

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

B E T W E E N:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND  
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**MOTION RECORD OF THE PLAINTIFF,  
CENTURION MORTGAGE CAPITAL CORPORATION**

December 4, 2020

**ROBINS APPLEBY LLP**  
Barristers + Solicitors  
2600 - 120 Adelaide Street West  
Toronto, ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**  
dmichaud@robapp.com  
Tel: (416) 360-3795

**Samuel Mosonyi LSO No.: 78085A**  
smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306

Lawyers for the Plaintiff

**TO: 10268054 CANADA CORP.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

Email: [olowolafe@gmail.com](mailto:olowolafe@gmail.com)

**AND DREAM MAKER DEVELOPMENTS INC.**

**TO:** 16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

Email: olowolafe@gmail.com

**AND TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

**TO:** 9 Aidan Drive  
Woodbridge, ON L4H 0T5

Email: olowolafe@gmail.com

**INDEX**

<b>TAB</b>	<b>APPENDIX</b>	<b>DOCUMENT</b>
1.		<b>Notice of Motion</b>
2.		<b>Affidavit of Ryan Buzzel sworn December 3, 2020</b>
	A.	Statement of Claim issued November 27, 2020
	B.	Commitment Letter dated October 15, 2018
	C.	Amendment to the Commitment Letter dated December 17, 2018
	D.	Charge/Mortgage with Instrument No. DR1762699 dated December 21, 2018
	E.	General Security Agreement dated November 19, 2018
	F.	Guarantee and Postponement of Claim dated November 29, 2018
	G.	Assignment of Rights under Agreements of Purchase and Sale dated November 19, 2018
	H.	Photos of Project taken on December 2, 2020
	I.	Various Email Correspondence
	J.	Demand Letter dated May 21, 2020 enclosing Mortgage Discharge Statement and Notice of Intention to Enforce Security
	K.	Demand Letter dated November 18, 2020 enclosing Mortgage Discharge Statement and Notice of Intention to Enforce Security
	L.	Mortgage Statement dated November 17, 2020
	M.	Email from Vince Chung to Ryan Buzzell dated December 3, 2020
	N.	Report of Intrepid Quantity Surveying dated December 20, 2018
	O.	Statement of Advance dated December 21, 2018
	P.	Execution Search dated December 3, 2020
	Q.	Agreement Respecting Purchasers' Deposits dated November 19, 2018
	R.	Email Chain between Dominique Michaud, Issac Olowolafe and Ron Fairbloom
	S.	Consent to Act as Receiver dated December 2, 2020

3.		<b>Draft Receivership Order</b>
4.		<b>Blackline of Receivership Order</b>



Court File No.: CV-20-00652174-00CL

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

B E T W E E N:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND  
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**NOTICE OF MOTION**

**THE PLAINTIFF**, Centurion Mortgage Capital Corporation ("**Centurion**") will make a motion to a Judge of the Ontario Superior Court of Justice (Commercial List) on a date to be fixed by the Court Office.

**PROPOSED METHOD OF HEARING:** The motion is to be heard by videoconference as a result of the COVID-19 pandemic. The Plaintiff will circulate videoconference details once a date for the motion is fixed by the Court Office.

**THE MOTION IS FOR:**

1. Centurion seeks an Order substantially in the form included at **Tab "3"** of the Motion

Record:

- (a) abridging the time for service of the Notice of Motion and the Motion Record herein and dispensing with further service thereof;

- (b) appointing BDO Canada Limited ("**BDO**") as receiver over the Defendant, 10268054 Canada Corp. ("**102 Corp.**") and all of the assets, undertakings and property of 102 Corp., including real property owned by 102 Corp. known municipally as 135 Mandrake Street, Ajax, Ontario (the "**Property**"), and all other property assets and undertakings relating thereto;
- (c) approving the sale process (the "**Sale Process**") as described in the Pre-Filing Report of the Receiver to be filed (the "**Pre-Filing Report**"); and
- (d) such further and other relief as this Honourable Court may deem just.

## **THE GROUNDS FOR THE MOTION ARE:**

### **The Parties**

1. Centurion is a commercial real estate lending company with its head office in Toronto, Ontario. As described below, Centurion provided secured loans to 102 Corp.

2. 102 Corp. is a corporation incorporated pursuant to the laws of Canada with a registered office in Toronto. 102 Corp. is a residential condominium developer that intended to develop a 42-unit condominium building located at the address municipally known as 135 Mandrake Street, Ajax, Ontario (the "**Project**").

3. Dream Maker Developments Inc. ("**Dream Maker**") and Temitope Olowolafe a.k.a. Isaac Olowolafe ("**Olowolafe**") (collectively, the "**Guarantors**") guaranteed the debts of the Centurion loans to 102 Corp.

### **The Centurion Loan**

4. Pursuant to the terms of a Commitment Letter dated October 15, 2018 (the "**Commitment**"), Centurion made a secured loan to 102 Corp. in the principal sum of \$15,948,280 (the "**Centurion Loan**"). The purpose of the Centurion Loan was to finance the Project.

5. By Amendment to the Commitment Letter dated December 17, 2018, the terms of the Centurion Loan were amended to increase the Centurion Loan amount by \$681,312.

6. In support of the Centurion Loan, Centurion obtained, among other things, the following security (the "**Security**"):

- (a) a Charge/Mortgage in the original amount of \$17,500,000, registered on December 21, 2018, as Instrument No. DR1762699 against the Property in favour of Centurion (the "**Centurion Mortgage**");
- (b) a General Security Agreement between Centurion, as lender, and 102 Corp., as borrower, dated November 19, 2018 (the "**GSA**");
- (c) a Guarantee and Postponement of Claim Agreement between Centurion as lender, and the Guarantors as guarantors, dated November 29, 2018 (the "**Guarantee**"); and
- (d) an Assignment of Rights under Agreements of Purchase and Sale dated November 19, 2018.

7. As part of the terms of the Centurion Loan, 102 Corp. was required to complete sales of units in the Project at approved sale prices. All of the net sale proceeds are to be applied to pay down the Centurion Mortgage.

8. The Centurion Loan contemplated that Centurion would provide partial discharges of the Centurion Mortgage to permit the closing of condominium units in the Project at established purchase prices, provided, among other things, that the Centurion Loan was not in default.

### **Default and Demand**

9. The Centurion Loan will mature on January 1, 2021. There is no foreseeable chance that 102 Corp. will repay the Centurion Loan on maturity.

10. To date, 102 Corp. has defaulted on the Centurion Loan by:

- (a) registering or allowing to be registered unapproved subsequent encumbrances and charges on the Property or Project;
- (b) failing to deliver a construction budget or Project completion schedule in a form and content satisfactory to Centurion; and
- (c) failing to proceed expeditiously with the construction of the Project to ensure its timely completion as required by the terms of the Loan.

11. As a result of the defaults described above, Centurion made demand on the Centurion Loan by letter dated May 21, 2020, and after 102 Corp. failed to cure the remedies, by a further letter dated November 18, 2020 (the "**Demand Letter**"). Included with the Demand Letter, Centurion also delivered a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**").

12. 102 Corp. and the Guarantors have failed to repay the balance of the indebtedness owing to Centurion. As of November 18, 2020, 102 Corp. owed Centurion \$8,505,625.90 plus legal fees and other protective disbursements in respect of the Centurion Loan.

#### **Further Default of the Centurion Loan**

13. As a condition of funding any advance under the Centurion Loan, 102 Corp. had to certify the basis for this request and certify that no part of the funds advanced would be used for any other purpose. This requirement is set out in section 8(k) and Schedule "B" of the Commitment.

14. Since Centurion commenced this proceeding, it has conducted further review to confirm whether 102 Corp. and Olowolafe have applied the funds advanced under the Centurion Loan to their proper use as contemplated above. Unfortunately this review uncovered a very significant default in that 102 Corp. and Olowolafe appear to have misapplied over \$2.9 million of funds that were advanced by Centurion in respect of the funding of Development Charges, Parkland Levy,

and cash security for letters of credit with the Town of Ajax in respect of landscaping and engineering.

15. At this stage, Centurion does not have any indication of where the \$2.9 million was used and suspects that these funds were misappropriated and used outside of the Project.

### **Status of the Project**

16. 102 Corp. has entered into a number of pre-development agreements of purchase and sale in respect of the Project. Notwithstanding the substantial pre-sales in respect of the Project, 102 Corp. has failed to progress in the advancement of the construction of the Project.

17. Miller Thompson LLP is currently holding moneys in purchaser deposits in trust, pursuant to an Agreement Respecting Purchasers' Deposits dated November 19, 2018. These deposits are also subject to a condominium deposit insurance facility provided to 102 Corp. by Westmount Guarantee Services Inc.

### **Subsequent Encumbrancers and Other Stakeholders**

18. The Property is currently subject to the following encumbrances:

Priority	Lender	Amount	Instrument Number
1.	Centurion Mortgage Capital Corporation	\$17,500,000	DR1762699
2.	Westmount Guarantee Services Inc.	\$6,000,000	DR1762723
3.	Diversified Capital Inc. (By Transfer of Charge)	\$2,000,000	DR1821027 DR1905821
4.	Garrison Hill Developments Inc.  Kimila Treasure Campbell Greaux	\$500,000	DR1809576

5.	Diversified Capital Inc.	\$500,000	DR1874554
6.	5023018 Ontario Inc.	\$1,565,000	DR1937533

19. There are no lien claims registered in respect of the Property.

20. There are no execution creditors in respect of 102 Corp.

### **The Appointment of a Receiver**

21. BDO should be appointed as the Receiver over 102 Corp. because:

- (a) a court-supervised receivership will ensure that the interests of all creditors and other stakeholders are considered with a view towards maximizing the realization on the Property;
- (b) the Centurion Mortgage and the GSA provide for Centurion to appoint a Receiver upon default of the Centurion Loan;
- (c) it appears as though 102 Corp. has misappropriated funds that were to be used in respect of the Project;
- (d) the appointment of a Receiver will avoid any potential disputes regarding expenses incurred and proceeds obtained in the sale of the units in the Property; and
- (e) it is just and convenient for a Receiver to be appointed.

22. The Receiver has consented to its Court appointment.

23. The reasons in the Affidavit of Ryan Buzzell sworn December 3, 2020 (the "**Buzzell Affidavit**") and the Pre-Filing Report.

24. Rule 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, and section 243 of the *BIA*.

25. Such further and other grounds as the lawyers may advise.

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

1. The Buzzell Affidavit;
2. Pre-Filing Report (to be filed); and
3. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

December 4, 2020

**ROBINS APPLEBY LLP**  
Barristers+ Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**  
dmichaud@robapp.com  
Tel: (416) 360-3795

**Samuel Mosonyi LSO No.: 78085A**  
smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306

Lawyers for the Plaintiff

TO: **10268054 CANADA CORP.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

AND TO: **DREAM MAKER DEVELOPMENTS INC.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

AND TO: **TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**  
9 Aidan Drive  
Woodbridge, ON L4H 0T5

**CENTURION MORTGAGE - and-  
CAPITAL CORPORATION**

**10268054 CANADA CORP. ET AL**

*Plaintiff*

*Defendants*

Court File No.: CV-20-006521714-00CL

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

**PROCEEDING COMMENCED AT TORONTO**

**NOTICE OF MOTION**

**ROBINS APPLEBY LLP**

Barristers+ Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**

dmichaud@robapp.com  
Tel: (416) 360-3795

**Samuel Mosonyi LSO No.: 78085A**

smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306

Lawyers for the Plaintiff



Court File No.: CV-20-00652174-00CL

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

B E T W E E N:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND**  
**TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**AFFIDAVIT OF RYAN BUZZELL**

I, **RYAN BUZZELL**, of the Town of Oakville, in the Province of Ontario **MAKE OATH**  
**AND SAY:**

1. I am the Director of Mortgage Investments and Joint Ventures of the Defendant, Centurion Mortgage Capital Corporation ("**Centurion**") and, as such, have knowledge of the matters contained in this Affidavit.
2. I am swearing this affidavit in support of Centurion's motion for an Order appointing BDO Canada Limited ("**BDO**") as receiver over the Defendant, 10268054 Canada Corp. ("**102 Corp.**"), including real property owned by 102 Corp. known municipally as 135 Mandrake Street, Ajax, Ontario (the "**Property**").
3. This motion is brought in these proceedings where Centurion is seeking repayment of the Centurion Loan (defined below). A copy of the Statement of Claim in this action is attached as **Exhibit "A"**.

## Background

4. Centurion is a corporation incorporated pursuant to the laws of Ontario. Centurion carries on business as a commercial mortgage lender. Centurion has a head office in Toronto, Ontario.

5. 102 Corp. is a corporation incorporated pursuant to the laws of Canada with a registered office in Toronto. 102 Corp. is a residential condominium developer that intended to develop a 42-unit condominium building located at the address municipally known as 135 Mandrake Street, Ajax, Ontario (the "**Project**").

6. The Defendant, Dream Maker Developments Inc. ("**Dream Maker**") is a corporation incorporated pursuant to the laws of Ontario with a registered office in Toronto.

7. The Defendant, Temitope Olowolafe a.k.a. Isaac Olowolafe ("**Olowolafe**") is an individual residing in Woodbridge, Vaughan, Ontario. Olowolafe is the principal of 102 Corp. and Dream Maker.

8. Pursuant to the terms of a Commitment Letter dated October 15, 2018 (the "**Commitment**"), Centurion made a secured loan to 102 Corp. in the principal sum of \$15,948,280 (the "**Centurion Loan**"). The purpose of the Centurion Loan was to finance the Project. A copy of the Commitment is attached as **Exhibit "B"**.

9. By Amendment to the Commitment Letter dated December 17, 2018, the terms of the Centurion Loan were amended to increase the Centurion Loan amount by \$681,312. A copy of this Amendment to the Commitment Letter is attached as **Exhibit "C"**.

10. In support of the Centurion Loan, Centurion obtained, among other things, the following security (the "**Security**"):

- (a) a Charge/Mortgage in the original amount of \$17,500,000, registered on December 21, 2018, as Instrument No. DR1762699 against the Property in favour of Centurion (the "**Centurion Mortgage**");
- (b) a General Security Agreement between Centurion, as lender, and 102 Corp., as borrower, dated November 19, 2018 (the "**GSA**");
- (c) a Guarantee and Postponement of Claim Agreement between Centurion as lender, and the Guarantors as guarantors, dated November 29, 2018 (the "**Guarantee**"); and
- (d) an Assignment of Rights under Agreements of Purchase and Sale dated November 19, 2018 (the "**AAPS**").

A copy of the Centurion Mortgage is attached as **Exhibit "D"**. A copy of the GSA is attached as **Exhibit "E"**. A copy of the Guarantee is attached as **Exhibit "F"**. A copy of the AAPS is attached as **Exhibit "G"**.

11. As part of the terms of the Centurion Loan, 102 Corp. was required to complete sales of units in the Project at approved sale prices. All of the net sale proceeds are to be applied to pay down the Centurion Mortgage.

12. The Centurion Loan contemplated that Centurion would provide partial discharges of the Centurion Mortgage to permit the closing of condominium units in the Project, provided, among other things, that the Centurion Loan was not in default. The Commitment states, at p. 2:

Without affecting or limiting the right of the Lender to demand payment of the Loan at maturity and **provided no default or event of default has occurred and is continuing**, upon payment of all discharge fees and administration fees set out below, the Lender shall provide partial discharges of the Mortgage for closings of units in the Project that have been sold, provided that the proceeds from such sales are applied to pay down the Primary Construction Financing and thereafter to pay the ECDI provider an amount to the satisfaction of the Lender to secure Tarion Warranty Bond obligations. [Emphasis added.]

13. The Centurion Mortgage secured the principal sum of \$17,500,000.

14. Centurion made one advance under the Centurion Loan in the amount of \$7,331,559 on December 21, 2018.

15. The Security provides for the following events of default, among others:

- (a) 102 Corp. fails to pay the principal, interest, or other monies secured by the Centurion Mortgage or any principal or interest payment and other monies owed by 102 Corp. whether secured by Centurion or not;<sup>1</sup>
- (b) 102 Corp. fails to repay Centurion the monies secured by Centurion on or before maturity;<sup>2</sup>
- (c) 102 Corp. makes any default with regard to any provision of the Commitment;<sup>3</sup>
- (d) 102 Corp. mortgages, charges, or otherwise further encumbers the Property or the Project without the prior written consent of Centurion;<sup>4</sup>
- (e) 102 Corp. fails to deliver a construction budget or Project completion schedule in a form and content satisfactory to Centurion;<sup>5</sup> and
- (f) 102 Corp. fails to proceed expeditiously with the construction of the Project to ensure its timely completion.

16. In the event of default, Centurion is entitled to demand immediate payment of the full amount owing on the Centurion Loan. The Loan provides that 102 Corp. is liable to pay all legal and other expenses incurred by Centurion in connection with enforcement of its security.

17. Pursuant to the Guarantee, the Guarantors provided unlimited guarantees, on a joint and several basis, in respect of all monies payable under or pursuant to the Centurion Mortgage as they become due. The Guarantee provides that the Guarantors are each liable for damages costs, legal

---

<sup>1</sup> Commitment, ss. 21(a) and (b).

<sup>2</sup> *Ibid.*

<sup>3</sup> Commitment, s. 21(d).

<sup>4</sup> Commitment, s. 22(j).

<sup>5</sup> Commitment, s. 8(g).

costs, charges, and other expenses incurred by Centurion as a result of any default by 102 Corp. under the Centurion Loan or Centurion Mortgage.

18. The Guarantee further provides that the Guarantors:
- (a) waive any right to require Centurion to first exhaust its recourse against 102 Corp. or any securities held by Centurion; and
  - (b) will pay all of Centurion's legal costs on a solicitor and own client basis incurred by or on behalf of Centurion as a result of any action instituted on the basis of the Guarantee.

### **Default and Demand**

19. The Centurion Loan will mature on January 1, 2021. There is no foreseeable chance that 102 Corp. will repay the Centurion Loan on maturity.

20. To date, 102 Corp. has defaulted on the Centurion Loan by:
- (a) registering or allowing to be registered unapproved subsequent encumbrances and charges on the Property or Project, contrary to section 22(j) of the Commitment;
  - (b) failing to deliver a construction budget or Project completion schedule in a form and content satisfactory to Centurion, contrary to s. 8(g) of the Commitment; and
  - (c) failing to proceed expeditiously with the construction of the Project to ensure its timely completion as required by the terms of the Loan. Copies of photos of the Project taken on December 2, 2020, which show that the Project is still far from completion other than basic site servicing and the foundation are attached as **Exhibit "H"**.

21. Centurion contacted 102 Corp. on various occasions beginning in December 2019 to raise concerns regarding the defaults above. While 102 Corp. did respond to these emails, it did not meaningfully address Centurion's concerns, did not complete the work as required, and ceased to communicate with me after my lawyer sent the demand letter of November 18, 2020, discussed in

the next paragraph. Copies of these emails are attached as **Exhibit "I"**.

22. As a result of the defaults described above, Centurion made demand on the Centurion Loan by email dated May 21, 2020 and a Notice of Intention to Enforce Security, and after 102 Corp. failed to cure the defaults, by a letter dated November 18, 2020. In the letter, Centurion advised that if repayment was not received within 10 days, that it would take whatever steps were necessary to enforce its rights provided to it pursuant to the Centurion Loan and applicable security. Included with both demands, Centurion also delivered a Notice of Intention to Enforce Security pursuant to section 244 of the BIA. Copies of both of these demands along with the Notices of Intention to Enforce Security are attached as **Exhibits "J" and "K"**.

23. 102 Corp. and the Guarantors have failed to repay the balance of the indebtedness owing to Centurion. As of November 18, 2020, 102 Corp. owes Centurion \$8,505,625.90 plus legal fees and other protective disbursements in respect of the Centurion Loan. A copy of the Mortgage Statement dated November 17, 2020 is attached as **Exhibit "L"**.

#### **Further Default of the Centurion Loan**

24. As a condition of funding any advance under the Centurion Loan, 102 Corp. had to certify the basis for this request and certify that no part of the funds advanced would be used for any other purpose. This requirement is set out in section 8(k) and Schedule "B" of the Commitment.

25. Since Centurion commenced this proceeding, I have conducted further review to confirm whether 102 Corp. and Olowolafe have applied the funds advanced under the Centurion Loan to their proper use as contemplated above. Unfortunately this review uncovered a very significant default in that 102 Corp. and Olowolafe appear to have misapplied over \$2.9 million of funds that were advanced by Centurion in respect of the funding of Development Charges, Parkland Levy,

and cash security for letters of credit with the Town of Ajax in respect of landscaping and engineering (the "**Ajax LCs**"). This failure to make payment of the Ajax LCs was confirmed by Centurion's Quantity Surveyor who made direct inquiry in respect of Ajax LCs with the Town of Ajax on December 3, 2020, and was advised that these items were never funded. An email from Vince Chung that confirms his discussion with the Town of Ajax in respect of the LCs is attached as **Exhibit "M"**. The Report of Intrepid Quantity Surveying dated December 20, 2018 (the "**QS Report**") that was provided to Centurion in respect of the only advance made on the Centurion Loan is attached as **Exhibit "N"**. The executed Request for Advance is located at page 10 of the QS Report, where 102 Corp. warranted that all funds received from Centurion "have been expended or are being held in trust solely for the purpose for which they were advanced" and that "no part of said funds has been nor any part of the funds to be received ... shall be used for any other purposes". The Ajax LCs are listed in Section F (2), (7) and (8) on page 16 of the QS Report. The Statement of Advance in respect of the advance completed in reliance on 102 Corp.'s and Olowolafe's certification that no part of the funds advanced would be used for anything but their intended purpose is attached as **Exhibit "O"**.

26. At this stage, Centurion does not have any indication of where the \$2.9 million was used and suspects that these funds were misappropriated and used outside of the Project.

### **Subsequent Encumbrancers and Other Stakeholders**

27. The Property is currently subject to the following encumbrances:

Priority	Lender	Amount	Instrument Number
1.	Centurion Mortgage Capital Corporation	\$17,500,000	DR1762699

2.	Westmount Guarantee Services Inc.	\$6,000,000	DR1762723
3.	Diversified Capital Inc. (By Transfer of Charge)	\$2,000,000	DR1821027 DR1905821
4.	Garrison Hill Developments Inc.  Kimila Treasure Campbell Greaux	\$500,000	DR1809576
5.	Diversified Capital Inc.	\$500,000	DR1874554
6.	5023018 Ontario Inc.	\$1,565,000	DR1937533

28. There are no lien claims registered in respect of the Property.

29. There are no execution creditors in respect of 102 Corp. Copies of the execution searches are attached as **Exhibit "P"**.

#### **Deposits Respecting the Project Held by 102 Corp.'s Lawyer**

30. Centurion's lawyer contacted Miller Thomson LLP, who is 102 Corp.'s real estate lawyer and deposit trust agent, requesting a summary of the details of deposits held in trust pursuant to the Agreement Respecting Purchasers' Deposits dated November 19, 2018 (the "**Deposit Agreement**") and those that were released into the Project, if any. Centurion's lawyer also requested that Miller Thomson confirm the number of agreements of purchase and sale entered into by the Borrower. I believe that Miller Thomson is holding these funds in trust pursuant to the Deposit Agreement and that the Borrower has entered into agreements of purchase and sale, but as of the date of swearing this affidavit, 102 Corp.'s lawyer has not provided this information. These deposits are also subject to a condominium deposit insurance facility provided to 102 Corp. by Westmount Guarantee Services Inc. A copy of the Deposit Agreement is attached as **Exhibit "Q"** and copies of correspondence between my lawyer, Olowolafe, and Miller Thomson are



attached as **Exhibit "R"**.

### **The Appointment of a Receiver**

31. 102 Corp., Dream Maker, and Olowolafe have demonstrated no credible way that they would be able to repay the Centurion Loan. There is also no prospect of 102 Corp. completing the Project prior to the maturity date of January 1, 2021.

32. Centurion has no alternative other than to enforce the Centurion Mortgage in order to be repaid in respect of the Centurion Loan. I believe that it is just and convenient for BDO to be appointed as the Receiver over 102 Corp. because:

- (a) a court-supervised receivership will ensure that the interests of all creditors and other stakeholders are considered with a view towards maximizing the realization on the Property;
- (b) the Centurion Mortgage and the GSA provide for Centurion to appoint a Receiver upon default of the Centurion Loan;
- (c) it appears as though 102 Corp. has misappropriated funds that were to be used in respect of the Project; and
- (d) the appointment of a Receiver will avoid any potential disputes regarding expenses incurred and proceeds obtained in the sale of the units in the Property.

33. The Receiver has consented to its Court appointment. A copy of the executed consent dated December 2, 2020 is attached as **Exhibit "S"**.

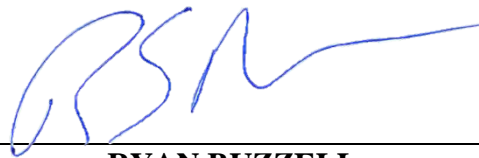
**SWORN** remotely by Ryan Buzzell, of the Town of Oakville, in the Province of Ontario, before me at the City of Waterloo, in the Province of Ontario, on the 3<sup>rd</sup> day of December, 2020, in accordance with O. Reg. 431/20, *Administering Oath or Declaration Remotely*.

}

*Samuel Mosonyi*

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

**Samuel Mosonyi**



**RYAN BUZZELL**

THIS IS **EXHIBIT " A "** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi

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

BETWEEN:



**CENTURION MORTGAGE CAPITAL CORPORATION**

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND  
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**STATEMENT OF CLAIM**

**TO THE DEFENDANT(S):**

**A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU** by the Plaintiff. The claim made against you is set out in the following pages.

**IF YOU WISH TO DEFEND THIS PROCEEDING**, you or an Ontario lawyer acting for you must prepare a statement of defence in Form 18A prescribed by the *Rules of Civil Procedure*, serve it on the Plaintiff's lawyer or, where the Plaintiff does not have a lawyer, serve it on the Plaintiff, and file it, with proof of service, in this court office, **WITHIN TWENTY DAYS** after this statement of claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your statement of defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a statement of defence, you may serve and file a notice of intent to defend in Form 18B prescribed by the *Rules of Civil Procedure*. This will entitle you to ten more days within which to serve and file your statement of defence.

**IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO DEFEND THIS PROCEEDING BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.**

**TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED** if it has not been set down for trial or terminated by any means within five years after the action was commenced unless otherwise ordered by the court

Date 27 November 2020

Issued by \_\_\_\_\_

**Maggie Sawka**

Digitally signed by Maggie Sawka  
DN: cn=Maggie Sawka, o=Ministry of the Attorney  
General, ou=Superior Court of Justice,  
email=maggie.sawka@ontario.ca, c=CA  
Date: 2020.11.27 15:16:28 -05'00'

Local Registrar

Address of  
court office: 330 University Avenue  
9th Floor  
Toronto ON M5G 1R8<sup>7</sup>

TO: **10268054 CANADA CORP.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

AND TO: **DREAM MAKER DEVELOPMENTS INC.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

AND TO: **TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**  
9 Aidan Drive  
Woodbridge, ON L4H 0T5

## CLAIM

1. The Plaintiff, Centurion Mortgage Capital Corporation ("**Centurion**") claims as against the Defendant, 10268054 Canada Corp. ("**102 Corp.**"):

- (a) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing BDO Canada Limited ("**BDO**") as receiver (in such capacity, the "**Receiver**") over 102 Corp. and all of the assets, undertakings and property of 102 Corp, including real property owned by 102 Corp known municipally as 135 Mandrake Street, Ajax, Ontario (the "**Property**"), and all other property assets, and all other property assets and undertakings relating thereto; and
- (b) payment of the sum of \$8,505,625.90 plus protective costs and disbursements due as at November 18, 2020 in respect of a mortgage loan owing by 102 Corp. to Centurion, together with interest and costs thereon from November 18, 2020 to the date of judgment at a fixed rate of interest of 8% per annum, both before and after judgment.

