	PRIMONT HOMES (GREENSBOROUGH 2) INC. 2412229 ONTARIO INC.	
PR4013648	2022/03/16	TRANSFER EASEMENT	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	ENBRIDGE GAS INC.	C
PR4126438	2022/10/07	CONSTRUCTION LIEN	\$791,768	NIRAN CONSTRUCTION LTD.		C
PR4158598	2023/01/06	CERTIFICATE		NIRAN CONSTRUCTION LTD.		C
PR4214750	2023/06/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 62, PLAN 43M2096; TOWN OF CALEDON

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT PR3250233. LYING SOUTH OF PLAN 43M2055 - FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2018/11/20.

ESTATE/QUALIFIER:

FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:

SUBDIVISION FROM 14235-6917

PIN CREATION DATE:

2021/01/08

OWNERS' NAMES

DIGRAM DEVELOPMENTS CALEDON 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 2021/01/08 **</p> <p>**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *</p> <p>** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **</p> <p>** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **</p> <p>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</p>						
PR1883430	2010/08/30	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
		REMARKS: BY-LAW TO RENAME PARTS OF THE EXISTING KENNEDY ROAD TO OLD KENNEDY ROAD				
PR2861457	2016/01/29	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR2861458	2016/01/29	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR2861457.				
PR2931284	2016/06/16	BYLAW		THE CORPORATION OF THE TOWN OF CALEDON		C
		REMARKS: BY-LAW NO. BL-2012-124 TO CLOSE AND DECLARE AS SURPLUS AND AUTHORIZE CONVEYANCE TO THE ABUTTING DEVELOPER AND LAND OWNERS PARTS 12 AND 15, ON PLAN 43R-34730				
PR3050717	2016/12/20	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR2861457				
PR3050723	2016/12/20	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3097560	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
		REMARKS: RE: PR2861457				
PR3097561	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
		REMARKS: RE: SC1397063 TO READ PR3050723				
PR3186417	2017/08/18	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC.	

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* 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
PR3196745	2017/09/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	PRIMONT HOMES (GREENSBOROUGH 2) INC. THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR2861457 TO PR3196743				
PR3196746	2017/09/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3050723 TO PR3196743				
PR3196747	2017/09/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3196747 TO PR3196743 TO READ PR3186417 TO PR3196743				
PR3196841	2017/09/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON	
		REMARKS: PR2861457 TO PR3196839				
PR3196842	2017/09/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON	
		REMARKS: PR3050723 TO PR3196839				
PR3196843	2017/09/06	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	THE CORPORATION OF THE TOWN OF CALEDON	
		REMARKS: PR3186417 TO PR3196839				
PR3240203	2017/11/22	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR2861457				
PR3240460	2017/11/22	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	ROYAL BANK OF CANADA	
PR3240488	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		REMARKS: PR2861457 POSTPONED TO PR3240460				
PR3240489	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		REMARKS: PR3050723 POSTPONED TO PR3240460				
PR3240490	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC.	ROYAL BANK OF CANADA	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
PR3240505	2017/11/22	POSTPONEMENT		PRIMONT HOMES (GREENSBOROUGH 2) INC. *** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
PR3240506	2017/11/22	POSTPONEMENT		PRIMONT HOMES (GREENSBOROUGH 2) INC. *** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
PR3279212	2018/02/01	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3279219	2018/02/01	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3279220	2018/02/01	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3306306	2018/04/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE REGIONAL MUNICIPALITY OF PEEL	C
PR3306307	2018/04/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE REGIONAL MUNICIPALITY OF PEEL	C
43M2096	2020/12/15	PLAN SUBDIVISION	\$204			C
PR3753385	2020/12/18	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	DIGRAM DEVELOPMENTS CALEDON INC.	C
PR3753386	2020/12/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
PR3753387	2020/12/18	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
PR3753388	2020/12/18	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PR3753389	2020/12/18	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** ROYAL BANK OF CANADA	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		<i>REMARKS: PR3240460 TO PR3753385</i>				
PR3753390	2020/12/18	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		<i>REMARKS: PR3279212 TO PR3753385</i>				
PR3753391	2020/12/18	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		<i>REMARKS: PR3279219 TO PR3753385</i>				
PR3753399	2020/12/18	RESTRICTION-LAND		DIGRAM DEVELOPMENTS CALEDON INC.		C
		<i>REMARKS: NO TRANSFER OR CHARGE SHALL BE REGISTERED WITHOUT WRITTEN CONSENT OF THE CORPORATION OF THE TOWN OF CALEDON.</i>				
PR3806430	2021/03/29	APL AMEND ORDER		*** COMPLETELY DELETED *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	
		<i>REMARKS: DELETE PR3186417</i>				
PR4214750	2023/06/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
		<i>REMARKS: PR3240460.</i>				