2. Centurion claims as against the Defendants, Dream Maker Developments Inc. ("**Dream Maker**") and Temitope Olowolafe a.k.a. Isaac Olowolafe ("**Olowolafe**"; collectively, the "**Guarantors**"):

- (a) payment of the sum of \$8,505,625.90 plus protective costs and disbursements due as at November 18, 2020 in respect of their guarantee of the debts of 102 Corp. owing to Centurion, together with interest and costs thereon from November 18, 2020, to the date of judgment at a fixed rate of interest of 8% per annum, both before and after judgment.

3. Centurion claims as against the Defendants:

- (a) in the alternative to the interest claimed above,
  - (i) pre-judgment interest in accordance with section 128 of the CJA;
  - (ii) post-judgment interest in accordance with section 129 of the CJA;
- (b) the costs of this proceeding on a complete indemnity basis; and

(c) such further and other relief as this Honourable Court may deem just.

### **Overview**

4. This is an action brought by Centurion to recover amounts outstanding on loans made to 102 Corp. in respect of construction of a 42-unit condominium building. Centurion also seeks judgment against the Guarantors on their guarantees provided in respect of the aforementioned loans.

### **The Parties**

5. Centurion is a commercial real estate lending company with its head office in Toronto. As described below, Centurion provided secured loans to 102 Corp.

6. 102 Corp. is a corporation incorporated pursuant to the laws of Canada with a registered office in Toronto. 102 Corp. is a residential condominium developer that intended to develop a 42-unit condominium building located at the address municipally known as 135 Mandrake Street, Ajax, Ontario (the "**Project**").

7. Dream Maker is a corporation incorporated pursuant to the laws of Ontario with a registered office in Toronto.

8. Olowolafe is an individual residing in Woodbridge, Vaughan, Ontario. Olowolafe is the principal of 102 Corp. and Dream Maker.

### **The Centurion Loan**

9. Pursuant to the terms of a Commitment Letter dated October 15, 2018 (the "**Commitment**"), Centurion made a secured loan to 102 Corp. in the principal sum of

\$15,948,280 (the "**Centurion Loan**"). The purpose of the Centurion Loan was to finance the Project.

10. By Amendment to the Commitment Letter dated December 17, 2018, the terms of the Centurion Loan were amended to increase the Centurion Loan amount by \$681,312.

11. In support of the Centurion Loan, Centurion obtained, among other things, the following security:

- (a) a Charge/Mortgage in the original amount of \$17,500,000, registered on December 21, 2018, as Instrument No. DR1762699 against the Property in favour of Centurion (the "**Centurion Mortgage**");
- (b) a specific assignment by 102 Corp. of the \$681,312 cash collateral deposited with the City of Ajax or a financial institution as security for the performance guarantee required by the City of Ajax;
- (c) a General Security Agreement between Centurion, as lender, and 102 Corp., as borrower, dated November 19, 2018 (the "**GSA**");
- (d) a Guarantee and Postponement of Claim Agreement between Centurion as lender, and the Guarantors as guarantors, dated November 29, 2018 (the "**Guarantee**"); and
- (e) Assignment of Rights under Agreements of Purchase and Sale dated November 19, 2018.

12. The Centurion Mortgage secured the principal sum of \$17,500,000.

13. As part of the terms of the Centurion Loan, 102 Corp. was required to complete sales of units in the Project at approved sale prices. All of the net sale proceeds are to be applied to pay down the Centurion Mortgage.

14. The Centurion Loan contemplated that Centurion would provide partial discharges of the Centurion Mortgage to permit the closing of condominium units in the Project, provided, among



other things, that the Centurion Loan was not in default. The Commitment states:

Without affecting or limiting the right of the Lender to demand payment of the Loan at maturity and **provided no default or event of default has occurred and is continuing**, upon payment of all discharge fees and administration fees set out below, the Lender shall provide partial discharges of the Mortgage for closings of units in the Project that have been sold, provided that the proceeds from such sales are applied to pay down the Primary Construction Financing and thereafter to pay the ECDI provider an amount to the satisfaction of the Lender to secure Tarion Warranty Bond obligations. [Emphasis added.]

15. The Centurion Mortgage provides for the following events of default, among others:
- (a) 102 Corp. fails to pay the principal, interest, or other monies secured by the Centurion Mortgage or any principal or interest payment and other monies owed by 102 Corp. whether secured by Centurion or not;
  - (b) 102 Corp. fails to repay Centurion the monies secured by Centurion on or before maturity;
  - (c) 102 Corp. makes any default with regard to any provision of the Commitment;
  - (d) 102 Corp. mortgages, charges, or otherwise further encumbers the Property or the Project without the prior written consent of Centurion;
  - (e) 102 Corp. fails to deliver a construction budget or Project completion schedule in a form and content satisfactory to Centurion; and
  - (f) 102 Corp. fails to proceed expeditiously with the construction of the Project to ensure its timely completion.
16. In the event of default, Centurion is entitled to demand immediate payment of the full amount owing on the Centurion Loan. The Loan provides that 102 Corp. is liable to pay all legal and other expenses incurred by Centurion in connection with enforcement of its security.
17. Pursuant to the Guarantee, the Guarantors provided unlimited guarantees, on a joint and several basis, in respect of all monies payable under or pursuant to the Centurion Mortgage as they become due. The Guarantee provides that the Guarantors are each liable for damages costs,

legal costs, charges, and other expenses incurred by Centurion as a result of any default by 102 Corp. under the Centurion Loan or Centurion Mortgage.

18. The Guarantee further provides that the Guarantors:
- (a) waive any right to require Centurion to first exhaust its recourse against 102 Corp. or any securities held by Centurion; and
  - (b) will pay all of Centurion's legal costs on a solicitor and own client basis incurred by or on behalf of Centurion as a result of any action instituted on the basis of the Guarantee.

### **Default and Demand**

19. The Centurion Loan will mature on January 1, 2021. There is no foreseeable chance that 102 Corp. will repay the Centurion Loan on maturity.

20. To date, 102 Corp. has defaulted on the Centurion Loan by:
- (a) registering or allowing to be registered unapproved subsequent encumbrances and charges on the Property or Project, contrary to section 22(j) of the Commitment;
  - (b) failing to deliver a construction budget or Project completion schedule in a form and content satisfactory to Centurion, contrary to s. 8(g) of the Commitment; and
  - (c) failing to proceed expeditiously with the construction of the Project to ensure its timely completion as required by the terms of the Loan.

21. As a result of the defaults described above, Centurion made demand on the Centurion Loan by letter dated May 21, 2020, and after 102 Corp. failed to cure the remedies, by a further letter dated November 18, 2020 (the "**Demand Letter**"). In the Demand Letter, Centurion advised that if repayment was not received within 10 days, that it would take whatever steps that were necessary to enforce its rights provided to it pursuant to the Centurion Loan and applicable security. Included with the Demand Letter, Centurion also delivered a Notice of Intention to

Enforce Security pursuant to section 244 of the BIA.

22. 102 Corp. and the Guarantors have failed to repay the balance of the indebtedness owing to Centurion. As of November 18, 2020, 102 Corp. owes Centurion \$8,505,625.90 plus legal fees and other protective disbursements in respect of the Centurion Loan.

23. The Defendants are liable to Centurion for the relief claimed herein.

### **Appointment of a Receiver**

24. Centurion seeks the appointment of BDO as Receiver over the Project.

25. BDO should be appointed as the Receiver because:

- (a) a court-supervised receivership will ensure that the interests of all creditors and other stakeholders are considered with a view towards maximizing the realization on the Property;
- (b) the Centurion Mortgage and the GSA provide for Centurion to appoint a Receiver upon default of the Centurion Loan; and
- (c) the appointment of a Receiver will avoid any potential disputes regarding expenses incurred and proceeds obtained in the sale of the units in the Property.

26. It is just and convenient for a Receiver to be appointed.

27. Centurion pleads and relies upon section 243 of the *BIA* and section 101 of the *CJA*.

November 27, 2020

**ROBINS APPLEBY LLP**  
Barristers + Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No. 56871V**  
dmichaud@robapp.com  
Tel: (416) 360-3795  
Fax: (416) 868-0306

Lawyers for the Plaintiff

**CENTURION MORTGAGE  
CAPITAL CORPORATION**

-and- **10268054 CANADA CORP. ET AL**

*Plaintiff*

*Defendants*

Court File No. CV-20-00652174-00CL

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

**PROCEEDING COMMENCED AT  
TORONTO**

**STATEMENT OF CLAIM**

**ROBINS APPLEBY LLP**

Barristers+ Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No. 56871V**

dmichaud@robapp.com  
Tel: (416) 360-3795  
Fax: (416) 868-0306

Lawyers for the Plaintiff

THIS IS **EXHIBIT " B"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc/Notary Public*

---

Samuel Mosonyi



October 15, 2018

Isaac Olowolafe  
**C/O Anbros Financial Corp**  
 Adit Kumar  
 2010 Winston Park Drive, 2<sup>nd</sup> Floor  
 Oakville ON L6H 6P5

Attention: Adit Kumar

Dear Sir:

Re:

**135 Mandrake Street, Ajax, Ontario**

---

By this letter of commitment (this "**Commitment**"), we are pleased to advise that Centurion Mortgage Capital Corporation (the "**Lender**") has approved a loan in the maximum principal amount of \$15,948,280.00 (the "**Loan**") to 10268054 Canada Corporation (the "**Borrower**"), to be jointly and severally guaranteed by Dream Maker Developments Inc. and personally guaranteed by Mr. Temitope Isaac Jr. Olowolafe (the "**Guarantors**"). The Loan shall be advanced and secured on the terms and conditions described herein and as documented by the formal mortgage documentation to be entered. Please sign in the space provided below and return one of the duplicate originals of this Commitment to indicate the Borrower's and Guarantors' acceptance of these terms and conditions, whereupon we can commence legal documentation and review.

#### 1. PURPOSE OF THE TRANSACTION

Condo Project - Finance the construction of 42 stacked townhome units. The development comprising approximately 39,084 square feet of net saleable area, 49 above grade parking spaces, located at 135 Mandrake Street, Ajax (the "**Project**").

#### 2. LOAN TERMS

**BORROWER:** 10268054 Canada Corporation.

**GUARANTORS:** Full Joint and several guarantees from Dream Maker Developments Inc. and personally guaranteed by Mr. Temitope Isaac Jr. Olowolafe

**LEGAL DESCRIPTION:** Block 91 Plan 40M1378 save and except Parts 1 & 2 Plan 40R21864 Town of Ajax, Regional Municipality of Durham PIN 26453-0695 (LT)

**CIVIC ADDRESS:** 135 Mandrake Street, Ajax, Ontario, Ontario as legally described above (the "**Property**").

**TYPE OF LOAN:** Mortgage loan documented in the Lender's standard form subject to such reasonable amendments as the Borrower's solicitor may request that are acceptable to the Lender.

**LOAN AMOUNT:** \$15,948,280.00 (the "**Construction Loan**")

**INTEREST RATE:** The greater of a) 8.00% per annum and b) 4.30% above the Prime Rate, with such interest to be calculated daily, compounded and payable monthly, not in advance, before and after maturity and default (the "**Interest Rate**") from the project account.

For the purposes hereof "**Prime Rate**" shall mean the annual rate of interest charged from time to time by the Main Branch in Toronto of **Royal Bank of Canada** for demand loans in Canadian dollars to its most creditworthy commercial borrowers.

**FEES:** \$318,966.00 as set out in paragraph 5 hereof.

**TERM OF MORTGAGE:** 24 Months – If not repaid earlier, all outstanding principal and interest under the Loan and all interest thereon shall be due and payable on the day that is 24 months from the 1<sup>st</sup> day of the month following the date of

first advance (the "**Maturity Date**", "**Maturity**" or "**maturity**").

- AMORTIZATION:** N/A Payments are interest only monthly
- TIME OF PAYMENTS:** The Mortgage will provide that in the event any payment permitted or required to be made by the Borrower is made after 1:00 p.m. Toronto time on any payment date, that payment will be deemed to have been made on the next following banking day.
- PREPAYMENT PRIVILEGE:** Provided that no Event of Default has occurred, the Borrower may prepay the whole or any portion of the principal amount of the Loan then outstanding, with no penalty, upon three (3) Business days' written notice to the Lender.
- FUNDING:** The Loan is to be advanced by way of multiple advances of funds as described herein.
- INSURABLE VALUE:** Full Replacement Cost of the anticipated Project to be built.
- SERVICING AGENT:** The Servicing Agent shall be Centurion Mortgage Services Corporation. The Lender reserves the right to appoint or change a servicing agent at any time and the Borrower may be directed to make all payments under the loan documents and to deal with the servicing agent on all matters of loan administration.
- REQUISITION FOR FUNDS:** The Borrower shall give to the Lender not less than three (3) Business Days' irrevocable written notice of its requirement for funds and the initial advance under the Loan. The Borrower shall be responsible for any interest on funds advanced to the Lender's solicitor pursuant to such notice even if funds are not released by the solicitor on such date.
- TAX RESERVE:** The Lender hereby waives the requirement for the collection of the monthly realty tax instalments (collectively, the "**Taxes**") under the Mortgage, provided:
- (i) there has not been an Event of Default which is continuing;
  - (ii) the Borrower remains as the owner of the Property and the Guarantor remains as the covenantor; and
  - (iii) the Borrower has paid or caused to be paid all Taxes when due and has delivered to the Lender tax receipts confirming payment of all instalments of Taxes within thirty (30) days of the date they fall due.
- In the event that any of the above terms are not complied with, the Lender may, at its sole option, institute or re-institute, as the case may be, the collection of Taxes on a monthly basis in accordance with the terms of the Mortgage.
- PARTIAL DISCHARGES:** Without affecting or limiting the right of the Lender to demand payment of the Loan at maturity and provided no Event of Default has occurred and is continuing, a partial discharge of the Mortgage for the closing of units in the Project that have been sold shall be provided by the Lender, on a per unit basis, upon receipt by the Lender of 100% of the Net Sales Proceeds, as detailed in schedule "E", in respect of each unit under agreements of purchase and sale for units in the Project (collectively, the "**Purchase Agreements**") and subject to compliance with applicable laws and upon payment of:
- (a) the Lender's legal fees not to exceed \$150 per unit discharged plus HST and disbursements or \$1200 for a bulk discharge of 8 or more units; and
  - (b) a discharge fee to the Lender of \$150.00 per discharge document or \$500 per bulk discharge document, where 4 or more units are being discharged.

For the purposes of this Commitment, "**Net Sales Proceeds**" means proceeds received from bona fide arm's length sales of units in the



Project (which proceeds shall not be less than the minimum sale price for the said units as set out in the Proforma Statement set out in Schedule "E" attached hereto), less deposits, provided such deposits have been used to finance the development and construction of the Project; reasonable real estate commissions and legal fees on account of unit closing costs; and the net HST payable on such sales (less any applicable rebates therefor), where the HST has been included in the sale price.

### 3. CLOSING DATE

The date of advance is currently scheduled for November 8<sup>th</sup>, 2018 (the "**Closing Date**"). However, the Lender may cancel this Commitment in the event that, for any reason, the Borrower, as of 120 days after the date of acceptance, remains unable to satisfy any of the provisions or requirements hereof, such that the Borrower is not entitled to disbursement of the Loan on or before that date.

The first advance under the Loan will be available to the Borrower on the Closing Date, subject to all the terms and conditions provided herein.

### 4. GUARANTORS

Repayment of the Loan in full, payment of all costs and expenses to which the Lender may become entitled hereunder, and the performance of all obligations of the Borrower shall be unlimited, personally guaranteed by the Guarantors. The Guarantee shall include an assignment and postponement of any claims which the Guarantors may now or in the future have against the Borrower.

### 5. FEES

The Borrower shall pay the following fees in respect of the loan transaction contemplated by this Commitment:

- (a) a non-refundable processing fee of \$30,000.00 (the "**Processing Fee**") which the Lender acknowledges was paid on the execution of a letter of intent term sheet dated September 17, 2018 in respect of this loan transaction, which the Borrower agrees has been fully earned by the Lender and is not refundable under any circumstance;
- (b) A non-refundable Commitment Fee of \$288,966.00 (the "**Commitment Fee**") of which \$20,000.00 is due upon acceptance of this Commitment by certified cheque or bank draft and the balance being \$268,966.00 shall be deducted by the Lender from the first advance under the Loan. The Borrower acknowledges that the Commitment Fee has been earned and will be retained by the Lender, save only for a failure to complete the funding of the Loan arising out of a default of the Lender. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee will be retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages in excess of the Commitment Fee, the Lender shall be entitled to seek compensation in addition to the Commitment Fee; and
- (c) for each subsequent advance, the Borrower shall pay a progress draw fee of \$250.00, which amount may, at the Lender's option, be deducted from such advance.

### 6. EXPENSES

Whether or not the Loan is disbursed, and notwithstanding retention of the Processing Fee and /or Commitment Fee by the Lender, the Borrower shall pay, immediately upon presentation of appropriate invoices, all of the Lender's third-party costs and expenses relating to the Loan, whether incurred before or after the initial advance, including due diligence costs, legal costs, and expenses. To the extent that any such costs and expenses remain unpaid, the subject amount may, at the Lender's option, be deducted from the Loan disbursement or may be added to the then outstanding principal balance of the Loan and shall bear interest at the same rate as, and be secured in the same manner as, the Loan.

### 7. MORTGAGE SECURITY

Prior to disbursement of the Loan, the following security (the "**Mortgage Security**") shall be in place in form and substance satisfactory to the Lender and its counsel:

- a) a first ranking charge/mortgage (the "**Mortgage**") in the principal amount of \$17,500,000.00 on the Property (which is intended to secure the Loan of \$15,948,280.00 plus all other amounts which may be owing pursuant to this Commitment. The interest rate under the Mortgage shall be registered at 20% per annum, calculated monthly, not in advance;
- b) a first ranking general security agreement over all of the Borrower's assets including a floating charge over all real property, granting the Lender a charge and security interest in all real and personal property, assets and undertaking of the Borrower, subject only to a prior-ranking security interest in favour of: (i) the ECDI Provider in all unit purchasers' deposits to the extent held in trust (collectively the "**Deposits**") in respect of the ECDI Facility only;

- c) a registered first-ranking General Assignment of Rents and Leases;
- d) an unlimited, joint and several guarantee and assignment and postponement of claim (the "**Guarantee**") from the Guarantors;
- e) an unlimited environmental indemnity from the Borrower and Guarantors on a joint and several basis in favour of the Lender;
- f) a cost overrun and completion guarantee from the Borrower and the Guarantors, on a joint and several basis;
- g) an assignment to and in favour of the Lender of all collateral held by any third parties in connection with any letters of credit or letters of guarantee issued in connection with the Project;
- h) an assignment to and in favour of the Lender of all monies and consideration held from time to time on account of the Borrower and/or the Project by Tarion Warranty Corporation, any Municipal or other governmental authorities. or any utility provider for the Project;
- i) an assignment of all insurance policies in favour of the Lender;
- j) Title insurance policy in favour of the Lender, with an amount to the satisfaction of the Lender;
- k) an assignment of all material contracts and documents relating to the Property, including if required, all plans, permits, specifications and the rights to architectural plans. Upon request of the Lender from time to time, the Borrower shall provide written consents from the parties to the material contracts consenting to the assignment herein;
- l) an assignment of all Purchase Agreements, including, without limitation, all Deposits paid and to be paid under thereunder, subject to the terms and conditions of this Commitment, together with irrevocable directions to the solicitor(s) holding such Deposits to pay them to the Lender in accordance with the priorities to such deposits set out herein and an undertaking from such solicitor(s) to comply with such direction;
- m) a beneficial charge agreement, if required;
- n) Undertaking from the Borrower and Guarantors to pay all realty taxes (to the extent they are exigible and owing) and to keep the Project free from all liens and work orders;
- o) an assignment and postponement of claims of all shareholders and related party debt holders of the Borrower;
- p) an indemnity and warranty for priority claims executed by the Borrower and Guarantors on a joint and several basis in satisfactory ;and
- q) such other security documents, opinion and assurances relating to the Property and/or the Project as the Lender's counsel may advise having regard to the nature of the Loan.

The Lender's counsel shall prepare the Mortgage Security and other documents in such form and content as such counsel deems appropriate, and shall conduct all investigations and registrations and disburse all funds.

In addition to the Mortgage Security and in exchange for the Lender's provision to the Borrower of any consent forms required from the Lender for the registration of the Condominium for the Project, the Borrower shall provide the Lender at such time with a good, valid and registerable charge/mortgage on all of the condominium units contained in the Project together with such other documentation relating thereto as may be required by the Lender and which charge/mortgage shall contain the same terms and conditions as contained in the Mortgage, (collectively the "**Replacement Mortgage**"). The Replacement Mortgage shall contain the same terms and conditions as contained in the Mortgage. The Lender shall have the right to register the Replacement Mortgage on title to the Project at any time following Condominium registration, it being understood and agreed that registration of the Replacement Mortgage shall be in addition to all other Mortgage Security registrations. All costs and expenses relating to the preparation and registration of the Replacement Mortgage (including without limitation all legal fees and disbursements of the Lender's solicitors relating thereto) shall be the responsibility of the Borrower.

## 8. CONDITIONS PRECEDENT

The availability of each advance under the Loan is subject to and conditional upon the following (collectively, the "**Conditions Precedent**"):

- a) Zoning approval to be in place for the Project
- b) The issuance of building permits by the City of Ajax.

- c) Review and acceptance by the Lender of a deposit insurance policy sufficient for the Project deposits to be used in the Project.
- d) Confirmation of at minimum 16 of 42 units pre-sold, to bona fide arm's length purchasers to resident Canadians, for at minimum \$9,500,000 in Net Sale Proceeds as outlined in Schedule "E".
- e) **Construction Manager:** The Borrower shall have retained a construction manager acceptable to the Lender (the "**Construction manager**") who shall be engaged on terms acceptable to the Lender.
- f) **Borrower's Equity:** Prior to the first advance, the Borrower shall demonstrate to the Lender's satisfaction that it has invested equity in the Project of not less than \$2,650,000.00 (the "**Borrower's Equity**"). The Loan is being advanced on a cost to complete basis, which cost to complete shall not exceed \$20,510,000.00 as described in the sources and uses description set out in Schedule "A";
- g) **Construction Budget and Construction Schedule:** Receipt of a construction budget (the "**Budget**") showing all hard and soft costs for the completion of the Project and a Project completion schedule (the "**Schedule**"), both in form and content satisfactory to the Lender. The Borrower will obtain the Lender's prior written approval of any material amendments to the Schedule or Budget;
- h) **Project Monitor:** The Borrower shall have retained a quantity surveyor acceptable to the Lender (the "**Project Monitor**") who shall act on behalf of the Lender during the construction of the Project. All costs of the Project Monitor are for the account of the Borrower and may be deducted from any advances, at the Lender's sole option.

Duties of the Project Monitor include, but are not limited to the following:

- (i) Reviewing all construction contracts and the plans and specifications for the Project together with the Budget and Schedule provided to the Lender;
  - (ii) Confirming the Budget is adequate to complete the Project;
  - (iii) Confirming that the Schedule is reasonable and attainable;
  - (iv) Confirming that all contracts pertain only to the construction of and materials supplied to or for Project and not in combination with any other projects of the Borrower;
  - (v) Confirming that the soft costs, contingency and interest reserves of the Lender is adequate based on the Schedule;
  - (v) Reviewing actual cancelled cheques every two to three months for costs paid on previous draws;
  - (vi) Certification of each advance under the construction financing;
  - (vii) Reviewing and confirming the pre-sales amount;
- i) Confirmation from the Project Monitor that a minimum of 60% of fixed price contracts for the Hard Costs portion of the budget as per Schedule "A" have been obtained.
  - j) **Availability of Advances:** Advances shall be made from time to time, in amounts of not less than \$150,000 per advance, during the course of construction of the Project, based on the progress of construction. All Cost Overruns shall have been paid in full as set out above prior to any further advances under the Loan. Notwithstanding the foregoing, there shall be held back from each advance an amount sufficient to protect the priority of the Mortgage Security under any applicable construction or builder's lien legislation. These holdbacks shall be released when the time within which liens related to the construction of the Project may be claimed has expired, and no claims with respect to same remain outstanding. In this regard, the Borrower shall publish the certificate of substantial performance upon completion of the Project in the manner provided in any applicable construction or builder's lien legislation;
  - k) **Request for Advance:** The Lender shall have received a request for advance signed by the Borrower (see Schedule "B" attached). Each request for an advance shall be in writing and shall be accompanied by a certificate of the Project Monitor addressed to the Lender setting out to the Lender's satisfaction the items in subparagraphs d)(i) to (viii) of this Section 8, confirming that all required regulatory approvals and permits for the Project have been obtained; the work completed to date, the estimated cost to complete the Project and certifying that construction to date has been carried out in accordance with the plans and specifications approved by the Lender. The amount of each advance will be the difference between the value of the work completed to date as certified by the Project Monitor and the portion of the Loan amount previously advanced, provided that at all times there shall be a sufficient portion of the funds

available under the Loan and the Primary Construction Financing for progress advances, exclusive of construction lien holdbacks, to cover the cost of completion of the Project as determined by the Project Monitor;

- l) **Progress Draw Fees:** The Borrower shall pay to the Lender a draw processing fee of \$250.00 for each advance of funds under the Loan, which amount may, at the Lender's option, be deducted from such advance, as contemplated by Section 5(c) hereof;
- m) **Project Bank Account:** The Borrower will provide evidence of and maintain a separate bank account for the Project;
- n) **Geotechnical:** The Borrower shall provide, at its expense, a Geotechnical Report, acceptable to the Lender, from a qualified, independent, third-party and a reliance letter addressed to the Lender and its successors and assigns;
- o) **Statutory and Regulatory Compliance:** The Borrower shall provide evidence satisfactory to the Lender and its counsel that the Property and Project comply and will comply with all applicable laws and regulations (including without limitation, zoning by-laws); are not subject to any work orders, notices of violation or similar orders
- p) **Plans:** The plans and specifications and initial project design for the proposed Project and any material amendments thereto from time to time shall have been approved by the Lender;
- q) **Survey:** Delivery of a building location survey/certificate of location for the Property and prepared by a licensed surveyor and satisfactory to the Lender;
- r) **Insurance:** Receipt and satisfactory review by the Lender and its consultant of insurance binders or certificates of insurance confirming that insurance policies on an all risks basis pertaining to the Property in compliance with the requirements of the Lender as set out in Section 18 of this Commitment and its standard documentation are in place, showing the Lender as first or second mortgagee/loss payee, as the case may be. The Borrower undertakes to deliver full insurer-certified copies of such policies to the Lender within 30 days following closing. All policies shall contain the standard mortgage clause requiring the insurer or broker to notify the Lender directly from time to time of any lapses in, suspension of or cancellation of coverage;
- s) **Legal Opinion:** The Lender shall have received an opinion letter from an Ontario solicitor acting for the Borrower and any corporate Guarantor stating that this Commitment and all Mortgage Security has been duly authorized, executed and delivered by the respective Borrower and any corporate Guarantor, that this Commitment and all of the Mortgage Security is validly binding on the Borrower and any corporate Guarantor, as the case may be, that this Commitment and the Mortgage Security does not breach any other agreements or any security instruments to which the Borrower is a party and that this Commitment and all of the Mortgage Security is enforceable in accordance with its terms, except as enforceability may be limited by any applicable bankruptcy, insolvency or other laws affecting creditors' rights generally and by the rules governing the enforceability of provisions of the Security by means of equitable remedies such as specific performance. The opinion letter shall be in such form and contain such other terms as may be required by the Lender;
- t) **Pre-Authorized Debit:** The Borrower delivers to the Lender, duly executed and with voided cheque, the Lender's standard form allowing for pre-authorized bank account debits in relation to the monthly payments provided for herein, in the form attached as Schedule "C";
- u) **Registration:** All Mortgage Security shall have been delivered to the Lender and, where applicable, registered in the priority contemplated in this Commitment, free and clear of all liens and other encumbrances whatsoever, except as may be expressly permitted under this Commitment and/or the Mortgage;
- v) **Existing Security:** Confirmation that all existing security granted by the Borrower to any security party is granted on a site-specific basis not a general basis over all of the Borrower's real and personal property together with an acknowledgment and covenant for the same in respect of all future security granted by the Borrower to other lenders and secured parties;
- w) **Title Policy:** Receipt by the Lender of a lender's title insurance policy from a title insurance company containing such terms, conditions and endorsements as may be required by the Lender;
- x) **Inspection:** An inspection of the Property by an authorized representative of the Lender;
- y) **Lease Review:** Receipt and satisfactory review by the Lender of copies of any leases and tenancy agreements, as and when they are negotiated;
- z) **Realty Taxes:** Receipt by the Lender of satisfactory evidence that there are no realty tax or utility account arrears, where same can form a lien in priority to the Mortgage;
- aa) **Material Adverse Change:** It is a condition for disbursement of funds from time to time, that in the Lender's opinion the financial position of the Borrower, the Guarantors and the Property, and

the Borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the Borrower has knowledge; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the Property or the Project;

**bb) AML/AFT Requirements:** The Borrower's solicitor reviewing and completing the list of FINTRAC requirements regarding the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and providing the information to the Lender for approval with respect to the Borrower, the Guarantors and including Client identification certification and any beneficial owner(s) of the Property;

**cc) No Default:** No default or Event of Default shall have occurred and be continuing; and

**dd) Schedule "D" Conditions:** All conditions to advances as detailed in Schedule "D" shall have been satisfied.

All conditions precedent to advances expressed herein are for the sole benefit of the Lender and may be waived at its option, provided that any such waiver in respect of a particular advance shall not be a deemed waiver for any subsequent advances, unless expressly agreed in writing by the Lender for such subsequent advances. The Borrower shall do everything necessary to meet all such conditions precedent.

#### 10. ONGOING CONDITIONS:

- a) **ECDI Facility:** Receipt of a signed terms and conditions letter (the "**ECDI Commitment**") from the insurer (the "**ECDI Provider**") providing excess condominium deposit insurance and Tarion Warranty Bond in respect of the Project (collectively, the "**ECDI Facility**") on terms acceptable to the Lender in its sole and unfettered discretion;
- b) **Material Agreements:** The Lender shall have received and approved all material agreements in respect of construction of the Project;
- c) **Satisfactory Pre-sales:**
  - a) All purchasers must be bona fide and arms' length from the Borrower and must be Canadian residents;
  - b) The Purchase Agreement must be on the standard form purchase and sale agreement;
  - c) Purchases Agreement must have deposits payable thereunder in an aggregate amount not less than 15% of the purchase price;
  - d) The condominium sales price listing to be approved by the Lender;
- d) **Tarion:** Receipt by the Lender of satisfactory evidence that the Project is registered and the Borrower or one of its affiliates is registered as a vendor and a builder with Tarion in good standing and has a record with Tarion satisfactory to the Lender;
- e) Confirmation from the Project Monitor that a minimum of 60% of fixed contracts for the budget have been obtained.
- f) **Disclosure Statement:** Satisfactory review of the disclosure materials required under the *Condominium Act, 1998*, together with an opinion from Borrower's counsel regarding compliance of same with the *Condominium Act, 1998*;
- g) **Purchase Agreements:** Satisfactory review of the Purchase Agreements, together with an opinion from Borrower's counsel regarding compliance of same with the *Condominium Act, 1998* and the *Ontario New Home Warranties Plan Act*;
- h) **Declarations of the Borrower:** Receipt of such declarations from the Borrower as may be required by the Lender from time to time as to ongoing compliance of the Project with the provisions of the *Condominium Act, 1998*, the *Ontario New Home Warranties Plan Act* and the *Construction Lien Act, Ontario*;
- i) **Construction Management Agreement:** Receipt and satisfactory review by the Lender of a copy of the engagement agreement between the Borrower and the construction manager retained for the Project, together with the written consent of the construction manager to the assignment of same to the Lender;
- j) **Agreement of Purchase and Sale:** Satisfactory review by the Lender and its counsel of the standard form of agreement of purchase and sale and the Tarion Addendum for unit sales in the Project, confirmed by Borrower's counsel, together with an opinion from Borrower's counsel the Purchase Agreement complies with the *Ontario New Home Warranties Plan Act* and the Tarion Addendum;

- k) **Borrower's Counsel:** Approval by the Lender of the legal counsel retained by the Borrower in respect of the Project, together with confirmation from such Borrower's counsel of the amount of unit Deposits currently held in trust and a schedule setting out all future deposits payable and an undertaking from such counsel not to release such Deposits except in compliance with the *Condominium Act, 1998* and the *Ontario New Home Warranties Plan Act* (including without limitation the Tarion Addendum forming part of the Purchase Agreements) and only upon the written authorization of the ECDI Provider;
- l) **Confidentiality:** The Borrower and the Guarantors acknowledge that the provisions of this Commitment and the Loan constitute proprietary information of the Lender and are confidential and privileged information of the Lender. Accordingly, with the exception of any documentation that has been registered in respect to this Loan and is generally available to the public, or is required to be disclosed to such professionals or consultants as may be required to be retained by the Borrower and Guarantors for the purpose of completing the Loan, the Borrower and the Guarantor shall not disclose details of this Commitment or particulars of this Loan to any third parties.

## 11. HOLDBACKS

Under no circumstances will the Lender be obliged to make a final advance under the Loan until such time as:

- (a) Construction of the Project has been certified as fully completed in accordance with the plans and specifications provided to, and approved by, the Lender; and
- (b) The statutory period for registration of liens has expired, with no liens having been registered or notice of liens given, or if liens have been registered or notice thereof given, the Borrower has obtained and registered the discharge, release, vacating or withdrawal of all such liens as the case may be.

## 12. LIENS

All advances under the Loan are conditional upon there being full and complete compliance with all requirements of the applicable construction, mechanics' or builders' lien legislation, there being no liens registered on title to the Property and the Borrower submitting to the Lender, in form and substance satisfactory to the Lender, evidence of such compliance. The Borrower shall provide additional security, information and documentation as may be required by the Lender to preserve and ensure in all respects the absolute priority of the Mortgage over any rights of any existing or potential lien claimants.

## 13. ASSIGNMENT OF COMMITMENT

The Borrower shall not assign, transfer, or otherwise deal or dispose of its rights hereunder.

This Commitment, the Loan and the Mortgage Security may be assigned by the Lender at any time prior to or after advance and the Borrower acknowledges that, in fact, they may be assigned by the Lender as part of a syndication, participation or restructuring and that the Lender may receive a fee or commission or interest spread in connection therewith and may also receive a fee in connection with the servicing of the Loan. The Lender shall not be required to obtain the Borrower's consent for such assignment. Furthermore, the Borrower acknowledges and agrees that the Lender is not acting as the Borrower's agent and is not otherwise in any fiduciary capacity in relation to the Borrower in connection with the Loan or the Mortgage Security.

## 14. CONDITIONS IN FAVOUR OF LENDER

All conditions of the obligation of the Lender to make advances are imposed solely for the benefit of the Lender and its assigns (and/or its investor client) and any or all of such conditions of the obligation of the Lender to make advances, may be waived in whole or in part at any time in its discretion if it deems it advisable to do so.

## 15. PERSONAL INFORMATION CONSENT

Canada's Personal Information Protection and Electronic Documents Act (**the "PIPEDA"**), is intended to protect the confidentiality of information about an identifiable individual that is recorded in any form ("**Personal Information**").

The Borrower hereby acknowledges that the Lender and its servicing agent have been retained to provide and/or administer a mortgage loan with which the Borrower's Personal Information is or may be associated.

By evidence of their signature to this letter, the Borrower hereby expressly consents and authorizes the Lender to collect, use, or disclose to third parties the Borrower's Personal Information as required and as permitted pursuant to the PIPEDA or other laws. Such third parties may include mortgage loan investors,

mortgage loan trustees, law firms, insurance companies, credit bureaus or other third parties involved in the mortgage loan industry.

For purposes of compliance with the provisions of any applicable federal or provincial privacy legislation (including, without limitation, the Personal Information Protection and Electronic Documents Act (Canada)), each of the Borrower and the Guarantors consents to and acknowledges that it is aware that credit, financial and personal inquiries regarding the Borrower and the Guarantors, their respective officers, directors and shareholders, if applicable, may be gathered, made, maintained and/or used at any time in connection with assignment, sell down, syndication or securitization of the Loan for which application has been made to the Lender and/or in connection with any funding of the Loan by investors or participants or any assignment or sale of the Loan by the Lender, and each of the Borrower and the Guarantors consents to the making of any such inquiries by or on behalf of the Lender and consents, without restriction and without Notice to or further consent of the Borrower or the Guarantors, to disclosure of any such information to any credit reporting service, financial institution, rating agency, prospective participant, investor, certificate holder, assignee or purchaser of all or any part of the Loan or interest therein and any organization maintaining databases on the underwriting and performance of commercial mortgage loans. Each of the Borrower and the Guarantors irrevocably waives any and all rights it may have under applicable law to Notice of or to prohibit such disclosure, including, but not limited to, any right of privacy.

If the Borrower wishes to obtain a copy of the Lender's privacy policy or procedures, the Borrower may do so by contacting the Lender's Chief Privacy Officer.

#### **16. BENEFIT OF LOAN FUNDS**

The Borrower represents, warrants and covenants that all advances (or re-advances if applicable) under this Loan will be for the sole account, benefit and use of the Borrower for the purposes contemplated in this Commitment, unless the Lender provides its approval, in writing, that advances (or re-advances if applicable) may be for the account, benefit and use of a third-party other than the Borrower, which approval may be unreasonably withheld at the Lender's sole discretion.

#### **17. PROCEEDS OF CRIME (MONEY LAUNDERING) AND TERRORIST FINANCING ACT (CANADA) REGULATIONS**

This will confirm that the Borrower and the Guarantors have consented and agree to provide the Lender with such documentation and information, including identification, as the Lender may require to ensure compliance with the above Legislation, and that the provision of such documentation and information shall be a Pre-Funding Condition to this loan.

The Borrower and the Guarantors will be required to produce identification acceptable to Lender and the Lender's solicitor at the time the mortgage documentation is signed, and prior to any funds being advanced, for the purpose of compliance with the provisions of the Proceeds Of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations thereunder. Such identification shall include at least two documents, with at least one document including photo ID, together with a solicitor's confirmation that the identity of all persons signing as or on behalf of the Borrower or as a Guarantor have been identified as the proper persons to sign. The Lender shall be provided with copies (front and back) of any identification documents together with a solicitor's certification that the copies are true copies of the original documents.

#### **18. ENVIRONMENTAL**

The Lender shall be satisfied, by an independent third-party report in a form satisfactory to the Lender and with reliance in favour of the Lender, that the environmental contamination on site is limited and manageable in scope. A reliance letter addressed to the Lender and its successors and assigns will be required prior to the initial advance of funds;

#### **19. INSURANCE**

The Borrower shall place, and keep in force throughout the term of the Loan, insurance coverage with respect to the Property acceptable to the Lender and its consultants as to the company or companies providing the coverage, amounts and terms of coverage and applicable deductibles and exclusions. Coverage will include at the least the following:

- (a) Builders All-risk coverage, including coverage for the foundation of all buildings on a stated amount replacement cost basis (as per Insurance Bureau of Canada ("IBC") wording) with loss payable to the Lender by way of an IBC approved mortgage clause. Permission should be granted for the buildings to be vacant or unoccupied for a period of at least thirty (30) days and shall provide for partial occupancy;
- (b) Comprehensive broad form boiler insurance including unfired pressure vessels insurance and air-conditioning equipment, if any, including repair and replacement coverage, for an amount satisfactory to the Lender and its counsel, with loss payable to the Lender by way of a Boiler and Machinery Insurance Association mortgage clause;

- (c) Comprehensive general liability insurance for bodily injury and/or death and damage to property of others for a minimum amount of \$5,000,000 per occurrence at the time of the initial land advance, written on an inclusive basis;
- (d) Flood, earthquake and building by-laws insurance coverage; and
- (e) a soft cost endorsement in an amount not less than 25% of the soft cost portion of the Budget.

All policies will contain the standard mortgage clause providing for at least thirty (30) days' prior written notice to the Lender of such cancellation. The Lender shall be entitled to require coverage of such other risks and perils as the Lender may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

All insurance policies must be forwarded to our insurance consultants for their review and comments upon the acceptance of this Commitment. The Lender's insurance consultants will review the insurance policies; the cost of which shall be for the account of the Borrower and will, therefore, be deducted from the initial advance of the funds under the Loan.

Notwithstanding the above insurance requirements, prior to construction, the Borrower covenants and agrees to keep the Property and its other assets fully insured against such perils and in such manner as would be customarily insured by persons carrying on a similar business or owning similar assets, and to the satisfaction of the Lender's insurance consultant.

## 20. REPORTING

The Lender will be provided, at no cost and in a proper accounting format or compilation, the following information for the Borrower, any beneficial owner, and each Guarantor:

*Annually:*

Notice to Reader financial statements in respect to the Borrower and corporate Guarantors and personal net worth statement from the other Guarantors within 120 days of each fiscal year end; and

*Monthly:*

(a) Sales Update and reporting showing the units sold, the value per unit and the remaining inventory; and

(b) Monthly project updates while the building is under construction.

As may be requested from time to time:

Such further or other information, including quantity surveyance reports, as the Lender may reasonably require in the monitoring and management of its risk.

## 21. DOCUMENTATION AND DEFAULT TERMS

The Borrower agrees and acknowledges that the documentation in this Commitment required to finalize this transaction is not all-inclusive and therefore agrees to provide, execute, etc. such other reasonable documentation as the Lender may require and/or our solicitors deem advisable.

In addition to any other events set out herein and in the Mortgage Security, if any of the following events occur (each a "**default**" or an "**Event of Default**"), then at the Lender's sole discretion, the Lender may refuse to make any further advances under the Loan and refuse to pay any Called Amount and the full amount due and owing to the Lender, whether as advances, fees, interest, costs or otherwise, may be accelerated and become immediately due and payable in full and the rights granted under the Mortgage Security will as such become enforceable:

- a) the Borrower, fails to pay when due an amount due under this Commitment on account of principal;
- b) the Borrower fails to pay when due an amount due under this Commitment (other than on account of principal) whether on account of interest, fees or otherwise and if such payment is not made within three (3) Business Days of the day on which such payment is due;
- c) the discovery by the Lender that the Borrower or any beneficial owner or Guarantors or anyone acting on its or their behalf, has made a material false representation;
- d) any default by the Borrower or any beneficial owner, or any Guarantors in the observance or performance of any of the other covenants or agreements on its part to be observed or performed hereunder or under any of the Mortgage Security or any other agreement



between the Borrower or any subsidiary or affiliate of the Borrower and the Lender which default continues for thirty (30) days after which the Borrower becomes aware or after which notice of such default is given;

- e) any insurance policies to be provided by the Borrower pursuant hereto shall be or become cancelled or invalidated or altered below stated requirements for any reason before such policy is replaced with another which complies with the provisions hereof;
- f) the Borrower shall fail to maintain reasonable currency with respect to government priority payables;
- g) the Borrower or any beneficial owner, or any Guarantors:
  - i) shall suspend or discontinue its business;
  - ii) shall become insolvent (however such insolvency may be evidenced), bankrupt, or commit an act of bankruptcy;
  - iii) shall make an assignment for the benefit of creditors, or shall be unable or admit in writing its inability to pay its debts as they mature, or if bankruptcy, reorganization, arrangement, insolvency, or similar proceedings for relief of financially distressed debtors shall be instituted against them;
  - iv) shall petition for or there shall be appointed for them, or for a substantial part of their assets, a trustee, receiver, or liquidator;
  - vi) shall take any action for the purpose of effecting any of the foregoing; OR
  - vii) abandon the Property for a period exceeding **15** consecutive days;
- (h) any secured creditor or any trustee, receiver, receiver and manager, agent, bailiff or other similar official appointed by or acting for any secured creditor, encumbrancer or lienor, takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security in respect of the Project or the Property or over all or any significant part of the assets of the Borrower, or any beneficial owners, or any Guarantors or gives notice of its intention to do any of the foregoing;
- (i) the Borrower, any Guarantor or any beneficial owner shall default in the payment of any indebtedness to any third party or in the performance or observance of any agreement in respect of any such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated;
- (j) the Borrower or any beneficial owner shall effect or permit sale, conveyance, transfer or assignment of the registered or beneficial ownership of the Property;
- (k) there is a change of Control in any of the Borrower, any beneficial owner or any Guarantor, without first obtaining consent of the Lender in writing. "**Control**" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of the Borrower, or any beneficial owner or any Guarantor, as the case may be, whether through the ability to exercise voting power, by contract or otherwise;
- (l) there is in the opinion of the Lender a material adverse change in the financial condition of the Borrower or any of the beneficial owners, or any Guarantors;
- (m) any default by the Borrower, any beneficial owner, or any Guarantor under the Primary Construction Financing; or
- (n) any provision of this Commitment or of any Mortgage Security is or becomes unenforceable for any reason.

## 22. REPRESENTATIONS, WARRANTIES AND COVENANTS

The Borrower and the Guarantors hereby covenant, represent, warrant and covenant as follows:

- (a) the Borrower shall pay all sums of money when due under the terms of this Commitment;
- (b) the Borrower is or will be on funding the sole registered and beneficial owner of the Property;
- (c) the Borrower has good and marketable legal title in fee simple to the Property free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances, save and except those which have been disclosed in writing to the Lender prior to the date of advance to which the Lender has in its sole discretion agreed in writing;

- (d) the Borrower and the Guarantors have the power and authority to execute and deliver this Commitment and the Mortgage Security and this Commitment and the Mortgage Security shall constitute when executed legally binding obligations of the Borrower and the Guarantors, enforceable in accordance with their respective terms;
- (e) the Borrower is duly organized and validly existing in good standing under the laws of Ontario (as applicable) and has adequate corporate power and authority and is duly licensed to carry on its business as presently conducted, own its properties, including the Property and to observe and perform its obligations under this Commitment and the Mortgage Security;
- (f) except as has been disclosed to the Lender in writing prior to the date of issuance of this Commitment in the form of an officer's certificate of an officer of the Borrower and the Guarantors, and to which the Lender in its sole discretion has agreed in writing, there are no lawsuits outstanding or litigation or any legal or administrative proceedings pending in respect of either the Borrower, the Guarantors or the Property which would adversely affect the ability of the Borrower or the Guarantors to perform their obligations hereunder or under the Mortgage Security or which would have an adverse effect on the financial condition of the Borrower, the Guarantors or the Property;
- (g) there are no outstanding judgments, writs of execution or orders against the Borrower, the Guarantors or the Property;
- (h) deposits shall only be released to fund construction of the Project. Prior to (i) an ECDI Facility satisfactory to the Lender acting reasonably; and (ii) a priority agreement between the Lender and ECDI Lender, satisfactory to the Lender acting reasonably, the prior written consent of the Lender shall be required before the deposits can be released to fund construction of the Project;
- (i) the Borrower shall not transfer, sell or otherwise convey all or any part of the Property or any interest therein without prior written consent of the Lender which consent may be unreasonably withheld by the Lender;
- (j) other than in connection with the Primary Construction Financing and the EDCI Facility, the Borrower shall not mortgage, charge or otherwise further encumber the Property or the Project without the prior written consent of the Lender, which consent may be unreasonably withheld;
- (k) all Taxes, as contemplated herein, have been paid up to date;
- (l) all financial statements delivered to the Lender are true and correct and accurately represent the financial position of the Borrower and the Guarantors as at the date thereof and there has been no material adverse change in the financial condition or results of operations of the Borrower or the Guarantors since such date and the date hereof;
- (m) the Borrower is not now and will not be at the date of advance a non-resident of Canada within the meaning of the *Income Tax Act* (Canada);
- (n) no Event of Default has occurred or is continuing; and
- (o) environmental matters:
  - (i) the Property and its existing, and to the best of the Borrower's knowledge, its prior uses comply and have at all times complied with all laws, regulations, orders and approvals of all governmental authorities having jurisdiction with respect to environmental matters applicable to the ownership, use, maintenance and operation of the Property (collectively the "**Environmental Laws**") and, without limiting the generality of the foregoing:
    - (a) the Property has never been used as a land fill site or to store hazardous substances either above or below ground, in storage tanks or otherwise, unless noted in the environmental report;
    - (b) all hazardous substances used in connection with the business conducted at the Property, have at all times been received, handled, used, stored, treated, shipped and disposed of in strict compliance with all Environmental Laws;
    - (c) no hazardous substances have been released into the environment or deposited, discharged, placed or disposed of at, on the Property, nor have migrated from the Property, as a result of the conduct of business on the Property or otherwise; and other than in compliance with all Environmental Laws unless noted in the environmental report;
    - (d) no notices of violation of any Environmental Laws have been received by the Borrower and there are no outstanding directions, writs, injunctions, orders or judgments issued pursuant to Environmental Laws in respect of the Property.

For purposes of this Commitment, "**hazardous substances**" shall include, without limitation, all contaminants, pollutants, substances and materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances and/or materials are or shall become prohibited,

controlled or regulated pursuant to Environmental Laws and shall include "contaminants", "dangerous substances", "hazardous materials", "hazardous substances", "hazardous wastes", "industrial wastes", "liquid wastes", "pollutants" and "toxic substances", all as defined in, referred to and/or contemplated in Environmental Laws;

- (ii) The Borrower shall strictly comply with the requirements of the applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Property or any fixtures or equipment located thereon by reason of the applicable Environmental Laws) and shall notify the Lender promptly in the event of any spill or location of hazardous substances upon the Property that would require reporting under the applicable Environmental Laws, and shall promptly forward to the Lender copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the applicable Environmental Laws, as they may affect the Property;
- (iii) The Borrower shall promptly remove from the Property, at its sole expense, any hazardous substances required to be removed under applicable Environmental Laws;
- (iv) The Borrower and the Guarantors shall jointly and severally indemnify and pay, protect, defend and save the Lender harmless from and against all actions, proceedings, losses, damages, liabilities, claims, demands, judgments, costs, expenses, (including legal fees and disbursements on a solicitor and his own client basis (collectively "**Environmental Claims**"), imposed on, made against or incurred by the Lender arising from or relating to, directly or indirectly, and whether or not disclosed by any environmental report and whether or not caused by the Borrower or within its control, (i) any actual or alleged breach of Environmental Laws relating to or affecting the Property, (ii) the actual or alleged presence, release, discharge of disposition of any Hazardous Substance in, on, over, under, from or affecting all or part of the Property or surrounding lands, including any personal injury or property damage arising therefrom, (iii) any actual or threatened environmental proceeding affect the Property including any settlement thereof, (iv) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous Substances from all or part of the Property or surrounding areas or otherwise complying with Environmental Laws, or (v) any breach by the Borrower or any covenant hereunder or under any document collateral hereto or under Environmental Laws. This indemnity shall survive repayment of the Loan, foreclosure upon the Loan and any other extinguishing of the obligations of the Borrower under the Mortgage Security and any other exercise by the Lender of any remedies available to it against the Borrower.

The covenants, representations and warranties of the Borrower and Guarantors contained herein shall be deemed to be repeated on the date of each advance under the Loan and shall not merge or be prejudiced by and shall survive any advance hereunder and shall continue in full force and effect for so long as any amounts are owing by the Borrower to the Lender hereunder.

### 23. EXPENSES

Upon acceptance of this Commitment, the Borrower shall be liable for all expenses, charges or fees incident to the negotiation, closing or acquisition of the Loan. These expenses include, but are not necessarily limited to, the Lender's legal fees and disbursements.

### 24. LEGAL COUNSEL

Randy Lebow of Owens Wright LLP will be instructed to act on our behalf and to inspect the title, which must be satisfactory to them. Prior to any disbursement of funds, they will deliver an opinion in form, scope and substance satisfactory to us as to title and concerning the legality, validity and binding effect of all documents required in connection with this transaction.

### 25. NOTICE

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

### 26. GENERAL PROVISIONS

**Governing Law:** This Commitment and the Mortgage Security shall be governed by and construed in accordance with the laws of the Province of Ontario.

**Waivers:** Except as otherwise expressly provided herein, this Commitment cannot be waived, changed, amended, discharged or terminated other than by an agreement in writing signed by the party against whom enforcement of any waiver, change, amendment, discharge or termination is sought. Any

approvals or consents required to be made or given by the Lender must be expressly given in writing and shall not be construed by the delivery or receipt of documents.

**Time of the Essence:** Time in all respects shall be of the essence herein.

**Further Assurances:** The Borrower shall, at the Lender's request, execute or deliver such further documentation and enter into such other reasonable agreements as are necessary for the securing of the Loan and the fulfilling of the terms contained herein.

**Discretion:** Where anything to be done hereunder or any condition to any advance requires the approval, consent or satisfaction of the Lender, such approval or consent may be unreasonably withheld and such satisfaction shall be in the Lender's sole absolute and unfettered discretion, notwithstanding any law or statutory provision to the contrary.

**Non-Merger:** The obligations of the Borrower and the Guarantors contained in this commitment (and to the extent that those obligations are not repeated in the mortgage and other security referred to in this letter) shall survive the execution and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and the Borrower and the Guarantors agree that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of our mortgage and other security documentation shall be deemed to be incorporated in and form part of this commitment, except to the extent provided for in this Commitment. To the extent of any conflict between the terms of this Commitment and the Mortgage, or the other mortgage Security the Lender shall determine which shall prevail. For greater certainty, any provision contained in the Mortgage or the other mortgage Security shall not conflict with this Commitment by reason that such provision is contained in the Mortgage or the other mortgage Security and not in this Commitment.

**No Partnership:** The relationship of the parties to this Commitment in the performance of this Commitment is that of independent contractors. Nothing contained in this Commitment or in any of the Mortgage Security will position or represent the parties in the relationship of partners, joint venturers, principal-agent, or employer-employee.

**Limitation on Interest.** Notwithstanding anything to the contrary contained in this Commitment or any of the Mortgage Security, if any provision of this Commitment or any of the Mortgage Security would obligate the Borrower to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by that Lender of interest at a criminal rate (as construed under the *Criminal Code (Canada)*), then notwithstanding that provision, that amount or rate shall be deemed to be adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by that Lender a criminal rate firstly, by reducing the stated amount or rate(s) of interest required to be paid hereunder, and thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to the Lender which would constitute interest for purposes of Section 347 of the *Criminal Code (Canada)* and if after having given effect to this provision, the Lender has been paid interest in an amount in excess of that permitted by the *Criminal Code (Canada)*, such excess amount shall be paid by the Lender to the Borrower forthwith.

## **27. EXPIRY OF COMMITMENT**

Acceptance of the terms and conditions herein must be indicated by the Borrower and the Guarantors signing and returning to the Lender the enclosed duplicate original hereof, together with the Commitment Fee as herein provided, on or prior to **October 25, 2018** at the Lender's address, whereupon this Commitment shall bind the Borrower, the Guarantors, and each of their personal representatives, heirs, successors and assigns. Failing actual receipt by the Lender of the enclosed duplicate original, so signed by the time aforesaid, the offer contained herein shall be null and void and at an end, unless the Lender shall have in writing expressly agreed otherwise.