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: BLOCK 111, PLAN 43M2077; TOWN OF CALEDON

PROPERTY REMARKS: FOR THE PURPOSE OF THE QUALIFIER THE DATE OF REGISTRATION OF ABSOLUTE TITLE IS 2009/02/18.

ESTATE/QUALIFIER:
FEE SIMPLE
LT ABSOLUTE PLUS

RECENTLY:
SUBDIVISION FROM 14235-6662

PIN CREATION DATE:
2019/12/05

OWNERS' NAMES
DIGRAM DEVELOPMENTS CALEDON INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2019/12/05 **						
**SUBJECT TO SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPHS 3 AND 14 AND *						
** PROVINCIAL SUCCESSION DUTIES AND EXCEPT PARAGRAPH 11 AND ESCHEATS OR FORFEITURE **						
** TO THE CROWN UP TO THE DATE OF REGISTRATION WITH AN ABSOLUTE TITLE. **						
NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY						
PR2861457	2016/01/29	CHARGE	\$45,375,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR2861458	2016/01/29	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457.						
PR3050717	2016/12/20	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457						
PR3050723	2016/12/20	CHARGE	\$6,250,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3097560	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
REMARKS: RE: PR2861457						
PR3097561	2017/03/22	NOTICE	\$2	KINGSETT MORTGAGE CORPORATION		C
REMARKS: RE: SC1397063 TO READ PR3050723						
PR3186417	2017/08/18	APL COURT ORDER		*** DELETED AGAINST THIS PROPERTY *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	
PR3240203	2017/11/22	NOTICE	\$2	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
REMARKS: PR2861457						
PR3240460	2017/11/22	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	ROYAL BANK OF CANADA	