## **28. BASIS OF COMMITMENT**

This Commitment is based upon and is subject to the accuracy of all material provided and representations made in (and in connection with) the application for this loan, and shall become effective from the date of the Borrower and Guarantors shall indicate their written acceptance provided such acceptance is received by the Lender by way of receipt of one original of this Commitment, (the Borrower shall retain one original for its files) together with any payment required hereunder by **no later than October 25, 2018** and shall remain in force until the expiration date unless otherwise terminated or cancelled by application of any of the conditions or limitations herein stipulated. If satisfactory, the Borrower and the Guarantors shall indicate their acceptance by signing and returning all pages of this Commitment.

Yours very truly,

**Centurion Mortgage Capital Corporation**



Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Mortgage Agent # M14000856

Acceptance confirmed on next page.

**ACCEPTANCE**

THE UNDERSIGNED hereby accept the terms and conditions of this Commitment and agree to be bound thereby.

**As Borrower:**

**10268054 Canada Corp**



Per: \_\_\_\_\_

**NAME:**

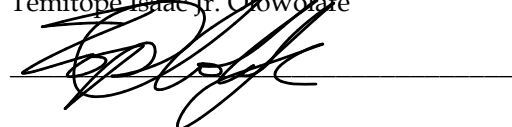
**TITLE:**

I/We have authority to bind the Company.

Date: October 19, 2018

**And as Guarantor:**

Temitope Isaac Jr. Olowofe

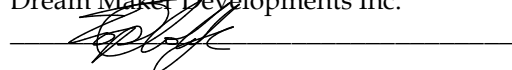


Date: October 19, 2018



\_\_\_\_\_  
Witness:

Dream Maker Developments Inc.



Date: October 19, 2018



\_\_\_\_\_  
Witness:

**Schedule "A"**  
**Sources and Uses**

<b>Sources</b>		<b>Uses</b>	
CMCC 1st Mortgage	\$15,948,280	Land	\$ 5,551,281
Deposits	\$1,429,350	Hard	\$ 7,755,380
Deferred Cost	\$482,370	Soft	\$ 5,145,684
Equity	\$2,650,000	Finance	\$ 1,359,797
		Construction Contingency	\$ 436,000
		Development Contingency	\$ 261,858
<b>Total</b>	<b>\$ 20,510,000</b>	<b>Total</b>	<b>\$ 20,510,000</b>

Schedule "B"  
Request for Advance  
**REQUEST FOR ADVANCE**

TO: Centurion Mortgage Capital Corporation ("Lender")	BORROWER: 10268054 Canada Corp. ("Borrower")
ADVANCE NO:	PROJECT:
CERTIFICATE DATE:	COMPLETION DATE: ("Completion Date")

Borrower hereby requests an advance of \_\_\_\_\_ Dollars (\$0,000,000.00) for work done on the Project up to [ DATE] pursuant to the terms of the commitment letter between Centurion and the Borrower dated [October 30], 2018 (the "Commitment"). Capitalized terms used and not defined herein shall have the same meaning given to them in the Commitment.

After due investigation and to induce Centurion to make this advance, the Borrower hereby certifies that:

1. The representations and warranties contained in the Commitment are true and accurate in all respects as of the date hereof.
2. No event has occurred, or would result from this advance, which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of the Commitment or any security agreement given in connection therewith.
3. The Project has not been damaged by fire or other casualty and no part of the premises has been expropriated and no proceedings therefore are pending.
4. Construction of the Project is progressing satisfactorily so as to ensure its timely completion in accordance with the Project Schedule.
5. The estimated Completion Date is [INSERT DATE] and the estimated cost to complete is [\$X,000.00]
6. The requirements of any applicable real property lien legislation, including, where applicable, the administration of any holdback accounts, are being met and nothing has occurred subsequent to the date of the Commitment which has resulted or may result in the creation of any lien or legal hypothec, charge or encumbrance upon the premises or any part thereof or which has or may substantially and adversely impair the ability of the Borrower to make all payments of principal and interest under the Commitment or which has or may substantially and adversely impair the financial standing of any guarantors of the obligations of the Borrower under the Commitment or any security agreement given in connection therewith.
7. The Borrower has invested \$4,434,394 in the lands and Project, as at the date hereof of its own capital.
8. Any and all funds received from Centurion previously as advances under the Commitment have been expended or are being held in trust solely for the purpose for which they were advanced; no item of construction costs previously certified to Centurion with a request for advance remains unpaid as of the date hereof; and no part of said funds has been nor any part of the funds to be received pursuant to this request for advance shall be used for any other purposes; further, there are no tradeor supplier disputes.
9. The summary of Project costs attached hereto as Schedule A is true and accurate.
10. All of the statements contained in this request for advance are true, complete and accurate in all respects as of the date hereof.
11. You are hereby irrevocably authorized and directed to deduct from the gross proceeds of the advance and to pay all accrued and unpaid interest on the loan up to the date of the advance and all fees, disbursements and other costs or charges payable by the Borrower pursuant to the Commitment.

Dated at **Toronto, Ontario** this \_\_\_\_ day of \_\_\_\_\_, 201\_.

**1416598 Ontario Inc.**

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



I have the authority to bind the corporation

**Schedule "C"**  
**Payor's Authorization for**  
**Pre-Authorized Debits for Business (PAD)**

Centurion Loan No.:                     

This Authorization is dated for reference the      day of      , 20\*\*.

- 1. **Centurion Mortgage Capital Corporation** (the "Payee")  
25 Sheppard Avenue West  
Suite 710  
Toronto ON M2N 6S6

Phone: 416-733-5600  
Fax: 416-733-5616

- 2. Payor's Name and Address - please print or type

In this Agreement, "we", "us" and "our" refer to the Payor and its successors and permitted assigns.

We warrant and represent that the following information is true and accurate.

<b>Company Name (the "Payor"):</b>	
<b>Address:</b>	
<b>City &amp; Province:</b>	
<b>Postal Code:</b>	
<b>Telephone:</b>	
<b>Fax:</b>	
<b><span style="background-color: yellow;">Mortgaged Property:</span></b>	

The account that the Payee is authorized to draw upon is indicated below. We have attached to this Payor authorization (the "Authorization") **a specimen cheque for this account marked "VOID" as required by the Lender. OPTION: Please attach a void cheque only if you are changing accounts from the existing mortgage.** We will inform the Payee of any change in the information provided in this section of the Authorization prior to the next due date of the Pre-authorized Debit ("PAD"), as defined in Canadian Payments Association ("CPA") Rule H1.

<b>Payor's Financial Institution (the "Processing Member"):</b>	
<b>Address:</b>	
<b>City &amp; Province:</b>	
<b>Postal Code:</b>	
<b>Accountholder Name (if different than Payor):</b>	

**Bank Transit &  
Account Number:**

--

3. We acknowledge that the Authorization is provided for the benefit of the Payee and the Processing Member and is provided in consideration of the Processing Member agreeing to process debits against our account, as listed above (the "Account"), in accordance with the Rules of the CPA.
4. These services are for (check one)  **Personal**  **Business Use** **(PLEASE SELECT)**
5. We warrant and guarantee that all persons whose signatures are required to authorize withdrawals from the Account have signed the Authorization and that all persons signing this Authorization are our authorized signing officers and are empowered to enter into this Agreement.
6. We hereby authorize the Payee to issue a PAD drawn on the Account for the purpose of effecting payments and fees for the mortgage herein described.
7. We may cancel the Authorization at any time upon written notice being provided by us, with proper authorization to verify the identity of the Payor, within 30 days before the next PAD is to be issued. We acknowledge that, in order to revoke the Authorization, we must provide written notice of revocation to the Payee.
8. We acknowledge that revocation of the Authorization does not terminate the mortgage herein described, or relieve us of our obligation to pay all amounts owing to the Payee by a method of payment that is satisfactory to the Payee. We acknowledge that the Authorization applies only to the method of payment and does not otherwise affect our contractual payment obligations.
9. We acknowledge that the provision and delivery of the Authorization to the Payee constitutes delivery by us to the Processing Member. Any delivery of the Authorization to the Payee constitutes delivery by us.
10. We authorize the Payee to debit the Account for any and all payments and fees due from time to time under the mortgage herein described when each such payment and/or fee is due.
11. We acknowledge that the Processing Member is not required to verify that a PAD has been issued in accordance with the particulars of the Authorization including, but not limited to, the amount, or that any purpose of payment for which the PAD was issued has been fulfilled by the Payee as a condition to honouring a PAD issued or caused to be issued by the Payee on the Account.
12. We may dispute a PAD only if (i) the PAD was not drawn in accordance with this Authorization or (ii) the Authorization was revoked.  
We acknowledge that in order to be reimbursed, a declaration to the effect that either (i) or (ii) above took place, must be completed and presented to the Processing Member holding the Account up to and including ten (10) business days after the date on which the PAD in dispute was posted to the Account.  
We acknowledge that when disputing any PAD beyond the time allowed in this section, it is a matter to be resolved solely between us and the Payee.  
We have certain recourse rights if any debit does not comply with this agreement. For example, we have the right to receive reimbursement for any debit that is not authorized or is not consistent with the PAD Agreement. To obtain more information on our recourse rights, contact our financial institution or visit [www.cdnpay.ca](http://www.cdnpay.ca)
13. We agree that the information contained in the Authorization may be disclosed to the Royal Bank of Canada as required to complete any PAD transaction.
14. We acknowledge and agree that by executing this Agreement, **we waive pre-notification of all amounts, whether fixed or variable, that the Payee will debit to the Account and of the due dates for the payment of those amounts.**
15. We understand and accept the terms of participating in this PAD plan.
16. This Authorization will be effective as of the date first above written.
17. All dollar amounts expressed in this Agreement refer to lawful currency of Canada.

\_\_\_\_\_  
COMPANY NAME (the "Payor")

by: \_\_\_\_\_  
Authorized Signatory  
Name:  
Title:

by: \_\_\_\_\_  
Authorized Signatory  
Name:  
Title:

**PLEASE ATTACH A VOID CHEQUE**

Schedule "D"  
Conditions Precedent to Each Construction Advance

Advances under the Loan shall be disbursed, subject to the Borrower satisfying the Lender of each of the following conditions at the time of the disbursement:

- (i) The Lender shall be satisfied that there are no outstanding work orders, deficiency notices, directives, investigations or the like with respect to the Project issued by any governmental or quasi-governmental body.
- (ii) The Lender shall have received an updated monthly schedule, together with a revised estimate of the cost to complete the Project.
- (iii) The Borrower shall certify to the Lender that there have been no material amendments to the Budget, Schedule or plans and specifications provided by the Borrower and approved by the Lender in connection with the initial advance under the Loan, except material amendments previously approved by the Lender.
- (iv) On each disbursement, the Lender shall receive a certificate from the Project Monitor certifying that the Project is being completed in accordance with the approved plans and specifications, the Schedule and the Budget.
- (v) Receipt by the Lender of copies of all material agreements in respect of the construction of the Project not previously delivered to the Lender.
- (vi) The Lender shall have received and approved the Project Monitor's report.
- (i) The Lender shall be satisfied that any Cost Overruns have been funded by the Borrower in respect of their portion.
- (ii) Before any advance following completion of the ground floor is made, a foundation survey shall be delivered to the Lender.
- (iii) Delivery of an opinion of the Lender's counsel addressed to the Lender confirming that no liens or other encumbrances are registered against title to the Property except for encumbrances previously approved by the Lender, in form and content satisfactory to the Lender.
- (ix) The Lender shall be satisfied in its sole opinion that that there has been no material adverse change in the position, financial or otherwise, of the Borrower or any Guarantors.

Schedule "E"  
Unit Sales and Inventory.

Sold Units					
Unit No.	Sq.ft.	No. of Bedrooms	Sold Price	Extra Parking / Loc.	Name of Purchaser
TH2	1195	2	\$589,000		Pricilla Ukeit
TH15	1295	2	\$589,000		Marie Wafo Fonou
TH21	1197	2	\$589,000		Yves Apollon
TH22	1288	2+DEN	\$589,000		Pricilla Ukeit
TH23	1210	2+DEN	\$589,000		Racheal Iyengunmwena
TH24	1210	2+DEN	\$589,000		Alex Ogie
TH29	1327	3+DEN	\$649,000	Parking	Jameel Francis
TH30	1327	3+DEN	\$619,000		Ibukun Akinbola
TH32	1288	2+DEN	\$604,000		Bidemi Akinbola
TH33	1212	2+Den	\$589,000		Mercy Samuel-Apiafi
TH36	1210	2+DEN	\$589,000		Sabine Chebou
TH38	1288	2+DEN	\$589,000		David Dessources
TH39	1240	2+DEN	\$589,000		Kingsley Otakho Osayande
TH40	1210	2+DEN	\$589,000		Mabel Ogbeide
TH41	1219	2+DEN	\$589,000		Grace Smart and Margaret Enanoro
TH42	1288	2+DEN	\$589,000		Gladys Ogbomo
			\$9,529,000		
Unsold Unit					
Unit No.	Sq.ft.	No. of Bedrooms	Asking Price	Parking Included	
TH1	1222	2	\$605,000	y	
TH3	1295	2	\$605,000	y	
TH4	1293	2	\$605,000	y	
TH5	1209	2	\$605,000	y	
TH6	1195	2	\$599,000	y	
TH7	1194	2	\$599,000	y	
TH8	1194	2	\$599,000	y	
TH9	1194	2	\$599,000	y	
TH10	1194	2	\$599,000	y	
TH11	1294	2	\$610,000	y	
TH12	1329	2	\$615,000	y	
TH13	1207	2	\$605,000	y	
TH14	1210	2	\$605,000	y	
TH15	1196	2	\$599,000	y	
TH16	1195	2	\$599,000	y	
TH17	1252	2	\$605,000	y	
TH18	1222	2	\$605,000	y	
TH19	1195	2	\$605,000	y	
TH20	1195	2	\$605,000	y	
TH25	1288	2+DEN	\$629,000	y	
TH26	1247	2+DEN	\$629,000	y	
TH27	1327	3 + DEN	\$649,000	y	
TH28	1327	3+ DEN	\$649,000	y	
TH34	1212	2+DEN	\$629,000	y	
TH35	1212	2+DEN	\$629,000	y	
TH37	1210	2+DEN	\$629,000	y	

### BORROWER'S SOLICITOR CONTACT INFORMATION

Please provide the following information by forwarding a completed copy of this form along with your accepted this Commitment for our records:

Solicitor Name: \_\_\_\_\_

Firm Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Tel: \_\_\_\_\_

Fax: \_\_\_\_\_

Email: \_\_\_\_\_

I, \_\_\_\_\_ hereby authorize the above noted solicitor to release the required information required by Centurion Mortgage Capital Corporation and their solicitor, for this transaction.

\_\_\_\_\_  
Borrower(s): 1416598 Ontario Inc.

**Note:** In order to expedite this transaction, please advise your solicitor promptly of this transaction, providing your solicitor with the following:

- Copies of the Articles of Incorporation for any Borrower or Corporate Guarantor
- Names of the signing officers for Borrower, if applicable
- Names of the signing officer for any corporate Guarantors, if applicable
- Copy of passport of any individual Guarantors
- Copies of leases, if applicable

Please have your solicitor provide the above immediately to our solicitors.

## INSURANCE BROKER CONTACT INFORMATION

Please provide the following information by forwarding a completed copy of this form, for our records:

Mortgage Number: \_\_\_\_\_

Broker Name: \_\_\_\_\_

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

Contact Name: \_\_\_\_\_

Tel: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_

I, \_\_\_\_\_ hereby authorize the above noted broker to release the insurance information required by Centurion Mortgage Capital Corporation and their insurance consultants, for this transaction.



\_\_\_\_\_  
Borrower(s): 10268054 Canada Corporation

THIS IS **EXHIBIT " C"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi





**December 17, 2018**

**10268054 Canada Corp.**

C/O Ambros Financial Corp.  
2010 Winston Park Dr. 2<sup>nd</sup> Floor  
Oakville, ON  
L6H 6P5

Attention: Adit Kumar

**Re: Borrower:** 10268054 Canada Corp.

**Loan Amount:** \$16,629,592.00

**Property:** Property located at 135 Mandrake Street, Ajax, Ontario (collectively, the "**Property**").

Amendment to the Letter of Commitment (the "Commitment"), dated October 15, 2018

**1. PURPOSE OF THE TRANSACTION**

To increase the Loan by \$681,312 to provide cash security for the purpose of collateralizing municipal requirements.

**2. LOAN TERMS**

**BORROWER:** 10268054 Canada Corp.

**GUARANTORS:** Full Joint and several guarantees from Dream Maker Developments Inc. and personally guaranteed by Mr. Temitope Isaac Jr. Olowolafe

**CIVIC ADDRESS:** 135 Mandrake Street, Ajax, Ontario, Ontario as legally described above (the "**Property**").

**Amendment to the Commitment**

**Page 1 "Loan Amount" to be replaced with :**

**LOAN AMOUNT:** \$16,629,592 (the "**Construction Loan**")

**Page 1 "Fees" to be replaced with :**

**FEES:** \$332,592.00 as set out in paragraph 5 hereof.

**Page 3 Section 5 "Fees" to be replaced with :**

**FEES:** The Borrower shall pay the following fees in respect of the loan transaction contemplated by this Commitment:

- (a) a non-refundable processing fee of \$30,000.00 (the "**Processing Fee**") which the Lender acknowledges

was paid on the execution of a letter of intent term sheet dated September 17, 2018 in respect of this loan transaction, which the Borrower agrees has been fully earned by the Lender and is not refundable under any circumstance;

- (b) A non-refundable Commitment Fee of \$302,592.00 (the "**Commitment Fee**") of which \$20,000.00 is due upon acceptance of this Commitment by certified cheque or bank draft and the balance being \$282,592.00 shall be deducted by the Lender from the first advance under the Loan. The Borrower acknowledges that the Commitment Fee has been earned and will be retained by the Lender, save only for a failure to complete the funding of the Loan arising out of a default of the Lender. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee will be retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages in excess of the Commitment Fee, the Lender shall be entitled to seek compensation in addition to the Commitment Fee; and
- (c) for each subsequent advance, the Borrower shall pay a progress draw fee of \$250.00, which amount may, at the Lender's option, be deducted from such advance.

**Page 3 "Mortgage Security" to be replaced with :**

- 7. a) a first ranking charge/mortgage (the "**Mortgage**") in the principal amount of \$17,500,000.00 on the Property (which is intended to secure the Loan of \$16,629,592.00 plus all other amounts which may be owing pursuant to this Commitment. The interest rate under the Mortgage shall be registered at 20% per annum, calculated monthly, not in advance;

**Page 4 "Mortgage Security" to be Added :**

- 7. r) a specific assignment by the Borrower of the \$681,312.000 cash collateral (the "**Cash Collateral**") deposited with the City of Ajax (the "**City**") or deposited with a financial institution as security for the performance guarantee required by the City;
- 7. s) in addition, the Borrower and Guarantor will use their best efforts to obtain an acknowledgement of the specific assignment of Cash Collateral from the City or Bank, together with any release of Cash Collateral by the City or Bank will be paid directly to the Lender to reduce the balance outstanding under the Loan. In the event any Cash Collateral is released directly to the Borrower or Guarantor, such Cash Collateral will be immediately paid to the Lender to reduce the balance outstanding under the Loan.

Yours very truly,  
**Centurion Mortgage Capital Corporation**

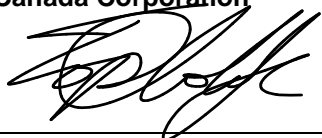


Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Mortgage Agent # M14000856

THE UNDERSIGNED hereby accept the terms and conditions of this Commitment and agree to be bound thereby.

**As Borrower:**

**10268054 Canada Corporation**



Per: \_\_\_\_\_

**NAME:**

**TITLE:**

I/We have authority to bind the Company

Date: December 17, 2018

**And as Guarantor:**

Temitope Isaac Jr. Olowolafe



\_\_\_\_\_



Witness: \_\_\_\_\_

Date: December 17, 2018

Dream Maker Developments Inc.



Per: \_\_\_\_\_

**NAME:**

**TITLE:**

I/We have authority to bind the Company

Date: December 17, 2018

THIS IS **EXHIBIT " D"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits &c./Notary Public*

---

Samuel Mosonyi

**Properties**

*PIN* 26453 - 0695 LT *Interest/Estate* Fee Simple  
*Description* BLK 91 PL 40M1378, SAVE & EXCEPT PTS 1 & 2 PL 40R21864, AJAX, REGIONAL MUNICIPALITY OF DURHAM  
*Address* 135 MANDRAKE STREET  
 AJAX

**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* 10268054 CANADA CORP.  
*Address for Service* 16 McAdam Avenue, Unit 904, Toronto,  
 Ontario M6A 0B9

I, Temitope Olowolafe, President, have the authority to bind the corporation.

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

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

*Name* CENTURION MORTGAGE CAPITAL CORPORATION  
*Address for Service* 25 Sheppard Avenue West, Suite 710, Toronto, Ontario M2N  
 6S6

**Statements**

Registration of this document is not prohibited by registration number DR1634933 registered on 2017/09/07, which prevents dealings against charge number DR1634931 registered on 2017/09/07.

**Provisions**

*Principal* \$17,500,000.00 *Currency* CDN  
*Calculation Period* See Schedule  
*Balance Due Date* See Schedule  
*Interest Rate* See Schedule  
*Payments*  
*Interest Adjustment Date*  
*Payment Date* See Schedule  
*First Payment Date*  
*Last Payment Date*  
*Standard Charge Terms*  
*Insurance Amount* Full insurable value  
*Guarantor* Dream Maker Developments Inc. and Temitope Olowolafe

**Additional Provisions**

See Schedules

**Signed By**

Randy Howard Lebow 20 Holly St. Ste 300 acting for Signed 2018 12 21  
 Toronto Chargor(s)  
 M4S 3B1

Tel 416-486-9800

Fax 416-486-3309

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

**Submitted By**

OWENS, WRIGHT LLP 20 Holly St. Ste 300 2018 12 21  
 Toronto  
 M4S 3B1

Tel 416-486-9800

Fax 416-486-3309

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

**Fees/Taxes/Payment**

Statutory Registration Fee	\$64.40
Total Paid	\$64.40

**File Number**

Chargee Client File Number : 9590027

**SCHEDULE TO THE ATTACHED CHARGE/MORTGAGE OF LAND  
GIVEN TO CENTURION MORTGAGE CAPITAL CORPORATION**

---

**CHARGE TERMS**

**ARTICLE I**

**DEFINITIONS**

**Section 1.01 Definitions:**

In this Charge the following capitalized terms have the respective meanings set out below:

- a) “**Actions**” means any action, suit, proceeding or other litigation, including without limitation any third party claim, counterclaim or crossclaim, or any arbitration or hearing, which involves a reasonable possibility of any adverse change in the Charged Property or the financial condition of the Chargor, at law or in equity, or before or by any federal, provincial, municipal or other governmental court, tribunal, department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator of any kind;
- b) “**Business Day**” means any day on which the office of the Chargee at the address specified in the electronic charge/mortgage to which this schedule is attached is open for business other than a Saturday, Sunday or other statutory holiday in the Province of Ontario;
- c) “**Canadian Dollar**”, “**Canadian Dollars**” and the symbols “**Cdn\$**” and “**\$**” mean lawful money of Canada;
- d) “**Charge**” means this schedule, the electronic charge/mortgage to which this schedule is attached and all other schedules annexed hereto and any amendments made hereto;
- e) “**Charged Property**” means all the rights, property and assets expressed herein to be granted, conveyed, mortgaged, charged, pledged, assigned, transferred or set over to the Chargee (whether now existing or hereafter acquired) pursuant to subsections Section 3.01(a) and (b) hereof;
- f) “**Chargee**” and “**Chargor**” are respectively, the chargee and the chargor(s) named in the attached electronic charge/mortgage and their respective heirs, estate trustees, administrators, successors and assigns;
- g) “**Commitment Letter**” means the commitment letter dated October 15, 2018, from the Chargee to 10268054 Canada Corp., as same may be supplemented, amended, modified or restated from time to time;
- h) “**Event of Default**” means any one of the events or circumstances set out in Section 7.01 hereof;
- i) “**Improvements**” means any building, dwelling, structure, foundation, erection, facility, utility, service or installation (below and above grade) now or hereafter located on, made to, placed upon or erected in, under or on, the Lands and includes, without limitation, all buildings, fixed plant, machinery, equipment, apparatus, fixtures and fittings, parking facilities, landscaping, interior and exterior decorating and any other works, structures and facilities ancillary thereto or connected therewith, as the same are constructed, varied, added to or replaced or substituted for, from time to time, excluding fixtures owned by Tenants under the Leases with respect to which the Chargor has no rights capable of being secured hereunder;
- j) “**Indebtedness Secured Hereby**” means any and all indebtedness, obligations and liabilities of the Chargor, present or future, direct or indirect, absolute or contingent, matured or not, now or hereafter owing to the Chargee incurred or arising either before or after the delivery for registration of the Charge and whether incurred by or arising from the Commitment Letter or from any other agreement or dealings between the Chargor and the Chargee or from any agreement or dealings with any third party by which the Chargee may be or become in any manner whatsoever a creditor of the Chargor or however otherwise incurred or arising and whether the Chargor be bound alone or with another or others and whether as principal

or surety and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again;

- k) **“Insurance”** means the insurance to be purchased and maintained by the Chargor as set out in Article V hereof;
- l) **“Interest”** means interest accrued or payable on the Principal Sum outstanding from time to time pursuant to Section 3.05 hereof, and includes interest on overdue interest;
- m) **“Interest Rate”** means twenty per cent (20%) per annum;
- n) **“Lands”** means the lands described in the “Properties” section of the electronic charge/mortgage to which this schedule is attached, together with such easements, rights-of-way, franchises, hereditaments, privileges and other rights as may, from time to time, appertain to such lands;
- o) **“Leases”** means all present and future leases, agreements to lease, offers to lease and letters of intent to lease, by way of sublease or otherwise, and all licences, concessions and other rights to use or occupy the whole or any part of the Property, in each case for the time being in effect, and in each case includes all revisions, alterations, modifications, amendments, extensions, changes, replacements, substitutions or renewals thereof or thereto which may hereafter be effected or entered into and all rents and other monies payable by every Tenant thereunder and all guarantees or indemnities of every Tenant thereunder and all benefits, advantages and powers of the Chargor derived therefrom;
- p) **“Lien”** means any mortgage, charge, lien, hypothec or encumbrance, whether fixed or floating, on or over, or any security interest in, any property, whether real, personal or mixed, tangible or intangible, any pledge or hypothecation of any property, any conditional sale agreement, other title retention agreement, capital lease or other arrangement of any kind intended to create or grant security;
- q) **“Loan”** means any loan from the Chargee to the Chargor that is secured by this Charge;
- r) **“Material Documents”** has the meaning ascribed thereto in Section 3.01(b)(iv);
- s) **“Obligations”** has the meaning ascribed thereto in Section 2.03;
- t) **“Permitted Encumbrances”** means those registrations on title to the Lands as of the date of registration of this Charge, except for any charges/mortgages and any other encumbrances that are to be discharged;
- u) **“Person”** means an individual, partnership, corporation, trust or unincorporated organization, a government or agency or political subdivision thereof or any combination thereof;
- v) **“Preferred Claims”** means, at any time, all claims secured by a Lien created by, or arising under any statute or regulation or arising under common law without the consent of the Chargor (in contrast with Liens voluntarily granted) which rank, or are capable of ranking, prior to or pari passu with this Charge or any other security held by the Chargee against all or any part of the Chargor’s assets, whether then existing or, in the Chargee’s judgment acting reasonably, likely to arise, including without limitation claims for unremitted rents, taxes, wages, vacation pay, employee deductions, workers’ compensation obligations, government royalties or pension fund obligations;
- w) **“Principal Sum”** has the meaning ascribed thereto in Section 3.05 hereof;
- x) **“Property”** means the Lands and Improvements;
- y) **“Replacement Cost”** means the cost of repairing, replacing or reinstating any item of property with materials of a like kind and quality on the same or a similar site without deduction for physical, accounting or any other depreciation;



- z) **“Security Hereby Constituted”** means the security constituted by this Charge upon the Charged Property including, without limitation, the security constituted pursuant to Section 3.01 hereof;
- aa) **“Taxes”** means all real property taxes, duties, levies, charges, impositions, assessments and rates including, without limitation, water, utility and sewer levies or imposts, local improvement taxes, impost charges and levies, and school and education levies, whether general or special, ordinary or extraordinary, foreseen or unforeseen, that are levied, rated, charged or assessed, from time to time, by any taxing or other public authority, whether federal, provincial, municipal, school or otherwise, against the Charged Property or any part thereof including, without limitation, the Improvements; if the system of real property taxation is altered or varied and any new tax is levied or imposed on all or any portion of the Charged Property or the revenues therefrom or the Chargor in substitution for or in addition to those presently levied or imposed, then any such new tax levy shall be deemed to be and shall be included in Taxes; and
- bb) **“Tenants”** has the meaning ascribed thereto in subsection Section 3.01(b)(i) hereof and **“Tenant”** means any one of the Tenants.

## ARTICLE II

### INTERPRETATION

#### **Section 2.01 Headings:**

The division of this Charge into articles and sections and the insertion of headings are for convenience of reference only and in no way define, limit, construe or describe the scope or intent of such sections or articles and shall not affect the construction or interpretation of this Charge.

#### **Section 2.02 Extended Meanings and Genders, etc.:**

The words **“this Charge”**, **“this Indenture”**, **“these presents”**, **“hereto”**, **“hereof”**, **“herein”**, **“hereunder”**, **“herefrom”** and similar expressions used in any section of this Charge relate to the whole of this Charge and not to that section only, unless otherwise expressly provided. 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 such noun and pronoun.

#### **Section 2.03 Obligations Joint and Several:**

If more than one Person constitutes the Chargor, then the liabilities, agreements, covenants and obligations hereunder (collectively the **“Obligations”**) of all such Persons shall be joint and several. Subject to the foregoing, if any such Person owns only part of the Charged Property, such Person shall be deemed to charge all of its right title and interest in and to that part of the Charged Property owned by such Person.

#### **Section 2.04 Partial Invalidity:**

If, for any reason whatsoever, any term, covenant or condition of this Charge or the application thereof to any Person or circumstance is held or rendered invalid, unenforceable or illegal to any extent, then such term, covenant or condition:

- (a) is and shall be deemed to be independent of the remainder of this Charge, to be severable and divisible herefrom and such invalidity, unenforceability or illegality shall not affect, impair or invalidate the remainder of this Charge or any part hereof; and
- (b) continues to be applicable to and enforceable to the fullest extent permitted by law against any Person and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.

**Section 2.05 Governing Law:**

This Charge, and the interpretation, construction, application and enforcement of this Charge, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.

**Section 2.06 Time of the Essence:**

Time is of the essence of this Charge and of every part hereof.

**Section 2.07 Currency:**

All dollar amounts referred to in this Charge and all payments to be made hereunder are in Canadian funds.

**ARTICLE III****SECURITY****Section 3.01 Charge:**

In consideration of the sum of Ten Dollars (\$10.00) now paid by the Chargee to the Chargor (the receipt and sufficiency of which are hereby acknowledged) and as continuing collateral security for the payment to the Chargee of the Indebtedness Secured Hereby and for the performance of all the terms, agreements, provisions, conditions, obligations and covenants of the Chargor set out in this Charge and in any document, instrument, agreement or other writing entered into between the Chargor and the Chargee, the Chargor:

- (a) grants, conveys, mortgages, charges, pledges and assigns to and in favour of the Chargee, its successors and assigns, all of the Chargor's rights, benefits, title and interest, present and future, in and to:
  - (i) the Property; and
  - (ii) all rights-of-way, easements, licences, concessions, franchises, tenements, hereditaments, privileges, rights and interests of every nature and kind appurtenant or appertaining to the Property; and
- (b) assigns, transfers and sets over to and in favour of the Chargee, its successors and assigns, all of the Chargor's rights, benefits, title and interest, present and future, in and to:
  - (i) all rents and other amounts payable by tenants, licencees and other occupiers or users of space in the Property (hereinafter sometimes collectively called the "**Tenants**") pursuant to the Leases;
  - (ii) all benefits, advantages and powers to be derived from the Leases, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and all other amounts payable thereunder and otherwise to enforce the rights of the landlord thereunder;
  - (iii) the benefit of any guarantees of, and indemnities with respect to, the Leases and the performance of any or all of the obligations of any Tenant;
  - (iv) all present and future agreements of purchase and sale, agreements, licences, permits, consents, construction contracts (including construction management contracts and trade contracts thereunder), performance and material and labour bonds, industrial property rights and other similar rights, pertaining to the Property or any part thereof, other than the Leases (collectively the "**Material Documents**");
  - (v) all contracts, securities, bills, notes, judgments, chattel mortgages, mortgages, warranties, letters of credit, letters of guarantee and other rights and benefits which now are or may hereafter be vested in the Chargor in respect of or as security for any of the Leases and Material Documents (collectively the "**Rights**"); and

- (vi) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating to any of the Leases, Material Documents and Rights (collectively the “**Books**”).

**Section 3.02 Habendum:**

To have and to hold the Charged Property and all rights hereby conferred unto the Chargee, its successors and assigns, forever, for the uses and purposes, with the powers and authorities and subject to the terms and conditions set forth in this Charge.

**Section 3.03 Last Day of Leases:**

The mortgage, charge, pledge, assignment and transfer hereby created shall not extend or imply to the last day of the term of each of the Leases, and such last day does not and shall not form part of the Charged Property, but the Chargor shall stand possessed of such last day and shall hold it in trust for the Chargee to assign and dispose of as the Chargee shall, for such purpose, direct. Upon any sale or sales of such leasehold interests or any part thereof, the Chargee, for the purpose of vesting the last day of any such term or renewal thereof, in any purchaser or purchasers, shall be entitled by deed or writing to assign such last day to any such purchaser or purchasers or any other person or persons and to vest the same accordingly, freed and discharged from any obligation respecting the same.

**Section 3.04 Fixtures:**

Except for any fixtures which are, under the terms of the Leases, the property of tenants of the Charged Property and which they are entitled to remove in accordance with the terms of their Leases, all buildings, erections and improvements now or hereafter erected or placed upon the Lands or now or hereafter attached to or used in connection with the Charged Property including, without limitation, all elevators, machinery, motors, furnaces, boilers, oil and gas burners, stokers, blowers, water heaters, television antennae, tanks, electric light fixtures, floor coverings, window blinds, partitions, fire alarm and protective equipment and systems, sprinklers, screen doors and windows, refrigerators, stove and air-conditioning, ventilating, plumbing, electrical, cooking, lighting, heating, cooling and refrigeration fixtures and equipment, and all things appurtenant thereto, shall for all purposes of this Charge be fixtures and form part of the Charged Property whether or not affixed at law to the Lands.

**Section 3.05 Proviso for Redemption:**

The principal sum (the “**Principal Sum**”) secured by this Charge is **SEVENTEEN MILLION, FIVE HUNDRED THOUSAND (\$17,500,000.00) DOLLARS** with interest (“**Interest**”) at the Interest Rate calculated and payable on the Principal Sum outstanding from time to time, as well after as before maturity and both before and after default and judgment in accordance with the following provisions:

- (a) The interest adjustment date (the “**Interest Adjustment Date**”) shall be the first day of the calendar month immediately following the date of the first advance under the Charge or at the Chargee’s option, the first day of the month in which the first advance of the Charge is made, unless the first advance of the Charge is made on the first day of a month in which case the Interest Adjustment Date shall be the date of the advance. In the case of multiple advances, at the Chargee’s option the Interest Adjustment Date may be the first day of the month following the final advance.
- (b) Interest on the outstanding amount at the Interest Rate, calculated and payable monthly, not in advance, on such portion of the Principal Sum outstanding from time to time shall be payable on the first day of each month during the term of this Charge, the first installment being payable on the first day of the month after the Interest Adjustment Date and the last, on the Maturity Date.
- (c) Until the Interest Adjustment Date, simple interest at the Interest Rate on the portion of the Principal Sum advanced, calculated daily, is payable either on the Interest Adjustment Date or at the option of the Chargee, such interest may be deducted from the amount of the advance.

- (d) Interest on overdue Interest shall be payable at the Interest Rate and shall be calculated daily, compounded daily and payable on demand, provided that if such compounding or payment of interest on overdue Interest is not enforceable by reason of the provisions of the Interest Act of Canada, or otherwise, interest on overdue Interest shall be compounded and paid in the same manner as set forth in subsection 3.05(b) hereof; and
- (e) Payments of Interest including overdue Interest received by the Chargee after 1:00 o'clock p.m. on a Business Day shall be deemed to have been made, and received by the Chargee, on the next Business Day.

**PROVIDED** this Charge to be void upon payment of the Indebtedness Secured Hereby as follows:

The Indebtedness Secured Hereby shall become due and payable on January 1, 2021 (the “Maturity Date”).

**Section 3.06 Prepayment**

Provided that the Chargor has not been in default hereunder and is not presently in default, the Chargor shall, at any time, have the privilege of prepaying the whole or any part of the Principal Sum outstanding upon 3 Business Days written notice to the Chargee.

**Section 3.07 Place and Manner of Payment:**

The Indebtedness Secured Hereby shall be paid to the Chargee at its address set out on the electronic charge/mortgage to which this schedule is attached, on or before 1:00 p.m. on a Business Day. Any amounts received by the Chargee after 1:00 p.m. on a Business Day shall be deemed to have been paid, and received by the Chargee, on the next Business Day.

**Section 3.08 Application of Payments:**

Except as specifically provided in Section 7.12 hereof, any and all payments made in respect of the Indebtedness Secured Hereby including, without limitation, all monies realized from any Security Hereby Constituted (including, without limitation, monies realized on any enforcement of this Charge), may be applied or imputed to such part or parts of the Indebtedness Secured Hereby as the Chargee may see fit in its sole discretion and the Chargee shall at all times and from time to time have the right to change, in its sole discretion, any such application or imputation.

**Section 3.09 Charge Valid Irrespective of Advance of Monies:**

The Security Hereby Constituted shall be and be deemed to be valid and effective and shall have effect whether or not the Indebtedness Secured Hereby including, without limitation, the Principal Sum or any part thereof shall be advanced before, after or upon the date of the issue of this Charge or the date of the execution of this Charge.

**Section 3.10 Payments by Mail:**

If 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.

**Section 3.11 Post-Dated Cheques:**

The Chargor will deliver to the Chargee upon request, in such form as the Chargee may reasonably require, post-dated cheques for such of the then next ensuing payments of the Principal Sum and Interest as may be required from time to time or, at the option of the Chargee, shall participate in the Chargee’s pre-authorized payment program.

**Section 3.12 Additional Payments:**

There shall be added to and be paid with each instalment referred to in Section 3.05(b) the amount of any Interest payable in respect of the preceding month upon any moneys in default

during such month or any part thereof (whether in respect of the Principal Sum, Interest or otherwise), unless the moneys in default have been sooner paid with Interest.

**Section 3.13 Repayment Following Default or Maturity**

If prepayment of any part of the principal sum secured hereunder is made by reason of payment after acceleration upon the occurrence of a default, the Chargor agrees to pay to the Chargee three (3) months' interest on the principal amount prepaid at the rate of interest chargeable hereunder at the time of prepayment as hereinbefore set out.

If the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Balance Due Date, then the Chargor agrees to pay to the Chargee in addition to the amounts required to obtain a discharge, three months interest at the rate of interest chargeable hereunder on the principal amount outstanding on the Balance Due Date.

**ARTICLE IV**

**COVENANTS OF THE CHARGOR**

**Section 4.01 Covenants in respect of the Indebtedness Secured Hereby:**

The Chargor covenants and agrees with the Chargee that:

- (a) the Chargor will duly and punctually pay or cause to be paid to the Chargee, the Indebtedness Secured Hereby including, without limitation, the Principal Sum then outstanding, all Interest with respect thereto and any other monies owing to the Chargee hereunder in the manner set forth in this Charge;
- (b) that no part of the Indebtedness Secured Hereby existing at the date of the Charge or incurred or arising thereafter, shall be deemed to be unsecured by the Charge;
- (c) that the Charge is and shall be a continuing collateral security to the Chargee for the amount of the Indebtedness Secured Hereby and interest and costs as provided in the Charge and shall be deemed to be taken as security for the ultimate balance of the Indebtedness Secured Hereby and the Charge shall not, nor shall anything therein contained operate so as to create any merger or discharge of any debt owing to the Chargee or of any lien, bond, promissory note, bill of exchange or other security held by the Chargee either before or after registration of the Charge from the Chargor or from any other person or persons and the Charge shall not in any way prejudicially affect any security held either before or after the registration of the Charge by the Chargee for the Indebtedness Secured Hereby or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Chargee for or on account of the Indebtedness Secured Hereby or any part or parts thereof, nor shall the remedies of the Chargee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of the Charge;
- (d) that any and all payments made in respect of the Indebtedness Secured Hereby and interest and the monies or other proceeds realized from the sale of any securities held therefor, including the Charge, may be applied and reapplied notwithstanding any previous application on such part or parts of such Indebtedness Secured Hereby or interest as the Chargee may see fit or may be held unappropriated in a separate collateral account for such time as the Chargee may see fit;
- (e) the Chargee may at all times release or discharge any part or parts of the Charged Property or any other security or any surety for payment of all or any part of the Indebtedness Secured Hereby without thereby releasing or discharging any other part of the Charged Property, or any other securities or covenants contained in the Charge, it being especially agreed that notwithstanding any such release or discharge, the Charged Property, securities and covenants remaining unreleased shall stand charged with the whole of the Indebtedness Secured Hereby and all legal and other expenses incurred by the Chargee in connection with such release or releases;

- (f) the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or from perfecting securities or guarantees of, may accept compositions from and may otherwise deal with the Chargor and all other persons, securities and guarantees as the Chargee may see fit without prejudicing the rights of the Chargee under the Charge; and
- (g) the taking of judgement in respect of the Indebtedness Secured Hereby or any instrument or instruments now or hereafter representing or evidencing the Indebtedness Secured Hereby or under any of the covenants in the Charge or in any such instrument contained or implied shall not operate as a merger of the Indebtedness Secured Hereby or such instrument, instruments or covenants, nor affect the Chargee's right to interest at the rate and times provided in the Charge, nor affect nor prejudice any rights or remedies given to the Chargee by the terms of the Charge.

#### **Section 4.02 General Covenants**

The Chargor covenants and agrees with the Chargee that:

- (a) **Title to Charged Property:**
  - (i) the Chargor is the registered and, unless otherwise disclosed in writing to the Chargee, beneficial owner of the Property and all appurtenances thereto with a good and marketable title in fee simple without any reservations, limitations, provisos or conditions, except the Permitted Encumbrances;
  - (ii) the Chargor has good right and lawful authority to grant, convey, mortgage, charge, pledge, assign, transfer and set over to the Chargee the Charged Property in accordance with the provisions hereof; and
  - (iii) the Charged Property is free and clear of any other mortgage, charge, debenture, lien, claim for lien, lease, assignment, sublease, adverse claim, security interest, restriction, easement or other encumbrance, except for the Permitted Encumbrances;

and that the Chargor will defend its right, title and interest thereto against all claims and demands whatsoever of all Persons whomsoever;

- (b) **To Permit Access:**

at all times the Chargor will permit or cause to be permitted any Person designated by the Chargee to visit and, subject to the rights of the Tenants under their Leases, inspect the Charged Property or any part thereof and will ensure that such Person has free and unrestricted access to the Charged Property and any part thereof, and that the Chargor will provide such Person with such information and data relating to the Charged Property or any part thereof as such Person may request;

- (c) **To Maintain Existence:**

the Chargor will maintain in good standing its corporate existence under the laws of the Province of Ontario and will qualify and remain duly qualified to do business and own property (including the Charged Property) in each jurisdiction in which such qualification is necessary in view of its business and operations;

- (d) **Compliance With Law:**

the Chargor shall comply in all respects with all applicable laws, rules, regulations and orders, such compliance to include, without limitation, paying and discharging when due all Preferred Claims, taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or any property belonging to it;

(e) **Not to Permit Liens:**

the Chargor will prevent any construction lien or claim for lien from being filed, registered or otherwise asserted against the Property or any part thereof and the Chargor will promptly cause the discharge of any such construction lien or claim for lien; provided that the Chargor may contest in good faith and with reasonable diligence the validity of any such lien or claim for lien upon first furnishing such security, bond or indemnity with respect thereto as the Chargee may require;

(f) **To Repair:**

the Chargor will repair or will cause others to repair, at all times, and keep in repair and good order and condition, or cause to be so repaired and kept in repair and good order and condition, the Improvements and each and every part thereof, as would a prudent owner of a comparable Property up to a modern standard, and renew and replace or cause to be renewed and replaced all and any of the same which may become worn, dilapidated, unserviceable, inconvenient or destroyed, and which are necessary for efficient operation of the Charged Property and will comply with all zoning by-laws, building codes and other standards and not cause or permit to exist any governmental or quasi-governmental work orders, notices of violation or deficiency notices in respect of the Property or any part thereof;

(g) **Material Adverse Change:**

the Chargor will provide the Chargee with prompt written notice of any material adverse change in its financial condition, in or of any matter, act or thing financial or otherwise materially and adversely affecting the Charged Property, its interest therein or the construction of the Property, or of any material loss, destruction, damage of or to the Charged Property;

(h) **To Perform Obligations with the Chargee:**

the Chargor will fully and punctually keep, observe, comply with, fulfill, perform and satisfy each and every term, covenant, agreement, condition and obligation on its part to be kept, observed, complied with, fulfilled, performed and satisfied under this Charge (including without limitation to pay or cause to be paid to the Chargee the Indebtedness Secured Hereby at the times and in the manner set forth herein) and under any agreement, guarantee, instrument, document or writing, present and future, entered into between the Chargor and the Chargee, or delivered by the Chargor to the Chargee;

(i) **Not to Encumber:**

the Chargor will not create, assume or permit to exist any mortgage, charge, hypothec, pledge, lien or other encumbrance or security interest with respect to the Charged Property or any part thereof, any personal property associated therewith or any property substituted therefor other than Permitted Encumbrances without the prior written consent of the Chargee, which consent may be unreasonably or arbitrarily withheld, notwithstanding any statutory or other provision of law inconsistent therewith;

(j) **Change of Control:**

the Chargor shall not, nor will it permit, any transfer by sale, assignment, pledge, grant of security interest, exchange, operation of law or other disposition, or by issue, subscription, allotment, cancellation or redemption, of all or any part of the issued and outstanding shares of the Chargor having voting rights, whether contingent or direct, nor permit any reorganization or amalgamation, in any such case so as to result in any change in the present effective voting control of the Chargor from the Person or Persons holding such voting control on the date of this Charge without first obtaining the written consent of the Chargee in each instance (which consent may be withheld at the Chargee's discretion notwithstanding any statutory or other provision of law inconsistent therewith). Any subsequent change in control shall similarly be subject to the prior written consent of the Chargee. The Chargor shall make available to the Chargee or its lawful

representatives all of its corporate books and records for inspection at all reasonable times in order to ascertain whether there has been any change in control;

(k) **Not To Change Name:**

the Chargor will not change its name unless thirty (30) days' prior written notice thereof has been given to the Chargee;

(l) **Covenant for Quiet Possession:**

from and after the occurrence of an Event of Default the Chargee shall, subject only to the Permitted Encumbrances, be lawfully entitled to peaceably and quietly enter into, have, hold, use, occupy, possess and enjoy the Charged Property and any and each part thereof together with their appurtenances, without hinderance, interruption or denial by the Chargor or any other Person;

(m) **Not to Commit Waste:**

the Chargor will not commit or permit waste to be committed or suffered on the Charged Property or any part thereof;

(n) **Not to Remove or Destroy Buildings:**

the Chargor will not remove, destroy or authorize or permit the removal or destruction of the Improvements or any part or parts thereof, without the written consent of the Chargee, which consent may be withheld at the Chargee's sole discretion notwithstanding any statutory or other provision of law inconsistent therewith;

(o) **Other Information:**

the Chargor will provide the Chargee with such information and reports relating to the Chargor and the Charged Property and any part thereof as the Chargee may from time to time require;

(p) **Further Assurances:**

the Chargor will at any and all times and at its expense do, execute, acknowledge and deliver or will cause to be done, executed, acknowledged and delivered all and every such further acts, deeds, conveyances, mortgages, transfers, assignments, leases and assurances as the Chargee shall require for the purpose of giving the Chargee a valid mortgage and charge and security of the nature herein specified upon the Charged Property and for the better assuring, conveying, mortgaging, charging, and assigning the Charged Property to and in favour of the Chargee;

(q) **Maintain Security:**

the Chargor will fully and effectually maintain and keep maintained the Security Constituted Hereby as a valid and effective security at all times so long as any Indebtedness Secured Hereby remains outstanding or any obligation of the Chargor or any other Person to the Chargee under any other agreement relating to the Property remains unfulfilled, unsatisfied or unperformed and shall record, file, enter or register this Charge or notice thereof and all other instruments of further assurance wherever, in the opinion of the Chargee, it would be of advantage in preserving and protecting the Security Constituted Hereby or intended so to be, and renew such recordings, filings, enterings or registrations from time to time as and when required;

(r) **Litigation:**

the Chargor will promptly give the Chargee notice in writing of any litigation affecting the Chargor where the potential liability of the Chargor exceeds the sum of \$25,000.00;



(s) **Compliance with Agreements:**

the Chargor will do, observe and perform all of its obligations, covenants, conditions and agreements under the Permitted Encumbrances and any other agreements entered into by the Chargor with the Chargee, made by the Chargor in favour of the Chargee or assigned by the Chargor to the Chargee;

(t) **Use of Advances:**

the Chargor will use the proceeds of this Charge only for the purpose(s) set out in the Commitment Letter.

(u) **Indemnify Chargee:**

the Chargor shall, from time to time, indemnify the Chargee and hold the Chargee harmless from and against any and all costs, losses, liabilities or expenses (including losses of profits) whether on account of interest paid by the Chargee to lenders of funds borrowed by it or depositors of funds deposited with it to make or maintain any advance, maintain any outstanding amount in default, or otherwise, which it may suffer or incur, including without limitation as a result of:

- (i) any default by the Chargor in the due and punctual payment of any Indebtedness Secured Hereby, then due under this Charge, or
- (ii) any failure by the Chargor to borrow any funds after requesting an advance (except where such failure is the result of the refusal of the Chargee to make such funds available where the Chargor is entitled to borrow such funds hereunder);

(v) **Payment of Costs and Expenses:**

the Chargor will immediately pay or cause to be paid to the Chargee or pursuant to the Chargee'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, appraisal fees and disbursements, the Chargee's consultant fees and disbursements and any other out-of-pocket costs and expenses, incurred by the Chargee in connection with or arising out of or in respect to this Charge including, without limitation, any one or more of the following:

- (i) the negotiation, preparation, execution and enforcement of this Charge and all documents, agreements and other writings incidental or ancillary hereto;
- (ii) any act done or taken pursuant to this Charge including, without limitation, recovering the Indebtedness Secured Hereby and registering and discharging this Charge;
- (iii) the preservation, protection, enforcement or realization of the Charged Property or the Security Hereby Constituted or both, including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Charged Property;
- (iv) any action or other proceeding instituted by the Chargor, the Chargee or any other Person, in connection with or in any way relating to any one or more of the following:
  - (A) this Charge or any part hereof;
  - (B) the preservation, protection, enforcement or realization of the Charged Property or the Security Hereby Constituted or both; and
  - (C) the recovery of the Indebtedness Secured Hereby; and
- (v) all amounts incurred or paid by the Chargee pursuant to Section 4.03 and Section 5.02 hereof;

together with interest thereon from the due date of such expenses at the Interest Rate, calculated daily and compounded monthly and payable on demand. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Chargee under this Section shall be added to the Indebtedness Secured Hereby and shall be secured by the Security Hereby Constituted;

(w) **Leases:**

the Chargor will not enter into, terminate, accept a surrender of, vary or amend any Lease except in good faith and on such terms and conditions as are within the prevailing market terms and conditions for premises such as those to be demised or demised under such Lease and will obtain in each Lease a covenant of the respective Tenant whereby, at the request of the Chargee, such Tenant will attorn to and become the tenant of the Chargee for the unexpired residue of the term of such Lease and that the Chargor will not accept payment of rentals under any Lease in advance except for the current monthly rental period and the last month's rent;

(x) **Financial Statements:** the Chargor shall provide the Chargee with a true copy of its annual financial statements, including a statement of income, a statement of changes in financial position and a balance sheet as at the end of such fiscal year, setting forth in comparative form the corresponding figures of the previous fiscal year, all in reasonable detail, in conformity with generally accepted accounting principles applied on a consistent basis and all operating statements of the Chargor for each year this Charge remains outstanding, forthwith upon completion of such financial statements by the auditors or accountants of the Chargor, but no later than 120 days after each fiscal year end; and

(y) **Expropriation:** if the Lands or any part thereof shall be expropriated by any governmental authority or corporation clothed with the powers of expropriation, all monies payable in respect of such expropriation shall be paid to the Chargee and, if received by the Chargor, shall be received in trust for the Chargee and forthwith paid over to the Chargee. Such monies shall, at the option of the Chargee, be applied against the Indebtedness Secured Hereby or such part thereof as the Chargee may determine, or be held unappropriated in a collateral account as continuing security for the Indebtedness Secured Hereby.

**Section 4.03 Chargee May Perform Covenants:**

If the Chargor shall fail to perform any term, condition, obligation or covenant set out in this Charge or in any Permitted Encumbrance or any other agreement, charge or encumbrance now or hereafter existing or claimed against the Charged Property or any part thereof (collectively the "**Charges**") the Chargee may (but shall not be obliged to) at any time and from time to time, perform any of such terms, conditions, obligations or covenants capable of being performed by it and including without limitation the Chargee may, whenever it deems necessary, by its agent enter upon and make such repairs as it deems necessary and may satisfy (without any obligation or liability to so do) the whole or any part of or any of the Charges whether any of such Charges is satisfied out of the moneys advanced under this Charge or otherwise and, if any such performance, from time to time, by the Chargee requires the payment or expenditure of money, it may make such payment or expenditure with its own funds or with money borrowed by or advanced to it for such purpose, but shall be under no obligation so to do. All sums so expended or advanced shall be at once payable by the Chargor to the Chargee, shall bear interest at the Interest Rate, shall be added to the Indebtedness Secured Hereby and shall be secured by the Security Hereby Constituted, but no such performance or payment shall be deemed to relieve the Chargor from any default hereunder. The Chargor hereby expressly grants to the Chargee and agrees that the Chargee shall have the absolute and immediate right to enter in and upon the Charged Property or any part thereof to such extent and as often as the Chargee, in its sole and absolute discretion deems necessary or desirable in order to prevent or to cure any such default by the Chargor. The Chargee shall not by reason of such entry become a mortgagee in possession. If the Chargee makes any payment under any of the Charges, the Chargee shall be entitled to all of the equities, securities and remedies of any and all persons so paid.