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
PR3240488	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		REMARKS: PR2861457 POSTPONED TO PR3240460				
PR3240489	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	ROYAL BANK OF CANADA	
		REMARKS: PR3050723 POSTPONED TO PR3240460				
PR3240490	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	ROYAL BANK OF CANADA	
		REMARKS: PR3186417 POSTPONED TO PR3240460				
PR3240505	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: PR3186417 POSTPONED TO PR2861457 AFFECTS PART OF PROPERTY				
PR3240506	2017/11/22	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: PR3186417 POSTPONED TO PR3050723				
PR3279212	2018/02/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: AFFECTS PART 1, 43R36258 SAVE & EXCEPT PART 1, 43R37697 AFFECTS PART 2, 43R37920				
PR3279219	2018/02/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
PR3279220	2018/02/01	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	
		REMARKS: PR3279219				
43M2077	2019/11/01	PLAN SUBDIVISION				C
PR3566641	2019/11/05	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	DIGRAM DEVELOPMENTS CALEDON INC.	C
PR3566642	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3186417 TO PR3566641				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
PR3566643	2019/11/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		REMARKS: PR2861457 TO PR3566641				
PR3566644	2019/11/05	POSTPONEMENT		KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	C
		REMARKS: PR3050723 TO PR3566641				
PR3566645	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** ROYAL BANK OF CANADA	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3240460 TO PR3566641				
PR3566646	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3279212 TO PR3566641				
PR3566647	2019/11/05	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** KINGSETT MORTGAGE CORPORATION	THE CORPORATION OF THE TOWN OF CALEDON THE REGIONAL MUNICIPALITY OF PEEL	
		REMARKS: PR3279219 TO PR3566641				
PR3566656	2019/11/05	RESTRICTION-LAND		DIGRAM DEVELOPMENTS CALEDON INC.		C
		REMARKS: BLOCKS 99 TO 112, PLAN 43M2077 BLOCKS 113, 118 AND 119, PLAN 43M2077 BLOCKS 114 TO 117, PLAN 43M2077				
PR3603596	2020/01/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** KINGSETT MORTGAGE CORPORATION		
		REMARKS: PR3279212.				
PR3603597	2020/01/21	DISCH OF CHARGE		*** COMPLETELY DELETED *** KINGSETT MORTGAGE CORPORATION		
		REMARKS: PR3279219.				
PR3806430	2021/03/29	APL AMEND ORDER		*** COMPLETELY DELETED *** SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	PRIMONT HOMES (CALEDON) INC. PRIMONT HOMES (GREENSBOROUGH 2) INC.	
		REMARKS: DELETE PR3186417				
PR3822559	2021/04/28	CHARGE	\$6,875,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3822560	2021/04/28	NO ASSGN RENT GEN		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
		REMARKS: PR3822559				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
PR3822561	2021/04/28	CHARGE	\$6,875,000	DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3822562	2021/04/28	NO ASSGN RENT GEN <i>REMARKS: PR3822561</i>		DIGRAM DEVELOPMENTS CALEDON INC.	KINGSETT MORTGAGE CORPORATION	C
PR3822593	2021/04/28	POSTPONEMENT <i>REMARKS: PR2861457 TO PR3822559</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR3822594	2021/04/28	POSTPONEMENT <i>REMARKS: PR3050723 TO PR3822559</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR3822595	2021/04/28	POSTPONEMENT <i>REMARKS: PR2861457 TO PR3822561</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR3822596	2021/04/28	POSTPONEMENT <i>REMARKS: PR3050723 TO PR3822561</i>		KINGSETT MORTGAGE CORPORATION	KINGSETT MORTGAGE CORPORATION	C
PR3836634	2021/05/20	DISCH OF CHARGE <i>REMARKS: PR3240460.</i>		*** COMPLETELY DELETED *** ROYAL BANK OF CANADA		
PR4266286	2023/10/26	CONSTRUCTION LIEN		*** DELETED AGAINST THIS PROPERTY *** AYA KITCHENS AND BATHS LTD.		
PR4295074	2024/01/23	APL DEL CONST LIEN <i>REMARKS: PR4266286.</i>		*** COMPLETELY DELETED *** AYA KITCHENS AND BATHS LTD.		

This is Exhibit "K" referred to in the Affidavit of DANIEL POLLACK sworn before me in the City of Toronto, in the Province of Ontario on June 14, 2024.



Commissioner for Taking Affidavits (or as may be)

SIERRA ELISABETH MARGARET FARR

LSO# 87551D

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

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

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

2. **INDEBTEDNESS SECURED**

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender arising out of a Letter of Commitment dated July 28, 2017 and pursuant thereto, a mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$30,000,000.00 ("Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

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

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

4. **COVENANTS OF THE DEBTOR**

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

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

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

5. **USE AND VERIFICATION OF COLLATERAL**

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

6. **ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE**

- (a) Although it is the intention of the parties that the assignment of all agreements of purchase and sale relating to the Premises (as set out in Paragraph 1(a)(iii)) ("Assignment of Rights") or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the

contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including deposits) received or to be received by the Debtor, pursuant to the agreements entered into for the sale of any portion of the Premises ("Agreements"), or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to the Agreements, or any one of them, without requiring any further proof of such authority.