#### **Section 4.04 Representations and Warranties:**

The Chargor hereby makes the following representations and warranties to and in favour of the Chargee, and acknowledges that the Chargee is and will be relying upon such representations and warranties, which representations and warranties shall be deemed repeated as of each advance of monies by the Chargee to the Chargor and shall survive the execution and delivery of this Charge:

- (a) **Zoning, etc.**: the present use of the Lands, and the Improvements comply fully with all applicable zoning, environmental, health, building and fire laws, codes, by-laws, regulations and requirements, whether federal, provincial or municipal;
- (b) **Taxes, etc.**: all real estate taxes in respect of the Lands have been paid and no water, utility or sewer levies, charges, taxes or assessments or any development charges or educational development charges in respect of the Charged Property are due and unpaid;
- (c) **Litigation**: there are no Actions pending or, to the knowledge of the Chargor, threatened against or involving the Chargor or the Charged Property (except for Actions, the particulars of which have been previously provided to the Chargee in writing) and there are no judgements, writs of execution or other orders outstanding against the Chargor or affecting the Charged Property or any part thereof;
- (d) **Corporate Status**: the Chargor (if a corporation) is a corporation duly incorporated and organized and is validly subsisting under the laws of the Province of Ontario;
- (e) **Corporate Power**: the Chargor, if a corporation, has the corporate power, capacity and authority and all governmental and municipal licenses, authorizations, consents, registrations and approvals required as of the date hereof to enter into and perform its obligations under this Charge, to own and lease its property and assets and to conduct the business in which it is currently engaged or proposes to conduct and is duly qualified and authorized to carry on business wherever the nature of its assets or activities requires such qualification or authorization;
- (f) **Corporate Authorization**: all necessary actions of the directors and shareholders of the Chargor (if a corporation) have been taken to authorize the execution and delivery of, and the performance of the obligations under, the Commitment Letter, this Charge and all other documents executed and delivered by the Chargor to the Chargee pursuant to the Commitment Letter including, without limitation, the borrowing of monies hereunder and the other obligations of the Chargor hereunder, and all such other documents have been duly authorized, executed and delivered by the Chargor;
- (g) **No Conflict with Laws or Agreements**: neither the execution nor the delivery of the Commitment Letter nor this Charge by the Chargor, nor the consummation by it of the transactions contemplated by the Commitment Letter, nor the compliance by it with the terms, conditions and provisions of the Commitment Letter or of this Charge will conflict with or result in a breach of any of the terms, conditions or provisions of:
  - (i) the constating documents of the Chargor (if a corporation);
  - (ii) any agreement, instrument or arrangement to which the Chargor is a party, or by which the Chargor or any of its property is or may be bound, or constitute a default thereunder, or result thereunder in the creation or imposition of any security interest, mortgage, lien, charge or encumbrance of any nature whatsoever upon the Charged Property or upon any of the other properties or assets of the Chargor;
  - (iii) any judgment, order, writ, injunction or decree of any court, relating to the Chargor; or
  - (iv) any applicable law or governmental regulation relating to the Charged Property;
- (h) **Documents Binding**: the Commitment Letter, this Charge and all documents and agreements provided for or contemplated by the Commitment Letter to which the Chargor is a party constitute legal, valid and binding obligations of the Chargor, enforceable against the Chargor in accordance with their respective terms;

- (i) **Information Provided**: all information, data and reports (financial or otherwise) furnished by or on behalf of the Chargor to induce the Chargee to enter into the Commitment Letter are true, accurate and complete in all material respects as of the date hereof;
- (j) **Disclosure**: there are no facts relating to the Property, not disclosed in the Commitment Letter or in this Charge or otherwise disclosed to the Chargee which, if known to the Chargee, might reasonably be expected to deter the Chargee from completing the transaction contemplated in the Commitment Letter ; and
- (k) **Government Consent** : no action of, approval, authorization, consent or order of, and no designation, filing, further registration, qualification or recording with any governmental, municipal or public body or authority is required to authorize or is otherwise required in connection with or for the execution, delivery or performance of the Chargor of the provisions of the Commitment Letter or this Charge.

## **ARTICLE V**

### **INSURANCE**

#### **Section 5.01 Covenant to Insure:**

The Chargor covenants and agrees that it will insure, keep insured or cause to be insured, the Improvements and all other insurable property forming part of the Charged Property, with loss payable to the Chargee as its interest may appear, as follows:

- (a) insurance in an amount not less than the full Replacement Cost thereof (pursuant to the standard mortgage clause approved by the Insurance Bureau of Canada), from time to time on a stated amount basis, against loss or damage by fire, explosion, lightning, riot, vandalism or malicious acts, smoke, leakage from fire protective equipment, windstorm or hail, and other perils now or hereafter from time to time embraced by or defined in a standard fire insurance policy with extended or additional perils supplemental coverage (including sprinkler leakage, where applicable) and with provision for permission to complete construction and with automatic vacancy permit;
- (b) comprehensive broad form boiler and machinery insurance, which shall include, without limitation, loss or damage of whatsoever kind or nature by reason of explosion or collapse by vacuum or cracking, burning or bulging of any steam or hot water boilers, pipes and fired or unfired pressure vessels and electrical machinery such as generators and switch panels and air-conditioning equipment or refrigeration systems, including repair, replacement and use and occupancy coverage, with limits of not less than \$5,000,000.00 per occurrence, or such other amount as the Chargee may require, from time to time;
- (c) comprehensive public liability insurance against claims for personal injury, death or property damage suffered by others upon or in or about the Charged Property, the adjoining streets, passageways and climate controlled walkways, with such exclusions and to such inclusive limits of not less than \$5,000,000.00 with respect to each occurrence (with or without retained limit) as will reasonably protect the Chargor against such loss or damage or such greater limits as the Chargee may require from time to time;
- (d) insurance against delay, abatement or loss of rent and other income to be earned from the Improvements for an amount not less than 100% of the aggregate of all payments payable by tenants or occupants under leases or occupancy agreements, including without limitation any amounts payable thereunder as basic rent, additional rent and percentage rent, if applicable. The said insurance shall be on a "no co-insurance" or "agreed upon co-insurance" basis and shall be an extension of the policies described in subsections Section 5.01(a), (b), (c) and (e) hereof; and during any period that construction of the Improvements or any part thereof is taking place;
- (e) a Builder's All Risk insurance policy for an amount satisfactory to the Chargee, acting reasonably, with loss payable to the Chargee, by way of an IAO approved Charge Clause Insurance Endorsement. The policy must allow for partial occupancy of the Property.

The term of the policy shall extend to at least three (3) months after the estimated date of completion of the Improvements;

- (f) a liability insurance policy for a minimum of \$5,000,000.00 per occurrence. Aside from the insured itself, the definition of insured shall include the following:
  - (i) all contractors, sub-contractors and trades of the insured with respect to work or operations at the Property or elsewhere provided that such work or operations directly relate to the Property; and
  - (ii) suppliers of material or property who are obliged under their contract to perform construction or installation operations at the Property shall be construed as contractors or sub-contractors but only with respect to loss covered by the policy which occurs away from their premises and which results from operations directly related to the Property. Suppliers of material or property who are not obliged under their contract to perform construction or installation operations at the Property shall not be construed as contractors or sub-contractors; and
- (g) such other insurance coverage as may be required under the Commitment Letter or otherwise required by the Chargee.

**Section 5.02 Covenant to Pay Premiums and Proceeds:**

The Chargor covenants and agrees that it shall duly and punctually pay or cause to be paid all premiums and other sums of money payable for maintaining all insurance required to be maintained and effected under Section 5.01 and shall cause the proceeds of the insurance provided for in Section 5.01(a) and (d) and the direct damage indemnity portion of insurance provided for in Section 5.01(b), in each case to be made payable to the Chargee. Every policy of insurance shall be effected in such terms and with such insurer as may be approved by the Chargee and in the case of insurance required to be maintained pursuant to Section 5.01(a) and (d) shall have attached thereto an Insurance Bureau of Canada mortgage clause endorsement acceptable to the Chargee and in the case of insurance required to be maintained pursuant to Section 5.01(b) a Canadian Boiler and Machinery Underwriters Association mortgage clause endorsement acceptable to the Chargee, which endorsement clauses shall provide that such policies may not be cancelled except after thirty (30) days' prior written notice to the Chargee. In the event of failure on the part of the Chargor to maintain or cause to be maintained any insurance required by Section 5.01, the Chargee may effect such insurance and the Chargor covenants to repay to the Chargee all of the premiums paid by the Chargee, with the amount thereof to bear interest at the Interest Rate, from the time of payment by the Chargee and such amount payable by the Chargor at the time of the next ensuing payment of Interest and such amount and interest thereon shall form part of the Indebtedness Secured Hereby until paid. The Chargor will deliver to the Chargee, at any time, forthwith, upon written request by the Chargee and at least fifteen (15) days prior to the due date, evidence of payment of all premiums and other sums of money payable for keeping and maintaining the insurance referred to in Section 5.01 and shall deposit with the Chargee (whether or not a request has been made) either the original policies of insurance or a certificate or certificates of all such policies, signed by the insurer, setting forth with reasonable particularity the terms of all policies of insurance which are required to be maintained hereunder and evidencing compliance with the provisions of Section 5.01 and Section 5.02. The Chargor will make available to the Chargee for inspection during normal business hours at the Chargor's business address set out in the electronic charge/mortgage to which this schedule is attached, the original copies of any of such policies, which shall be signed by the insurers and the Chargee may make extracts therefrom or copies thereof.

**Section 5.03 Other Risks and Perils:**

In addition to the insurance which the Chargor is required to maintain or cause to be maintained pursuant to Section 5.01, the Chargee shall be entitled to require coverage for such other risks and perils as the Chargee (acting reasonably) may from time to time consider advantageous or desirable and against which a prudent owner of a comparable project in a comparable location would normally insure at such time.

**Section 5.04 Additional Insurance Policy Requirements:**

In connection with any or all of the foregoing policies of insurance:

- (a) the insurance mentioned in Section 5.01 shall grant permission of partial occupancy;
- (b) each policy of insurance shall be signed by the insurer or insurers;
- (c) the Chargor will replace any cancelled policy within the notice period referred to in Section 5.02 with a policy providing similar coverage and in accordance with this Article V and such policy shall be issued by an insurer acceptable to the Chargee and such policy shall be subject to the provisions of this Article V;
- (d) the insurance mentioned in Section 5.01 shall specifically insure the foundation and all parts below ground level of the Improvements, from the date of completion of the Improvements; and
- (e) if any policy for insurance referred to in Section 5.01 shall contain any co-insurance clause, the Chargor shall either cause any such co-insurance clause to be waived or maintain or cause to be maintained at all times a sufficient amount of insurance to meet the requirements of any co-insurance clause so as to prevent the Chargor from becoming co-insurer under the terms of such policy; with respect to any co-insurance clause which is not waived, as aforesaid, the Chargor shall arrange for the customary "stated amount co-insurance clause" insurance and shall in this regard file values as required under such clause.

**Section 5.05 Application of Insurance Proceeds:**

All proceeds from insurance policies kept and maintained pursuant to Section 5.01 shall be paid to the Chargee upon the occurrence of any loss and held by the Chargee as part of the Security Hereby Constituted and the Chargor shall cause such proceeds to be paid to the Chargee, or shall otherwise deal with such policies in such manner as to enable any insurance money payable thereunder to be collected by the Chargee. The Chargee may, at its sole discretion, apply such proceeds in payment of the Indebtedness Secured Hereby including, without limitation, the Principal Sum and Interest then outstanding.

**Section 5.06 Assignment of Proceeds:**

The Chargee is hereby appointed by the Chargor as attorney of the Chargor to assign the proceeds, if any, of any policy of insurance in the event of the foreclosure of this Charge or other extinguishment of the Indebtedness Secured Hereby.

**Section 5.07 Application:**

The foregoing provisions of this Article V as to insurance shall apply to all buildings whether now or hereafter forming part of the Charged Premises.

**ARTICLE VI**

**TAXES**

**Section 6.01 Payment of Taxes:**

The Chargor covenants and agrees that it will pay or cause to be paid the Taxes as and when the same become due and payable and that it will within thirty (30) days following the date when each instalment becomes due, provide to the Chargee, the receipts and vouchers establishing such payment or such other evidence of payment as the Chargee may require.

**Section 6.02 Chargor to Pay Taxes to Chargee:**

The Chargor covenants and agrees as follows:

- (a) Upon the occurrence of an Event of Default, at the Lender's option, the Chargor shall on the first day of each month pay to the Chargee, in addition to all other monies hereby required to be paid by the Chargor to the Chargee such sum as the Chargee may from time to time estimate to be required in order to provide funds sufficient to pay in full the Taxes when due and one-twelfth (1/12th) of the Taxes estimated by the Chargee to become due and owing in such calendar year and shall transmit to the Chargee all tax

bills and other notices relative to the imposition of Taxes, forthwith after receipt thereof by it;

- (b) all payments so made by the Chargor to the Chargee pursuant to this subsection shall, at the option of the Chargee, be either credited to an account (the "tax account") relating to this Charge on the Chargee's books of account (as to which account the Chargee shall not be a trustee) or applied against the Principal Sum or other monies owing or secured hereunder;
- (c) if and so long as the Chargee requires such additional payments to be made, and the Chargor shall have made the same, the Chargee shall, so long as there is not default hereunder, pay the amount of all Taxes as they fall due or at such earlier time as the Chargee deems fit but nothing herein contained shall obligate the Chargee to pay such Taxes more often than yearly, and the amount thereby expended shall be debited against the said tax account to the extent that the amount in the said tax account is sufficient and the Chargee may, at its option, either debit to the said tax account or add to the Principal Sum, the amount, if any, by which the said tax account is insufficient;
- (d) any debit balance from time to time in the said tax account shall bear interest at the Interest Rate and shall, together with such interest form part of the Security Hereby Constituted but nothing herein contained shall render the Chargee liable to pay interest on any credit balance from time to time in the said tax account; and
- (e) the amount, if any, by which the aggregate of all Taxes exceeds at any time, and from time to time, the aggregate of all payments which have been made by the Chargor to the Chargee pursuant to this Section 6.02, shall be payable by the Chargor forthwith on demand therefor at any time and from time to time.

## ARTICLE VII

### DEFAULT AND ENFORCEMENT

#### **Section 7.01 Events of Default:**

The occurrence of any one or more of the following events shall in this Charge constitute and be an "Event of Default":

- (a) if the Chargor fails to pay, when due, all or any part of the Indebtedness Secured Hereby;
- (b) if any insurance policy required to be maintained under this Charge is cancelled or invalidated or is amended such that it no longer satisfies the requirements under this Charge before such policy is replaced with another which complies with the requirements under this Charge;
- (c) if the Chargor fails to perform, carry out, observe, fulfill or satisfy any term, agreement, provision, condition, obligation or covenant set out or referred to in this Charge, any agreement with the Chargee, the Commitment Letter or any other security now or hereafter held by the Chargee in connection with the Indebtedness Secured Hereby;
- (d) if any warranty or representation made by the Chargor herein or in any agreement, document, instruction or writing entered into between the Chargor and the Chargee relating to the Property or Indebtedness Secured Hereby is inaccurate, false or misleading in any material respect, or if any document, instrument, material, data and information provided to the Chargee is inaccurate, false or misleading in any material respect;
- (e) if the Chargor defaults under any obligation to repay any other borrowed money, or in the performance or observance of any agreement, covenant or condition in respect of such other borrowed money and as a result the maturity of such obligation is or may be accelerated and does not remedy such failure within 30 days after written notice thereof is given by the Chargee;
- (f) if an order is made, or a resolution or commencement of proceedings or other action is taken, for the dissolution, liquidation, winding-up or other termination of existence of the Chargor;

- (g) if the Chargor commits an act of bankruptcy, becomes insolvent, makes an assignment for the benefit of its creditors or makes a bulk sale of its assets or a substantial part thereof, or proposes to its creditors a reorganization, arrangement, composition or readjustment of its debts or obligations;
- (h) if any proceeding is taken with respect to a compromise or arrangement with creditors, in respect of any portion of the property of the Chargor or to have the Chargor declared bankrupt, or to have a custodian, sequestrator, receiver or a receiver and manager, interim receiver, inspector, or any other officer or Person with similar powers appointed for or in respect of the Chargor or the Charged Property or any part thereof or any other property of the Chargor, (whether any such proceeding is instituted by the Chargor or any other Person), or if an encumbrancer takes possession of the Chargor's interest in the Charged Property or any part thereof or any other property of the Chargor;
- (i) if a distress, execution or similar process be levied or enforced against the Chargor's interest in the Charged Property or any part thereof;
- (j) if any execution, sequestration or extent or any other process of any court becomes enforceable against the Chargor;
- (k) if the Chargor ceases or threatens to take steps to cease to carry on the operation of its business or a substantial part thereof;
- (l) if the Chargor abandons the Property for a period exceeding 15 consecutive days;
- (m) if the Chargee, acting in good faith, believes that the Chargor's ability to repay the Indebtedness Secured Hereby, is or has become impaired or believes that the ability of the Chargor to perform, observe and fulfill the terms, covenants, conditions and obligations contained in any agreement with the Chargee, as the case may be, is or has become impaired;
- (n) if the Chargor fails to pay Taxes or fails to cause the Taxes to be paid, when due, save and except when the validity thereof is, in good faith, contested by the Chargor and the Chargor has given the Chargee adequate security for payment therefor in full;
- (o) if the Chargor fails to maintain reasonable currency with respect to all Preferred Claims;
- (p) if, without the prior written consent of the Chargee, the Charged Property or any part thereof or any interest therein, whether legal or beneficial, is sold, transferred, conveyed, foreclosed, exchanged, assigned or otherwise disposed of (other than a lease of part thereof), or if the Chargor or any Person enters into any agreement to effect any of the foregoing, whether by registered or unregistered instrument, and whether for valuable or nominal consideration;
- (q) if a change occurs in the beneficial ownership of the issued and outstanding shares and securities holding voting rights of the Chargor, which is not approved or otherwise permitted by the Chargee;
- (r) if a claim for lien is registered on title to the Chargor's interest in the Property and not discharged within 10 days following receipt by the Chargor of notice thereof;
- (s) if in the opinion of the Chargee, any material adverse change has occurred in the financial condition of the Chargor;
- (t) if any default shall be made under any mortgage, charge, debenture, assignment of rents or other security interest affecting property other than the Charged Property which mortgage, charge, debenture, assignment of rents or other security interest is granted in whole or in part as collateral security for the payment of the Principal Sum, Interest and other monies secured hereby;
- (u) if any letter of credit or letter of guarantee required in connection with this Charge or the Charged Property is not renewed as and when required or is drawn down by the beneficiary thereof, at any time;



- (v) if the Charged Property or a substantial part thereof shall be expropriated by any governmental authority, body or corporation having the powers of expropriation; and
- (w) if default shall have occurred under any indebtedness or liability of the Chargor or any corporation which is an Affiliate of the Chargor or any corporation controlled by the Chargor to the Chargee. For the purposes of this subclause “**Affiliate**” means an affiliated body corporate within the meaning of Section 1(4) of the Business Corporations Act (Ontario) and “**controlled by**” shall have the meaning ascribed thereto in Section 1(5) of the Business Corporations Act (Ontario).

**Section 7.02 Acceleration on Default:**

The Chargor covenants and agrees with the Chargee that upon the occurrence of an Event of Default the Indebtedness Secured Hereby may, at the option of the Chargee, forthwith become due and payable to the Chargee.

**Section 7.03 Remedies and Enforcement by Chargee:**

Upon the occurrence of an Event of Default, the Security Hereby Constituted shall become enforceable and the Chargee may, without any notice, in its sole discretion exercise and enforce its rights and remedies, including without limitation, any one or more of the following remedies, which remedies may be exercised from time to time separately or in combination and are without prejudice to and are in addition to any other rights and remedies given in this Charge or in any other agreement or document with the Chargee or which the Chargee may have at law:

- (a) **Power of Sale:** Provided that the Chargee on default of payment in respect of any of the Indebtedness Secured Hereby may on fifteen (15) days’ notice enter on and lease the Charged Property or any part or parts thereof and receive and take the rents, issues and profits thereto or on default of payment for at least fifteen (15) days may on at least thirty-five (35) days’ notice sell the Charged Property; provided that the Chargee on default by the Chargor of the observance or performance of any of the provisions of this Charge other than a default of payment of any moneys hereby secured may on fifteen (15) days’ notice enter on and lease the Charged Property or any part or parts thereof, or on default of such observance or performance for at least fifteen (15) days may on at least thirty-five (35) days’ notice sell the Charged Premises, provided that should default of such observance or performance continue for thirty (30) days the Chargee may enter on and lease the Charged Property or any parts thereof without notice; any notice under this Section shall be sufficiently given for all purposes if given in accordance with Part III of the Mortgages Act (Ontario), as amended from time to time or under such statutory provision as may be enacted in substitution for or amendment of Part III; such notice shall not be required or lesser notice may be given if and to the extent permitted or authorized under or pursuant to Part III and 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. The rights in this Section given to the Chargee are without prejudice to and are in addition to any other rights and remedies given in this Charge to the Chargee or which the Chargee may have at law;
- (b) **Possession:** (i) Provided that the Chargee may lease or sell as provided in Section 7.03(a) without entering into possession of the Charged Property; and (ii) immediately take possession of all or any part of the Charged Property, with power among other things, to:
  - (A) exclude the Chargor; and
  - (B) preserve and maintain the Charged Property and make additions and replacements thereto;
- (c) **Sale:** Any sale hereunder may be by public auction or private sale or partly by one and partly by the other, for such price as can reasonably be obtained therefor and may be either for cash or on credit, or part cash and part credit and with such conditions of sale or otherwise as the Chargee in its discretion shall deem proper. The proceeds of any sale or lease of the Charged Property may be applied in payment of any costs, charges and expenses including surveyor's charges, solicitor's charges as between a solicitor and his

own client and agent's charges or commissions, including realtor's and appraiser's fees and commissions incurred in taking, recovering, keeping possession of the Charged Property or in leasing or selling the Charged Property or by reason of non-payment or endeavouring to procure payment of the Indebtedness Secured Hereby (including sums which the Chargee has paid for Taxes, insurance and maintenance) as well as to payment of the Principal Sum and Interest and all other moneys payable under this Charge to the Chargee. Sales may be made from time to time of portions of the Charged Property (including sales of all or any part of the Improvements), or of the whole of the Charged Property, to satisfy Interest or parts of the Principal Sum overdue. The Chargee may make any stipulations as to title or evidence or commencement of title, or otherwise which the Chargee shall deem proper and may rescind or vary any contract for sale of any of the Charged Property and may buy in and resell without being answerable for loss occasioned thereby. On any sale hereunder, the Chargee shall be accountable only for moneys actually received in cash as and when so received and for such purposes may make and execute all agreements and assurances as the Chargee shall think fit. The purchaser at any sale hereunder or the lessee under any such lease shall not be bound to see to the legality, propriety or regularity thereof, or that default has happened on account of which the sale or lease is made, and no want of default or of notice (other than as required by law) shall invalidate any sale or lease hereunder and the remedy of the Chargor shall be in damages only. No sale or other dealing by the Chargee with the Charged Property 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 secured by this Charge;

- (d) **Attorney:** the Chargor hereby appoints the Chargee as the Chargor's true and lawful attorney and agent to do all things and execute all documents to effectually complete any such sale or lease;
- (e) **Preserve Charged Property:** preserve and maintain the Charged Property and make such repairs, replacements and additions thereto as it deems appropriate;
- (f) **Receive Rents:** receive and collect the rents, deposits, monies, fees, incomes and profits of all kinds derived from the Charged Property and all other monies due and becoming due in connection with the Charged Property and pay therefrom all expenses of maintaining, preserving, protecting and operating the Charged Property and all charges against the Charged Property ranking in priority to this Charge or payment of which may be necessary to preserve or protect the Charged Property, renew from time to time any or all of the Leases and enjoy and exercise all powers necessary to the performance of all functions provided for in this subsection including, without limitation, the power to purchase on credit, borrow money in the Chargor's or its own name, advance its own monies at the Interest Rate and to enter into contracts and undertake obligations for the foregoing purposes and whether upon the security of the Charged Property or otherwise. Without limiting the generality of the foregoing and whether or not the Chargee shall have entered into or taken possession of the Charged Property or any part thereof, the Chargee shall have the right to give notice either in its own name or in the name of the Chargor or to require the Chargor to give notice to Tenants under all or any of the Leases requiring that all rental and other payments falling due under such Leases shall, until further notice, be paid directly to the Chargee;
- (g) **Extensions and Exercise Powers and Rights of Chargor:** grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Chargor, debtors of the Chargor and others and with the Charged Property and any other security as the Chargee may see fit and have, enjoy and exercise all of the powers and rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including without limitation the powers of the receiver set out in Section 7.03(h) hereof and the power to enter into agreements, to grant or agree to charges and other encumbrances and to grant or reserve easements, rights-of-way, rights in the nature of easements and licences, in each case over or pertaining to the whole or any part of the Charged Property;
- (h) **Receiver:** with or without entering into possession of the Charged Property, by writing, appoint any Person to be a receiver (which term shall for the purposes of this Article VII

include a receiver and manager and any other officer or Person with similar powers) of the Charged Property or of any part thereof and may remove any receiver so appointed and appoint another in his stead and any such receiver so appointed shall have the power to:

- (i) enter upon, take possession of and collect and get in all or any part of the Charged Property or any part thereof, including, without limitation, all rents, deposits, monies, income and profits therefrom and, for that purpose, to take proceedings in the name of the Chargor or otherwise and to make any arrangement or compromise;
- (ii) carry on or concur in carrying on all or any part of the business of the Chargor relating to the Charged Property or any part thereof;
- (iii) borrow or raise money on the security of the Charged Property or any part thereof in priority to this Charge or otherwise, for the purpose of the maintenance, preservation or protection of the Charged Property or any part thereof or for carrying on all or any part of the business of the Chargor relating to the Charged Property, or any part thereof;
- (iv) sell, lease, sublease or otherwise dispose or concur in a disposition of the whole or any part of the Charged Property, at public auction, by private tender or by private sale or lease, with or without notice, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine;
- (v) amend, extend or renew for any term any of the Leases and enter into new Leases of any portion of the Charged Property which may become vacant for such term and subject to such conditions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the Chargor and he shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever any such receiver may do in the premises;
- (vi) have, enjoy and exercise all of the powers and rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including without limitation the power to enter into agreements, to grant or agree to charges and other encumbrances, and to grant or reserve easements, rights-of-way, rights in the nature of easements and licences, in each case over or pertaining to the whole or any part of the Charged Property;
- (vii) manage, operate, amend, repair or alter the Charged Property or any part thereof in the name of the Chargor for the purpose of securing the payment of rents, income, profits and other monies payable from or in any way arising out of the Charged Property or any part thereof;
- (viii) make any arrangement or compromise with respect to the Charged Property which the receiver shall think expedient in the interest of the Chargee;
- (ix) retain the services of such real estate brokers and agents, lawyers, appraisers and other consultants as he may deem necessary or desirable in connection with anything done or to be done by the receiver or with any of the powers of the receiver set out herein;
- (x) deduct from the Charged Property or any part thereof or the proceeds realized therefrom his remuneration and disbursements; and
- (xi) complete any unfinished servicing or construction upon or in the Charged Property or any part thereof, including, without limitation, the power to:
  - (A) appoint and engage superintendents, architects, engineers, decorators, planners, consultants, managers, advisors and such other personnel which, in the discretion of the receiver may be required

to complete the servicing or construction, furnishing and operation of the Charged Property or any part thereof;

- (B) enter into contracts for the supply of materials and services which he deems necessary for the completion and operation of the Charged Property or any part enter into and enforce and take the benefit of contracts and arrangements in respect of the Charged Property or any part thereof which provide loans, grants, licences, concessions or franchises from municipal or other governmental authorities or from any other source whatsoever;
  - (C) enforce, use and take the benefit of construction contracts, contracts for services or materials, performance bonds, labour and material bonds, insurance contracts, development agreements, plans, studies, reports, information or any other matter, material or arrangement in respect of the Charged Property or any part thereof;
  - (D) arrange financing and borrow money on such terms as he deems reasonable in the circumstances and which he deems necessary to pay for any of the matters herein mentioned which financing may be secured against the Charged Property or any part thereof in priority to this Charge or otherwise; and
  - (E) terminate any contracts or arrangements made by the Chargor in connection with the Charged Property on such terms as he deems reasonable;
- (i) **Foreclosure:** exercise the right of foreclosure of the fee simple interest or equity of redemption of the Chargor in the Charged Property;
  - (j) **Exercise Powers and Rights of Chargor:** have, enjoy and exercise all of the powers and rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including without limitation the powers of the receiver set out in Section 7.03(h) and the power to enter into agreements, to grant or agree to mortgages and other encumbrances, and to grant or reserve easements, rights-of-way, rights in the nature of easements and licences, in each case over or pertaining to the whole or any part of the Charged Property; and
  - (k) **Other:** exercise any of the other rights to which the Chargee is entitled by this Charge, by law or otherwise including the right to take proceedings in any court of competent jurisdiction for the appointment of a receiver or receiver and manager, for the sale, lease, sublease or other disposition of the Charged Property or any part thereof, for foreclosure, to enforce any covenant and agreement referred to in this Charge or in any other agreement, instrument or document referred to in this Charge, enforce the payment of principal, interest and other monies forming part of the Indebtedness Secured Hereby and the right to take any other action, suit, remedy or proceeding authorized or permitted under this Charge or by law or in equity in order to enforce the Security Hereby Constituted.

#### **Section 7.04 Surrender by Chargor:**

The Chargor binds and obliges itself to yield up possession of the Charged Property or any part thereof and the conduct of its undertaking relating to the Charged Property to the Chargee, on demand, whenever the Chargee shall have a right of entry under any provision of this Charge and agrees to put no obstacle in the way of, but to facilitate by all legal means, the actions of the Chargee hereunder and not to interfere with the carrying out of the powers hereby granted to the Chargee. The Chargor shall not, after receiving due notice from the Chargee that it has taken possession of the Charged Property by virtue of these presents, continue in possession of the Charged Property and the conduct of its undertaking with respect thereto, unless with the express written consent and authority of the Chargee, and shall forthwith, by and through its officers and directors, execute such documents and transfers as may be necessary to place the Chargee in legal possession of the Charged Property and after receipt of such notice all the powers, functions, rights and privileges of each and every of the directors and officers of the

Chargor shall cease and determine with respect to the Charged Property unless possession of the Charged Property shall have been restored to the Chargor by the Chargee.

**Section 7.05 Waiver of Default:**

No consent or waiver, express or implied, by the Chargee to or of any Event of Default shall be deemed or construed to be a consent or waiver to or of any other Event of Default. Failure on the part of the Chargee to complain of any act or failure to act of the Chargor or to declare the Chargor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Chargee of any of its rights hereunder.

**Section 7.06 Remedies Cumulative:**

No remedy herein conferred upon or reserved to the Chargee is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute as modified herein. Without limiting the generality of the foregoing, the taking of judgment or judgments on any of the covenants herein contained shall not operate as a merger of such covenants or affect the right of the Chargee to interest as provided herein.

**Section 7.07 Protection of Chargee and Remuneration of Receiver:**

The Chargee and its servants, agents, employees and Persons for whom it is in law responsible shall not, nor shall any receiver or receiver and manager appointed by it, be responsible or liable, upon any enforcement of its rights hereunder, for any losses, damages, costs or expenses occasioned by any demand, collection, enforcement, sale or other realization or enforcement under this Charge or the failure to so demand, collect, enforce, sell or otherwise realize upon the Charged Property or any part thereof, for any failure to protect the Charged Property or any part thereof from depreciating in value, for any debts contracted by it, for damages to persons or property or for salaries or non-fulfillment of contracts during any period wherein the Chargee or such receiver shall manage the Charged Property or any part thereof upon or after entry as herein provided, and the Chargee shall not be bound to do, observe or perform or to see to the observance or performance by the Chargor of any of the obligations herein imposed upon the Chargor.

**Section 7.08 Judgment Against Chargor:**

The Chargor covenants and agrees with the Chargee that in the case of any judicial or other proceedings to enforce the Security Hereby Constituted, judgment may be rendered against the Chargor in favour of the Chargee for any amount which may remain due in respect of the Indebtedness Secured Hereby after the application to the payment thereof of the net proceeds of any sale of the Charged Property or any part thereof.

**Section 7.09 No Inquiry:**

No person dealing with the Chargee or its agents shall be concerned to inquire whether the powers which the Chargee or such agents are purporting to exercise have become exercisable or whether any money remains due upon the security of this Charge or as to the necessity or expediency of the stipulations and conditions subject to which any sale shall be made or otherwise as to the propriety or regularity of any sale or of any other dealing by the Chargee with the Charged Property or any part thereof or to see to the application of any money paid to the Chargee; and such dealings shall be deemed insofar as regards the safety and protection of such person, to be within the powers hereby conferred and to be valid and effectual accordingly.

**Section 7.10 Receiver Agent of the Chargor:**

The Chargor hereby agrees that any receiver appointed by the Chargee:

- (a) shall be the irrevocable agent or attorney of the Chargor for the collection of all rents, income, profits and other monies falling due in respect of the Charged Property or any part thereof whether in respect of any Leases or otherwise;

- (b) may, in the discretion of the Chargee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the Chargee contained herein; and
- (c) shall, so far as concerns the responsibility of his acts or omissions, be deemed the agent or attorney of the Chargor and in no event the agent of the Chargee and the Chargor shall be solely responsible for the acts, omissions and remuneration of the receiver. The Chargee shall not be in any way responsible for any misconduct or negligence of any such receiver.

**Section 7.11 Borrowed Money:**

All monies borrowed or advanced pursuant to this Article VII shall be repaid by the Chargor forthwith upon demand and, until repaid, shall bear interest at the Interest Rate calculated monthly, in arrears, and compounded monthly; and all such monies, together with interest as aforesaid, shall be added to the Indebtedness Secured Hereby and shall be secured by the Security Hereby Constituted.

**Section 7.12 Application of Proceeds of Sale or Realization:**

Except as herein otherwise expressly provided, the monies arising from the possession by the Chargee or any receiver of the Charged Property or from the realization of the whole or any part of the Charged Property (except by foreclosure) whether under any sale, lease, sublease, or other disposition under this Charge by any judicial proceedings or otherwise, shall be applied as follows:

- (a) first, to pay or reimburse to the Chargee all costs, charges, expenses, fees and compensation of the Chargee (including legal fees and disbursements on a solicitor and his own client basis) incurred in taking, recovering, preserving and keeping possession of the Charged Property or any part thereof or in any other proceedings taken hereunder, including, without limitation, in connection with the realization, enforcement or preservation of any of the Security Hereby Constituted and to pay all of the remuneration of the receiver referred to in this Article VII and all costs and expenses incurred by such receiver;
- (b) second, to pay all amounts of money borrowed or advanced by the Chargee or the receiver appointed pursuant to this Article VII, together with any Interest thereon;
- (c) third, to pay all Taxes and any other charges, liens or encumbrances ranking in priority to the security of this Charge;
- (d) fourth, to pay any other Indebtedness Secured Hereby; and
- (e) fifth, the surplus (if any) shall be paid to the Chargor, its assigns or to those Persons who in law are entitled to such surplus.

**Section 7.13 Chargee Appointed Attorney:**

Upon the occurrence of an Event of Default, the Chargor hereby irrevocably appoints the Chargee to be the attorney of the Chargor in the name and on behalf of the Chargor to execute and do any deeds, transfers, conveyances, assignments, assurances and things which the Chargor ought to execute and do, and has not executed or done, under the covenants and provisions contained in this Charge and generally to use the name of the Chargor in the exercise of all or any of the powers hereby conferred on the Chargee.

**Section 7.14 Chargor to Execute Confirmatory Deed:**

In case of any sale under the provisions of this Charge, whether by the Chargee or under judicial proceedings, the Chargor agrees that it will execute and deliver to the purchaser, on demand, any instrument reasonably necessary to confirm to the purchaser the title of the property so sold and, in case of any such sale, the Chargee is hereby irrevocably authorized by the Chargor to execute on its behalf and in its name any such confirmatory instrument.

**ARTICLE VIII**

**HAZARDOUS MATERIALS**

**Section 8.01 Hazardous Materials**

In this Section 8.01:

- (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 any other contaminant, pollutant or any other substance which when released to the natural environment is likely to cause, at some immediate or future time harm or degradation to the natural environment or material risk to human health.
- (b) The Chargor hereby represents and warrants that:
- (i) to the best of the Chargor’s knowledge and belief, after due inquiry, the business and assets of the Chargor and the existing and prior uses of the Property are and have at all times been in compliance with all Applicable Environmental Laws and without restricting the generality of the foregoing:
    - (A) no part of the Property has ever been used as a land fill site or to store Hazardous Material, either above ground or below ground, in storage tanks or otherwise;
    - (B) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Property and Applicable Environmental Laws;
    - (C) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, on or under the Property or on property adjoining the Property of, or the spilling, discharge or emission on or from the Property or any such adjoining property of, any Hazardous Material; and
    - (D) no Hazardous Material have been released into the environment or deposited, placed or disposed at on or under the Property or have migrated from the Property, whether as a result of the conduct of business on the Property or otherwise, other than in compliance with Applicable Environmental Laws.
- (c) The Chargor covenants that:
- (A) the Chargor shall, and shall cause any Person permitted by the Chargor to use or occupy the Property or any part thereof, to continue to operate its business and assets (including the Property) in compliance with the Applicable Environmental Laws and shall permit the Chargee to conduct from time to time, at the Chargor's expense, tests, inspections and appraisals including without limitation, the right to conduct soil tests and to remove samples from the Property of all or any of the Property and to review and copy any records of the Chargor insofar as they relate to the Property at any time and from time to time to ensure such compliance;

- (B) 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 Property 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 Property, 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 any other matters relating to the Applicable Environmental Laws, as they may affect the Property;
  - (C) the Chargor shall remove any Hazardous Material promptly upon discovery at their sole expense; and
  - (D) the Chargor will not install on the Property, nor knowingly permit to be installed on the Property, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Laws.
- (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 on a solicitor and his own client basis suffered, incurred by or asserted against any of the Indemnified Persons whether as holder of the Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Property by virtue of foreclosure or acceptance of a transfer in lieu of foreclosure or otherwise:
- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
  - (ii) any actual or threatened environmental proceedings affecting the Property, including without limitation the settlement thereof;
  - (iii) any assessment, investigation, containment, monitoring, remediation and/or removal of all Hazardous material from all or part of the Property or surrounding areas;
  - (iv) for, with respect to, or as a result of, the actual or alleged presence on or under, or the discharge, emission, spill or disposal from, the Property or into or upon any land, the atmosphere, or any watercourse, body of water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Property (including, without limitation: (i) the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and (ii) any costs, liability or damage arising out of a settlement of any action entered into by the Chargee);
  - (v) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Property of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Property of any Hazardous Material:
    - (A) resulted by, through or under the Chargor; or
    - (B) whether or not disclosed in any environmental report; or
    - (C) occurred with the Chargor's knowledge and consent; or
    - (D) occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.



The provisions of this Section 8.01 shall survive foreclosure of the Charge and satisfaction and release of the Charge and satisfaction and repayment of the Indebtedness Secured Hereby. Any amounts for which the Chargor shall become liable to the Chargee under this Subsection 8.01(d) shall, if paid by any Indemnified Person, bear interest from the date of payment at the Interest Rate and together with such interest shall be secured by this Charge.

- (e) In the event of any spill of Hazardous Material affecting the Property, whether or not the same originates or emanates from the Property, 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 Property 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 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 Indebtedness Secured Hereby and shall be secured by this Charge.

## ARTICLE IX

### LEASES AND RENTS

#### **Section 9.01 Dealing with Rents:**

The Chargor shall have the authority:

- (a) to collect any rents and other monies properly payable or arising out of or from the Leases; and
- (b) subject to Section 4.02(w) hereof, to exercise in good faith all of the benefits, advantages and powers as landlord thereunder;

unless and until such authority is revoked in writing by the Chargee, provided, however, that any monies received by the Chargor under any of the Leases shall be received and held in trust for the Chargee. The Chargee may at any time, or times, by notice to any Tenant, direct such Tenant to pay rent and other monies to the Chargee and such notice shall be good and sufficient authority for such Tenant so doing. Any payment of rents and other monies by such Tenant to the Chargee shall not constitute a default under such Tenant's Lease. The receipt by the Chargee of rent or other monies from such Tenant shall constitute and be deemed receipt thereof by the Chargor.

## ARTICLE X

### CONSTRUCTION

#### **Section 10.01 Application**

In the event any part of the Indebtedness Secured Hereby is intended to finance in whole or in part the servicing, construction or renovation on or in respect of the Lands or any part thereof, the provisions of this Article X shall also apply.

#### **Section 10.02 Definitions**

In this Article X, the following words or expressions shall have the following meanings:

- (i) “**Advances**” includes the gross amount of that portion of the Principal Sum advanced by the Chargee from time to time and shall include any Advances made by the Chargee on account of a default by the Chargor;
- (ii) “**Project**” means any development, construction or renovation, as the case may in respect of the Lands as contemplated in the Commitment Letter or otherwise being financed in whole or in part by the Chargee;

- (iii) **“Project Monitor”**, means any consultant or other agent retained by the Chargee or at the request of or with the concurrence of the Chargee to monitor the progress of the Project, including without limitation all financial and construction matters related thereto, and includes the Project Monitor, if any, set out in the Commitment Letter; and
- (iv) **“Segregated Account”** means the single-purpose bank account for the Project to be set up and maintained by the Chargor and held in trust for the benefit of the Chargee and to be kept separate and apart from all funds, bank accounts and property of the Chargor not related to the Project.

### **Section 10.03 Pre-Conditions to Construction Advances**

Without prejudice to the right of the Chargee pursuant to Section 11.05 hereof to refuse to make any advance of money to the Chargor, prior to the Chargee making the initial Advance in relation to the Project, the Chargor shall satisfy the preconditions set forth in the Commitment Letter and shall supply or cause to be supplied to the Chargee the following and thereafter such of the following as may be applicable from time to time:

- (a) a detailed and accurate list of all of the names and addresses of all contractors, subcontractors and trades who are to perform servicing in respect of the Project together with true copies of all contracts entered into with the said parties which contracts shall be approved by the Chargee;
- (b) true copies of all engineering drawings and plans (which shall be signed, sealed and dated), as well as a set of plans with the approval of the building department of the municipality or other governmental authority having jurisdiction thereon, endorsed thereover;
- (c) true copies of all required building permits for the construction of the Project; and
- (d) a detailed budget, (inclusive of the Chargor's cost of the borrowing) setting forth all costs, required to be expended to complete construction of the Project, which budget shall have been reviewed and approved by the Project Monitor.

### **Section 10.04 Construction Covenants of Chargor**

The Chargor covenants and agrees to and with the Chargee as follows:

- (a) if a construction lien is filed against all or part of the Lands, then within ten (10) days after receipt of notice thereof, the Chargor shall cause the lien to be vacated or discharged. If the Chargor fails to do so, then in addition to its other rights provided herein, the Chargee shall be entitled at its sole option to pay into court a sum sufficient to obtain an order vacating such lien or to purchase a financial guarantee bond in the form prescribed under the *Construction Lien Act* (Ontario). All costs, charges and expenses incurred by the Chargee in connection with such payment into court or in connection with the purchase of a financial guarantee bond or in connection with any legal proceedings, together with interest thereon at the rate stipulated herein, shall be added to the Indebtedness Secured Hereby and shall be payable forthwith by the Chargor to the Chargee. If any person that performs work, labour or services or that provides materials to or for the Lands names the Chargee as a party to any legal proceedings which it takes to enforce a construction lien or trust claim, then the Chargor agrees to reimburse the Chargee for any and all legal expenses (on a solicitor and his own client basis) incurred by the Chargee in such legal proceedings;
- (b) to diligently and continuously proceed with the Project, once commenced, in accordance with the budget and construction schedule for the Project in a good and workmanlike manner and in accordance with the plans and specifications delivered to and approved by the Chargee;
- (c) not to abandon the Project;
- (d) not to withdraw or permit the withdrawal of any monies by way of loan, cash payments, salaries, commissions, bonuses, dividends, stock dividends, withdrawal of profits, interest

on capital, repayment of loans, redemption, retraction or cancellation of shares or any other means (“**Monies**”) to any shareholder, director or officer of the Chargor or any subsidiary, affiliate, associate or relative of any shareholder, director or officer of the Chargor or any other person or persons on behalf of or for any such shareholder, director, officer, subsidiary, affiliate, associate or relative until the Indebtedness Secured Hereby has been paid in full; and

- (e) to maintain a Segregated Account for the Project and all payments, rents, deposits, distributions and other amounts received by the Chargor from, for, or in respect of the Project, and all funds payable to the Chargor in connection with the Indebtedness Secured Hereby shall be deposited into the Segregated Account, which shall be held in trust for the benefit of the Chargee and shall be kept separate and apart from other funds, bank accounts and property of the Chargor. The funds in the Segregated Account shall not be applied or used in respect of any other projects of the Chargor or for any other purpose whatsoever, except in respect of the Project.

## ARTICLE XI

### GENERAL PROVISIONS

#### **Section 11.01 Amendments:**

This Charge may not be modified or amended except with the written consent of the Chargee and the Chargor.

#### **Section 11.02 Assignment:**

The Chargee have the right, in their sole discretion, to transfer, pledge, sell or assign or otherwise dispose of their interest in the Indebtedness Secured Hereby or any part thereof and this Charge and/or servicing or management rights with respect thereto, to grant participations therein (the “**Participations**”) or to issue securities (such sale and/or issuance, the “**Securitization**”) evidencing a beneficial interest in a rated or unrated public offering or private placement (the “**Securities**”). If the Chargee determines at any time to sell, pledge, transfer or assign the Indebtedness Secured Hereby or any part thereof and this Charge and any or all servicing or management rights with respect thereto, or to grant Participations or issue securities constituting a Securitization, the Chargee may forward to each purchaser, transferee, assignee, servicer, participant, investor, or their respective successors in such Participations and/or Securities (collectively, the “**Investor**”) or any Rating Agency rating such Securities and each prospective Investor, all documents and information which the Chargee now has or may hereafter acquire relating to the Indebtedness Secured Hereby or any part thereof and to the Chargor or any guarantor, and the Charged Property (including without limitation, all financial statements), which shall have been furnished by the Chargor or any guarantor, as the Chargee determines necessary or desirable. The Chargor agrees to co-operate with the Chargee in connection with any transfer made or any Securities created pursuant to this Section, including, without limitation, the delivery of an estoppel or status certificate and such other documents as may be reasonably requested by the Chargee and, upon the Chargee’s reasonable request, meeting with any Rating Agency for due diligence purposes. The Chargor shall also furnish and the Chargor consents to the Chargee furnishing to such Investors or such prospective Investors or any Rating Agency any and all information concerning the Charged Property, the financial condition of the Chargor and any guarantor as may be requested by the Chargee, any Investor or any prospective Investor or Rating Agency in connection with any sale, transfer or Participation.

#### **Section 11.03 Survival:**

All covenants, undertakings, agreements, representations and warranties made by the Chargor herein or in any other agreement entered into between the Chargor and the Chargee or delivered by the Chargor to the Chargee, including without limitation the Commitment Letter, and in any certificates, reports, statements, information, data, documents or instruments delivered to the Chargee shall survive the execution, registration and delivery of this Charge and shall continue in full force and effect. In the event of any conflict or inconsistency between the terms of the Charge and the terms of such Commitment Letter, the Chargee may, in its sole discretion, determine which shall prevail.

**Section 11.04 Successors and Assigns:**

This Charge and each of the terms, conditions and covenants herein set out shall enure to the benefit of the successors and assigns of the Chargee and be binding upon the successors and permitted assigns of the Chargor.

**Section 11.05 No Obligation to Advance:**

Neither the issue, the delivery nor the registration of this Charge shall obligate the Chargee to advance any money including any amount hereby secured to the Chargor and that the advance of a part of the monies expressed to be secured hereunder shall not bind the Chargee to advance any unadvanced portion thereof and all advances are to be made in such manner and at such times as the Chargee may in its sole and unfettered discretion decide.

**Section 11.06 Defeasance:**

If the Chargor shall pay to the Chargee the Indebtedness Secured Hereby, including, without limitation, the Principal Sum and Interest, and shall otherwise observe and perform the terms and covenants of this Charge and the Chargor is under no obligation, contingent or otherwise, to the Chargee, then the Chargee shall at the request and at the cost and expense of the Chargor cancel and discharge this Charge.

**Section 11.07 Land Registration Reform Act:**

If any of the terms contained in this Charge conflict or are inconsistent with any of the covenants deemed to be included in a charge by subsection 7(1) of the Land Registration Reform Act, (Ontario) (the "LRRRA"), then such covenant or covenants set out in the LRRRA are, and shall be deemed to be, varied or amended hereby to the extent of such conflict or inconsistency.

**Section 11.08 Short Forms of Mortgages Act:**

If any form of words contained herein are also contained in Column 1 of Schedule "B" to the Short Forms of Mortgages Act, R.S.O. 1980, chapter 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 2 of Schedule "B" to the said Act distinguished by the same number, and this Charge shall be interpreted as if the said Act were still in full force and effect.

**Section 11.09 Maximum Interest Rate:**

Notwithstanding anything to the contrary contained herein, the aggregate "interest" (as that term is defined in Section 347(1) of the Criminal Code (Canada) as the same may be amended, replaced or re-enacted from time to time), payable by the Chargor hereunder shall not exceed the effective annual rate of interest on the "credit advanced" (as defined therein) lawfully permitted under that section. The effective annual rate of interest shall be determined in accordance with generally accepted actuarial practices and principles over the term of any loan secured by this Charge and in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee will be conclusive for the purposes of such determination.

**Section 11.10 Letters of Credit and Letters of Guarantee:**

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 and letters of guarantee, 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 or letters of guarantee or similar instruments shall be deemed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit and letters of guarantee or similar instruments, regardless of when or whether such letters of credit and letters of guarantee or similar instruments 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

or letters of guarantee or similar instruments from the proceeds of such enforcement or exercise until such time as the letters of credit and letters of guarantee or similar instruments have expired, have been cancelled and have been surrendered to the Chargee or the issuer(s) thereof.

**Section 11.11 Continuing and Additional Security:**

Notwithstanding any other provision hereof, this Charge shall not cease to operate or be or be deemed to be void, satisfied, redeemed or discharged by reason of a payment from time to time of part of the Indebtedness Secured Hereby or by reason of the amounts (or any part thereof) secured hereby becoming or being zero at any time or from time to time and no payment received by the Chargee shall reduce or be deemed to reduce or be or be deemed to be a payment on account of the Principal Sum unless at such time a demand has been made by the Chargee hereunder and such payment is expressly appropriated, in writing, and noted on this Charge to be in reduction of the Principal Sum. This Charge shall constitute and be a continuing security to the Chargee for a current or running account and shall be in addition to and not in substitution for any other security now or hereafter held by the Chargee. The remedies of the Chargee under this Charge may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Chargee however created.

**Section 11.12 Receipt of Copy:**

The Chargor acknowledges having received a copy of this Charge.

**Section 11.13 Condominium:**

- (a) If the Lands or any part thereof now or hereafter consist of a unit or units in a registered condominium or have an interest in a common elements condominium, the provisions of this Section 11.13 shall also apply.
- (b) In this Section 11.13 the following terms shall have the meanings ascribed hereto:
  - (i) “**Common Expenses**” means the expense of the performance of the objects and duties of the Condominium Corporation and any expenses identified to be common expenses in either the Condominium Act or in the Declaration.
  - (ii) “**Condominium Act**” means the *Condominium Act, 1998*, S.O. 1998, c.19, as amended or supplemented from time to time.
  - (iii) “**Condominium Corporation**” means the Condominium Corporation created by the registration of the Declaration and the description relating thereto.
  - (iv) “**Declaration**” means the Declaration which, together with the description, was registered under the Condominium Act.
  - (v) “**unit**” means the condominium unit or units and its or their appurtenant common interest which comprise part of the Lands.
- (c) The covenants of the Chargor set forth in Section 5.01 of this Charge are hereby varied, where applicable to read as follows:

The Chargor covenants on behalf of the Chargor and the Chargor's successors and assigns that:

- (i) the Condominium Corporation has obtained and is maintaining insurance on the lands, buildings and improvements, if any, forming part of the condominium property, excluding improvements and betterments made or acquired by unit owners, against major perils as defined in the Condominium Act, to the replacement cost of such property, and liability, boiler, machinery and pressure vessel, motor vehicle and other insurance as it may be required to obtain and maintain by the Condominium Act, the Declaration or the Condominium Corporation by-laws; all such insurance being hereinafter called the “condominium insurance”;

- (ii) the Chargor has obtained and will maintain insurance on improvements and betterments to the unit, if any, made or acquired by him if any, and in the event of termination of the condominium will to the extent the former condominium property is insurable, obtain insurance on the Chargor's interest therein for the full insurable value thereof or if the Chargee so requires, the replacement cost thereof, in lawful money of Canada, against loss or damage by fire, lightning and tempest and such other risks as the Chargee may require, including risks and perils covered by an all risks policy. In the case of a unit used for commercial purposes, this covenant shall in addition include boiler, plate glass, rental and public liability insurance in amounts and on terms satisfactory to the Chargee. All such insurance is hereinafter called the “**owner's insurance**”;
- (iii) as reasonably required by the Chargee, the Chargor shall provide to the Chargee evidence satisfactory to the Chargee that the condominium insurance is in existence and in good standing. If such evidence is not provided or if the Condominium Corporation has not insured as so required, the Chargee may, but shall not be obliged to, itself obtain insurance against some or all perils which the Condominium Corporation is required to insure against in such amount as the Chargee deems necessary to protect its interest in the charged land and the cost of such insurance so obtained by the Chargee shall be payable forthwith by the Chargor to the Chargee on demand and shall be a mortgage on the charged land and shall bear interest at the Interest Rate. The Chargor shall forthwith on the happening of any loss or damage furnish at his own expense all necessary proofs and do all necessary acts to enable the Condominium Corporation or the insurance trustee (if any) to obtain payment of the proceeds of the condominium insurance; and any moneys received or receivable by the Chargor are hereby assigned to the Chargee on the following terms: namely that they shall be applied in rebuilding or repairing the charged land or, in the event that the charged land is not to be rebuilt or repaired or such moneys are not required for such purpose, or if the Condominium Act ceased to apply thereto, the same shall be retained by the Chargee as additional or substituted security for the indebtedness (whether for principal, interest or other monies) secured under this Charge; and
- (iv) if any owner's insurance is required to be maintained the Chargor shall forthwith assign, transfer, and deliver over unto the Chargee a certified copy of each policy of insurance and receipts for premiums evidencing such insurance; and at least fifteen (15) days prior to the expiry of a policy of owner's insurance or at least five (5) days prior to the date fixed for cancellation of a policy of owner's insurance, should notice of cancellation be given, the Chargor shall deliver to the Chargee evidence of renewal or replacement therefor. Every policy of owner's insurance shall contain a standard mortgage clause approved by the Insurance Bureau of Canada and shall be effected in such terms and with such insurer(s) as may be approved by the Chargee. The loss under each policy shall be made payable to the Chargee with preference in its favour over any claim of any other person or persons, firm, company, commission or government. Each policy may be retained by the Chargee at its option during the currency of the Indebtedness secured by the charge. Should an insurer at any time cease to have the approval of the Chargee, the Chargor shall effect such new insurance as the Chargee may desire. In the event of failure on the part of the Chargor to fulfill any obligation undertaken under this provision, the Chargee shall be entitled but shall not be obliged, to effect such insurance as it deems proper and the Chargor shall promptly repay to the Chargee on demand all premiums paid by the Chargee, which until repayment shall be a mortgage on the charged land and shall bear interest at the Interest Rate. In case of loss or damage, the Chargor shall immediately notify the Chargee and furnish all necessary proofs and do all necessary acts to enable the Chargee to obtain payment on any insurance moneys. Production of this mortgage shall be sufficient authority for any insurer concerned (and such insurer is hereby so directed) to pay any such loss to the Chargee. The Chargee shall have the right to the extent permitted by law to apply the funds delivered from owner's insurance wholly or in part in and to any one or more of the following;

- (A) in reduction of the indebtedness (whether for principal, interest or other monies) secured by this Charge, notwithstanding that no amount at such time may be due and payable;
- (B) in meeting costs of repairs or reconstruction; and
- (C) in payment to subsequent encumbrancers entitled thereto, the Chargor or assigns thereof as their interests may appear.