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

7. ASSIGNMENT OF CASH SECURITY

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

- v. **"Commitment Letter"** means the Commitment Letter referred to between the parties referable to this transaction dated July 28, 2017, and any amendments thereto;
 - vi. **"Charge"** means the Charge issued by the Debtor to the Lender in the principal amount of \$30,000,000.00;
 - vii. **"Deposit"** means the sum to be deducted from the advance of funds or otherwise held by the Lender pursuant to the Commitment Letter, together with any and all interest actually earned thereon, to be invested pursuant to this Agreement, as security for the Debtor's Liabilities;
 - viii. **"Interest Bearing Accounts"** means one or more bank accounts now or hereafter established by the Lender in the name of or on behalf of the Debtor in which the Debtor deposits monies on a current basis from time to time at such rate of interest as is established, quoted or announced from time to time by the Lender;
 - ix. **"Letter of Credit"** means the letter or letters of credit now or hereafter issued or arranged by the Lender at the request of or on behalf of the Debtor in favour of parties as contemplated in the Commitment Letter;
 - x. **"Loan Documents"** means all present and future agreements, instruments and other documents, as same may be amended from time to time, made or assigned by the Debtor to the Lender in connection with the issue of the Letter of Credit; and
 - xi. **"Securities"** means all Interest Bearing Accounts and Certificates together with all renewals, replacements and substitutions therefore and all proceeds therefrom.
- (b) As continuing security for the payment of the Debtor's Liabilities, and for the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, the Debtor:
- i. assigns, transfers and pledges the Deposit and the Securities to and in favour of the Lender; and
 - ii. grants a security interest in the Deposit and the Securities to and in favour of the Lender;
- as and by way of a fixed charge.
- (c) The Lender's only responsibility hereunder in regard to the Securities is limited to exercising the same degree of care which it gives valuable property of the Lender or any other customer of the Lender at the office where the Securities are held.
- (d) The Debtor acknowledges and agrees that the Lender is authorized and directed to invest and reinvest the Deposit and any other funds represented by the Securities in one or more Certificates or Interest Bearing Accounts from time to time for such periods as may be requested in writing by the Debtor; provided that none of the Certificates may be reinvested until its respective maturity date; and provided further that if the Lender has not received such written instructions before 1:00 o'clock in the afternoon on any date that the Deposit or any of the Certificates mature, then all of such funds may be invested or reinvested, as the case may be, for any period determined by the Lender from time to time in its absolute discretion, at rates of interest quoted by the Lender for the respective period or periods of any such Interest Bearing Account or Certificate on the date of any such investment or reinvestment.
- (e) All interest earned on the Securities shall accrue to the account of the Debtor and shall be held by the Lender in accordance with and subject to the same terms and conditions set out in this agreement.
- (f) The Lender and every employee or agent thereof, as the irrevocable attorney of the Debtor, may deal with all or any of the Securities and may fill in all blanks in any

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

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

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

8. COLLECTION OF DEBTS

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

9. DISPOSITION OF MONIES

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

10. EVENTS OF DEFAULT

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

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

11. REMEDIES

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

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

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

12. MISCELLANEOUS

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

hereto and their respective successors and assigns.

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

The address of each party is as follows:

Debtor:

Maplequest Ventures Inc.
40 Vogell Road, Suite 51
Richmond Hill, Ontario L4B 3N6

Lender:

KingSett Mortgage Corporation
Toronto-Dominion Centre, TD Bank Tower
66 Wellington Street West, Suite 4400
Toronto, Ontario M5K 1H6

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

13. **COPY OF AGREEMENT**

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

IN WITNESS WHEREOF the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 28th day of August, 2017.

MAPLEQUEST VENTURES INC.



Per: _____

Name: Ali Muhammad Memon

Title: Authorized Signing Officer

I have authority to bind the corporation.

F:\CONVEY\DOCS\6333-093.MKS-GSA.DOC

SCHEDULE "A"**PIN No. 14363-0048 – 10475 Heritage Road, Brampton:**

Part Lot 13, Con 5 WHS (Ching) designated as Part 1, 43R34281,
City of Brampton
Regional Municipality of Peel

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

**KINGSETT MORTGAGE
CORPORATION
AND FIRST SOURCE
FINANCIAL MANAGEMENT
INC.**

Applicants

and

**MAPLEQUEST VENTURES
INC. AND DIGRAM
DEVELOPMENTS CALEDON
INC.**

Respondents

Court File No: CV-24-00722148-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

APPLICATION RECORD
VOLUME I OF II
(Returnable June 26, 2024)

OSLER, HOSKIN & HARCOURT LLP

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