No damage to property insured by owner's insurance may be repaired nor any reconstruction effected without the prior written approval of the Chargee.

- (d) The Chargor shall at all times and from time to time observe and perform all duties and obligations imposed on him by the Condominium Act, the Declaration, the by-laws and the rules of the condominium in effect from time to time. The Chargor agrees to transmit to the Chargee forthwith upon the demand of the Chargee, satisfactory proof that all Common Expenses assessed against the unit have been paid as assessed.
- (e) Without limiting the generality of the preceding provision, the Chargor shall pay promptly when due any contributions to Common Expenses required of him as an owner of the charged land, including any amounts added to Common Expenses or otherwise payable by him to the Condominium Corporation and, in the event of his default in doing so, the Chargee shall be entitled but shall not be obliged to pay the same whether or not any payment in default has priority over the mortgage or any part of the moneys secured thereby, and the amount thereof shall be without demand, payable forthwith with interest at the Interest Rate and shall be secured by this Charge.
- (f) The Chargor covenants and agrees with the Chargee to:
  - (i) deliver by mailing to the Chargee, by prepaid registered mail, a copy of each and every:
    - (A) notice of any meeting of members of the Condominium Corporation called for the purpose of or at which there may be the taking of a vote of the members of the Condominium Corporation at least ten clear days prior to the date upon which such meeting is fixed to convene;
    - (B) claim or demand for payment by the Chargor to the Condominium Corporation or to any person, firm or corporation duly authorized to receive monies otherwise payable to the Condominium Corporation at least five clear days prior to the date upon which such claim or demand;
    - (C) notice of any breach of any of the provisions of the Condominium Act, or of the Declaration or any By-law or By-laws of the Condominium Corporation and made pursuant to the provisions of the Condominium Act, within five days of the date upon which such notice is received by the Chargor; and
    - (D) request or demand for the consent of the Chargor to any matter affecting the unit herein or the common elements included in the Condominium Corporation within five days of the date upon which such request or demand is received by or made of the Chargor; and
  - (ii) pay any and all monies due and payable by the Chargor in accordance with the provisions of the Condominium Act, or the said Declaration or the said By-law or By-laws from time to time on or before the dates for payment thereof.
- (g) The Chargee is hereby irrevocably authorized and empowered to exercise the right of the Chargor as owner of any unit or units to vote or to consent in all matters relating to the affairs of the Condominium Corporation, whether or not the Chargor is in default or in breach of any of the covenants or provisions contained in this Charge provided that the Chargee shall not be entitled to exercise such right in accordance with the Condominium Act, unless the Chargee notifies the Condominium Corporation and the Chargor of its intention to exercise the right of the owner to vote or to consent at such meeting at least four (4) days before the date specified in the notice for the meeting or otherwise. Any

such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.

- (h) The parties hereto hereby acknowledge that notwithstanding the exercise by the Chargee of the right of the Chargor to either vote or consent, such exercise shall not render the Chargee a mortgagee in possession.
- (i) The parties further acknowledge that the right to vote or consent assigned herein to the Chargee does not entail any representation, express or implied, that the Chargee shall be in any way responsible to protect the interest of the Chargor, and the Chargee shall not be responsible for any exercise of the right to vote or consent or any failure to exercise the right to vote or consent.
- (j) The Chargor hereby covenants with the Chargee, that in the event the Property is registered as a condominium, the Chargor shall forthwith upon condominium registration and upon the written request of the Chargee provide the Chargee with a good, valid and registrable first charge on all of the condominium units contained in the condominium plan, having the same terms and conditions as this Charge, failing which, the Balance Due Date and the Last Payment Date of (insert maturity date) contained in this Charge shall be deemed to be changed to a date which is ten (10) days after the date on which the Condominium Declaration has been registered.

## **ARTICLE XII**

### **PARTIAL DISCHARGES**

When not in default and provided that the Chargor is compliant with subdivision/part lot control provisions of the Planning Act, Ontario, the Chargor shall be entitled to partial discharges of the within Charge in accordance with the provisions of the Commitment Letter.



THIS IS **EXHIBIT " E"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi

**GENERAL SECURITY AGREEMENT**

**THIS AGREEMENT** made this 19<sup>th</sup> day of November, 2018.

**B E T W E E N:**

**10268054 CANADA CORP.**  
(hereinafter collectively called the "**Debtor**")

OF THE FIRST PART

- and -

**CENTURION MORTGAGE CAPITAL CORPORATION**  
(hereinafter called the "**Secured Party**")

OF THE SECOND PART

**NOW THEREFORE THIS AGREEMENT WITNESSETH THAT** in consideration of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**ARTICLE 1 - INTERPRETATION**

**1.1 Interpretation**

(a) In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (i) "**Agreement**" means this Agreement and all amendments made thereto by written agreement between the Secured Party and the Debtor;
- (ii) "**Business Day**" means any day on which the office of the Secured Party above is open for business other than a Saturday, Sunday or other statutory holiday in the Province of Ontario;
- (iii) "**Commitment Letter**" commitment letter dated the 15<sup>th</sup> day of October, 2018 from the Secured Party to the Debtor, as the same may be amended, supplemented, restated, replaced, or superseded from time to time;
- (iv) "**Obligations**" means all indebtedness and obligations of the Debtor to the Secured Party including, without limiting the generality of the foregoing, all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, whenever and howsoever incurred in any currency at any time owing by the Debtor to the Secured Party or remaining unpaid by the Debtor to the Secured Party

- 2 -

and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether arising from dealings between the Secured Party and the Debtor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatsoever a creditor of the Debtor and wherever incurred and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including without limitation the indebtedness and obligations of the Debtor to the Secured Party pursuant to the Commitment Letter and also including without limitation all interest, commissions, legal and other costs, charges and expenses;

- (v) The terms "accessions", "chattel paper", "document of title", "goods", "instrument", "intangible", "inventory", "money", "proceeds", "security interest" and "securities" whenever used herein shall have the meanings given to those terms in the *Personal Property Security Act* (Ontario), as now enacted or as the same may from time to time be amended, re-enacted or replaced; and
- (vi) Any reference to "Collateral" shall be deemed a reference to "Collateral or any part thereof".

(b) The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, reference herein to Articles and Sections are to Articles and Sections of this Agreement.

(c) In this Agreement words importing the singular number only shall include the plural and vice versa, words importing any gender shall include all genders and words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations.

## ARTICLE 2 - GRANT OF SECURITY INTEREST

### 2.1 Security Interest

As a general and continuing security for the payment and performance of the Obligations, the Debtor hereby grants to the Secured Party a continuing security interest in and pledges, mortgages and charges to and in favour of the Secured Party the present and future undertaking and property, both real and personal, tangible and intangible, of the Debtor (collectively the "Collateral"), including without limitation:

- 3 -

- (a) Accounts Receivable: all debts, accounts, claims and choses in action which are now or which may hereafter become due, owing or accruing due to the Debtor (collectively the "Receivables");
- (b) Inventory: all inventory of whatever kind and wherever situated including, without limiting the generality of the foregoing, all goods held for sale or lease or furnished or to be furnished under contracts for service or used or consumed in the business of the Debtor (collectively the "Inventory");
- (c) Equipment: all machinery, equipment, fixtures, furniture, plant, vehicles and other tangible personal property which are not Inventory (collectively the "Equipment");
- (d) Chattel Paper: all chattel paper;
- (e) Documents of Title: all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;
- (f) Securities and Instruments: all shares, stock, warrants, bonds, debentures, debenture stock and other securities and all instruments (collectively the "Securities");
- (g) Intangibles: all intangibles not described in Section 2.1(a) including, without limiting the generality of the foregoing, all goodwill, patents, trademarks, copyrights and other industrial property;
- (h) Money: all coins or bills or other medium of exchange adopted for use as part of the currency of Canada or of any foreign government;
- (i) Rights: all permissions, rights, entitlements, privileges and licences of any kind or description, whether or not recognized as a form of property at law, including any and all existing or future licences on quota rights granted under the authority of any federal or provincial legislation and all rights, entitlements and licences of every kind and description therein and appertaining thereto;
- (j) Books, Records, Etc.: all books, papers, accounts, invoices, documents and other records in any form evidencing or relating to any of the property described in Sections 2.1(a) to 2.1(i) inclusive, and all contracts, securities, instruments and other rights and benefits in respect thereof;
- (k) Substitutions, Etc.: all replacements of, substitutions for and increases, additions and accessions to any of the property described in Sections 2.1(a) to 2.1(j) inclusive; and
- (l) Proceeds: all proceeds of the property described in Sections 2.1(a) to 2.1(k) inclusive including, without limiting the generality of the foregoing, all personal property in any form or fixtures derived directly or indirectly from any dealing with such property or that indemnifies or compensates for the loss of or damage to such property.

- 4 -

Provided that the said assignment and mortgage and charge shall not extend or apply to the last day of the term of any lease or any agreement therefor now held or hereafter acquired by the Debtor, but should the Secured Party enforce the said assignment or mortgage and charge, the Debtor shall thereafter stand possessed of such last day and shall hold it in trust to assign the same to any person acquiring such term in the course of the enforcement of the said assignment and mortgage and charge.

### **ARTICLE 3 - GENERAL REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE DEBTOR**

#### **3.1 Representations and Warranties**

The Debtor hereby represents and warrants to the Secured Party that:

(a) the Debtor is a corporation duly incorporated, organized and subsisting under the laws of Ontario, with the corporate power to enter into this Agreement; this Agreement has been duly authorized by all necessary corporate action on the part of the Debtor and constitutes a legal and valid agreement binding upon the Debtor enforceable in accordance with its terms; the making and performance of this Agreement will not result in the breach of, constitute a default under, contravene any provision of, or result in the creation of, any lien, charge, security interest, encumbrance or any other rights of others upon any property of the Debtor pursuant to the constating documents, by-laws or any agreement, indenture or other instrument to which the Debtor is a party or by which the Debtor or any of its property may be bound or affected;

(b) all financial information provided by the Debtor to the Secured Party is true, correct and complete; all financial statements have been prepared in accordance with Canadian generally accepted accounting principles consistently applied; there has been no material adverse change in the Debtor's financial condition since the date of the most recent financial statements provided to the Secured Party;

(c) all of the Collateral is the sole property of the Debtor free from any liens, charges, security interests, encumbrances or any rights of others which rank prior to or pari passu with the security interest, assignment and mortgage and charge granted hereby to file;

(d) the Debtor's principal place of business and the location of the office where it keeps its records respecting the Receivables, is set forth in Schedule "A" annexed hereto; and

(e) all the Collateral of the Debtor is located in the Province of Ontario or as otherwise set forth in Schedule "A" annexed hereto.

#### **3.2 Covenants**

The Debtor covenants with the Secured Party that:

(a) it shall ensure that the representations and warranties set forth in Section 3.1 shall be true and correct at all times provided that if there is a change in any of the items represented

- 5 -

in Sections 3.1(d) and Section 3.1(e), the Debtor covenants to notify the Secured Party of such change from time to time within three business days of such change;

(b) the Debtor shall maintain, use and operate the Collateral and carry on and conduct its business in a lawful and business-like manner;

(c) the Debtor shall not permit the Collateral to be affixed to real or personal property so as to become a fixture or accession without the prior written consent of the Secured Party;

(d) the Debtor shall defend the Collateral against all claims and demands respecting the Collateral made by all persons at any time and, except as otherwise provided herein, shall keep the Collateral free and clear of all security interests, mortgages, charges, liens and other encumbrances or interests except for those disclosed in a schedule hereto or herein in this Agreement expressly permitted or hereafter approved in writing by the Secured Party prior to their creation or assumption;

(e) the Debtor shall not change its principal place of business and the location of the office where it keeps its records respecting the Receivables, or move any of the Inventory, Securities or Equipment from the locations specified in any schedule hereto, without the prior written consent of the Secured Party;

(f) the Debtor shall pay all its indebtedness including, without limitation, all rents, taxes, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Secured Party, when required, the receipts and vouchers establishing such payment;

(g) the Debtor shall keep proper books of account in accordance with sound accounting practice, shall furnish to the Secured Party such financial information and statements and such information and statements relating to the Collateral as the Secured Party may from time to time require, and the Debtor shall permit the Secured Party or its authorized agents at any time at the expense of the Debtor to examine the books of account and other financial records and reports relating to the Collateral and to make copies thereof and take extracts therefrom;

(h) the Debtor shall from time to time forthwith at the request of the Secured Party furnish to the Secured Party in writing all information requested relating to the Collateral, and the Secured Party shall be entitled from time to time at any reasonable time to inspect the Collateral and make copies of all information relating to the Collateral and for such purposes the Secured Party shall have access to all premises occupied by the Debtor or where the Collateral may be found;

(i) the Debtor shall from time to time forthwith at the request of the Secured Party execute and deliver all such financing statements, schedules, assignments and documents, and do all such further acts and things as may be reasonably required by the Secured Party to effectively carry out the full intent and meaning of this Agreement or to better evidence and perfect the security interest, assignment and mortgage and charge granted hereby, and the Debtor hereby irrevocably

- 6 -

constitutes and appoints the Secured Party including any director or officer thereof, or any Receiver appointed by the court or the Secured Party, the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever the Secured Party or any such Receiver may consider it to be necessary or expedient;

(j) the Debtor shall not change its name or, if the Debtor is a corporation, shall not amalgamate with any other corporation without first giving notice to the Secured Party of its new name and the names of all amalgamating corporations and the date when such new name or amalgamation is to become effective and unless the amalgamated corporation executes, contemporaneously with the consummation of any such transaction, a deed supplemental hereto, together with such other instruments as are satisfactory to the Secured Party, acting reasonably, and, in the opinion of counsel of the Secured Party, are reasonably necessary or advisable to evidence the assumption by such corporation of all of the obligations, covenants and undertakings on the part of the Debtor contained herein and in any agreement, deed, instrument or indenture supplemental hereto;

(k) the Debtor shall pay to the Secured Party forthwith upon demand all reasonable costs and expenses (including, without limiting the generality of the foregoing, all legal, Receiver's and accounting fees and expenses) incurred by or on behalf of the Secured Party in connection with the preparation, execution and perfection of this Agreement and the carrying out of any of the provisions of this Agreement including, without limiting the generality of the foregoing, protecting and preserving the security interest, assignment and mortgage and charge granted hereby and enforcing by legal process or otherwise the remedies provided herein; and all such costs and expenses shall be added to and form part of the Obligations secured hereunder;

(l) the Debtor shall duly observe and perform all the terms and conditions of this Agreement and will strictly comply with each and every undertaking heretofore or hereafter given by the Debtor to the Secured Party;

(m) the Debtor shall at all times maintain its corporate existence and status and all of its rights, privileges and franchise which affect its operations and business and shall comply with the requirements of all applicable laws, rules, regulations and orders of any government or governmental authority or agency; and

(n) the Debtor shall keep the Collateral in good condition and repair according to the nature and description thereof, subject to reasonable wear and tear.

## ARTICLE 4 - INSURANCE

### 4.1 Insurance

The Debtor shall obtain and maintain, at its own expense, insurance against loss or damage to the Collateral including, without limiting the generality of the foregoing, loss by fire (including so-called extended coverage), theft, collision and such other risks of loss as are customarily insured against on this type of Collateral, in an amount not less than the full replacement value thereof, in such form and with such insurers as shall be reasonably satisfactory to the Secured Party. If any such policies



- 7 -

of insurance contain a co-insurance clause, the Debtor shall either cause any such co-insurance clause to be waived or maintain at all times a sufficient amount of insurance to meet the requirements of any such co-insurance clause so as to prevent the Debtor from becoming a co-insurer under the terms of any such policy. All such policies shall name the Secured Party as an additional insured and loss payee thereof, as the Secured Party's interests may appear, and shall provide that the insurer will give the Secured Party at least 10 days written notice of intended cancellation. At the Secured Party's request, the Debtor shall furnish the Secured Party with a copy of any policy of insurance and certificate of insurance or other evidence satisfactory to the Secured Party that such insurance coverage is in effect. The Debtor shall give the Secured Party notice of any damage to, or loss of, the Collateral forthwith upon the occurrence of any such damage or loss. Should the Debtor fail to make any payment or perform any other obligation provided in this Section, the Secured Party shall have the right, but not the obligation, without notice or demand upon the Debtor and without releasing the Debtor from any obligation hereunder or waiving any rights to enforce this Agreement, to perform any or all of such obligations. The amount of all such payments made and all costs, fees and expenses incurred by the Secured Party in performing such obligations shall be immediately due and payable by the Debtor.

## **ARTICLE 5 - DEALING WITH COLLATERAL**

### **5.1 Dealing with Collateral by the Debtor**

The Debtor shall not sell, lease or otherwise dispose of any of the Collateral without the prior written consent of the Secured Party, except that the Debtor may, until an Event of Default (as defined in Section 6.1) occurs, sell items of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the security interest, assignment and mortgage and charge granted hereby, but all proceeds of any such sale shall continue to be subject to the security interest, assignment and mortgage and charge granted hereby.

### **5.2 Registration of Securities**

The Secured Party may have any Securities registered in its name or in the name of its nominee and shall be entitled but not bound or required to exercise any of the rights that any holder of such Securities may at any time have, provided that until an Event of Default has occurred and is continuing, the Debtor shall be entitled to exercise, in a manner not prejudicial to the interests of the Secured Party or which would violate or be inconsistent with this Agreement, all voting power from time to time exercisable in respect of the Securities. The Secured Party shall not be responsible for any loss occasioned by its exercise of any such rights or by failure to exercise the same within the time limited for the exercise thereof. The Debtor shall from time to time forthwith upon the request of the Secured Party deliver to the Secured Party those Securities requested by the Secured Party duly endorsed for transfer to the Secured Party or its nominee to be held by the Secured Party subject to the terms of this Agreement.

### **5.3 Notification of Account Debtors**

Before an Event of Default occurs, the Secured Party may give notice of this Agreement and the security interest and assignment granted hereby to any account debtors of the Debtor or to any other person liable to the Debtor and, after the occurrence of an Event of Default, may give notice to any such account debtors or other person to make all further payments to the Secured Party, and any



- 8 -

payment or other proceeds of Collateral received by the Debtor from account debtors or from any other person liable to the Debtor whether before or after any notice is given by the Secured Party shall be held by the Debtor in trust for the Secured Party and paid over to the Secured Party on request.

#### **5.4 Purchase-Money Security Interests**

The Debtor shall be permitted to grant purchase-money security interests in the ordinary course of its business in connection with the purchase or lease of Inventory or Equipment; provided that the foregoing shall not constitute a subordination of the security interest and mortgage and charge granted hereby to such purchase-money security interests or a waiver by the Secured Party of the requirements prescribed by statute which, if complied with, would result in such purchase-money security interests ranking in priority to the mortgage and charge and security interest granted hereby.

#### **5.5 Application of Funds**

Except where the Debtor, when not in default hereunder, so directs in writing at the time of payment, all money collected or received by the Secured Party in respect of the Collateral may be applied on account of such parts of the Obligations as the Secured Party in its sole discretion determines, or may be held unappropriated in a collateral account, or in the discretion of the Secured Party may be released to the Debtor, all without prejudice to the Secured Party's rights against the Debtor.

### **ARTICLE 6 - DEFAULT AND REMEDIES**

#### **6.1 Events of Default**

The Debtor shall be in default under this Agreement upon the occurrence of any of the following events (herein referred to as an "**Event of Default**"):

- (a) the Debtor fails to pay to the Secured Party any sum when due whether secured hereby or not;
- (b) the Debtor fails to observe or perform any covenant or obligation of the Debtor contained in this Agreement, unless the same is cured within 10 Business Days after notice of such failure has been given to the Debtor by the Secured Party;
- (c) any representation or warranty made by the Debtor herein or in any document or certificate furnished at any time to the Secured Party in connection herewith shall prove to be incorrect or misleading in any material respect;
- (d) the Debtor is in default in the performance or observance of any other term, obligation, covenant, condition or agreement contained in any other agreement or instrument made between the Debtor and the Secured Party and the same is not cured within the time period permitted thereunder, if any;
- (e) the Debtor ceases or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk or a resolution is

- 9 -

passed or an order is made for the winding-up of the Debtor or any proceeding in receivership, reorganization, liquidation, dissolution or winding-up shall be commenced or instituted by or against the Debtor or the Collateral or any part thereof;

(f) the Debtor shall be an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time, or commits or threatens to commit any act of bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor files a proposal under the *Bankruptcy and Insolvency Act* (Canada);

(g) the commencement of any proceeding or the taking of any step by or against the Debtor for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Debtor or the Collateral;

(h) the Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of 10 days following the date of seizure or attachment and 10 days less than such period as would permit such property or any part thereof to be sold pursuant thereto;

(i) the Debtor loses its charter by expiration, cancellation, forfeiture or otherwise;

(j) if any proceedings with respect to the Debtor is commenced under the *Companies' Creditors Arrangement Act* (Canada);

(k) the Debtor abandons the Collateral or any part thereof for a period exceeding 15 consecutive days;

(l) the Secured Party believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process; or

(m) the Debtor shall permit any sum which has been admitted as due by the Debtor or is not disputed to be due by the Debtor and which forms or is capable of being made a charge or lien upon any of the Collateral in priority to or *pari passu* with the security interests granted herein to remain unpaid for five days after proceedings have been taken to enforce the same.

## 6.2 Notice of Intent to Enforce

Notwithstanding the 10 day period given to the Debtor to remedy defaults as provided in Sections 6.1(b) and 6.1(h), the Secured Party may, contemporaneously with or during such 10 day period, give the Debtor the Notice of Intention to Enforce Security required by the *Bankruptcy and Insolvency Act* (Canada) it being the intention of the parties that, at the Secured Party's option, the 10 day period to cure defaults, and the 10 day Notice of Intention to Enforce Security, may run concurrently.

### 6.3 Remedies

(a) Upon the occurrence of any Event of Default and at any time thereafter, any or all of the Obligations shall at the option of the Secured Party become immediately due and payable or be subject to immediate performance, as the case may be, without further demand or notice, both of which are expressly waived; the obligation, if any, of the Secured Party to make further advances to the Debtor shall cease; any or all security granted hereby shall, at the option of the Secured Party, become immediately enforceable; and the Secured Party shall have, in addition to any right or remedy provided by law, the rights and remedies set out below, all of which rights and remedies shall be enforceable successively, concurrently and/or cumulatively:

- (i) the Secured Party may by appointment in writing appoint a receiver or receiver and manager (each herein referred to as the "Receiver") of the Collateral and may remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver of the Collateral; and the term "Secured Party" when used in this Section 6.3 shall include any Receiver so appointed and the agents, officers and employees of such Receiver; and the Secured Party shall not be in any way responsible for any misconduct or negligence of any such Receiver. A court need not appoint, ratify the appointment by the Secured Party of or otherwise supervise in any manner the actions of any Receiver. Upon the Debtor receiving notice from the Secured Party of the appointment of a Receiver, all powers, functions, rights and privileges of each of the directors and officers of the Debtor with respect to the Collateral shall cease, unless specifically continued by the written consent of the Secured Party;
- (ii) the Secured Party may take possession of the Collateral and require the Debtor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at such place or places as may be specified by the Secured Party;
- (iii) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor;
- (iv) the Secured Party may enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law;
- (v) the Secured Party may sell, lease or otherwise dispose of the Collateral at public auction, by private tender or by private sale either for cash or upon credit upon such terms and conditions as the Secured Party may determine and without notice to the Debtor unless required by law;

- 11 -

- (vi) the Secured Party may retain the Collateral in satisfaction of the Obligations upon notice to the Debtor of its intention to do so in the manner required by law; and
  - (vii) Secured Party may borrow money on the security of the Collateral for the purpose of the carrying on of the business of the Debtor or for the maintenance, preservation, protection or realization of the Collateral in priority to the security interest, assignment and mortgage and charge granted by this Agreement.
- (b) The Debtor further agrees with the Secured Party that:
- (i) the Secured Party shall not be liable or responsible for any failure to seize, collect, realize, sell or obtain payment of the Collateral and shall not be bound to institute proceedings or to take other steps for the purpose of seizing, collecting, realizing or obtaining possession or payment of the Collateral or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of the Collateral;
  - (ii) the Secured Party may grant extensions of time, take, abstain from taking and perfecting and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the liability of the Debtor to the Secured Party or to the Secured Party's rights hereunder;
  - (iii) to facilitate the realization of the Collateral, the Secured Party may enter upon, occupy and use all or any of the premises, buildings and plant occupied by the Debtor and use all or any of the Equipment and other personal property of the Debtor and carry on the business of the Debtor for such time as the Secured Party requires, free of charge, and the Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, charges, depreciation or damages in connection with such actions;
  - (iv) the Secured Party may charge on its own behalf and pay to others all reasonable amounts for expenses incurred and for services rendered in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral including, without limiting the generality of the foregoing, reasonable legal, Receiver and accounting fees and expenses, and in every such case the amount so paid together with all costs, charges and expenses incurred in connection therewith shall be added to and form part of the Obligations hereby secured;

- 12 -

- (v) the Secured Party may discharge any claim, lien, mortgage, charge, security interest, encumbrance or any rights of others that may exist or be threatened against the Collateral, and in every such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations hereby secured;
- (vi) the Secured Party shall not be liable or accountable for any failure to realize or otherwise deal with the Collateral or any part thereof and shall not be bound to institute proceedings for the purpose of effecting any of the foregoing or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person in respect of the Collateral; and
- (vii) any proceeds of realization of the Collateral may be applied by the Secured Party to the payment of expenses in connection with the preservation and realization of the Collateral as above described and any balance of such proceeds shall be applied by the Secured Party to payment of the Obligations in such order as the Secured Party may see fit; if there is any surplus remaining, it shall be paid to any person having a claim thereto in priority to the Debtor of whom the Secured Party has knowledge and any balance remaining shall be paid to the Debtor; if the disposition of the Collateral fails to satisfy the Obligations secured by this Agreement and the aforesaid expenses, the Debtor shall be liable to pay any deficiency to the Secured Party forthwith on demand.

## ARTICLE 7 - GENERAL

### 7.1 Benefit of the Agreement

This Agreement shall be binding upon the successors and permitted assigns of the Debtor and shall benefit the successors and assigns of the Secured Party. If there is more than one Debtor named herein, the term "Debtor" shall mean all and each of them, their obligations under this Agreement shall be joint and several, the Obligations shall include those of all or any one of them and no Debtor shall have any right of subrogation, exoneration, reimbursement or indemnity whatsoever and no right of recourse to the Collateral for the Obligations hereunder unless and until all of the Obligations have been paid or performed in full.

### 7.2 Entire Agreement

The Obligations shall be paid and the rights of the Secured Party under the Agreement shall be assignable free from all rights of set-off or counterclaim or equities existing or arising in the future between the Debtor and the Secured Party. This Agreement, including any schedule now or hereafter annexed hereto, constitutes the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Secured Party and the Debtor except as expressly set forth herein or as otherwise agreed in writing.

- 13 -

**7.3 No Waiver**

No delay or failure by the Secured Party in the exercise of any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude the other or further exercise thereof or the exercise of any other right. No act or omission of the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent default of the Debtor or the rights of the Secured Party resulting therefrom.

**7.4 Partial Invalidity**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. To the extent permitted by applicable law the parties hereby waive any provision of law that renders any provision hereof prohibited or unenforceable in any respect.

**7.5 Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and may be given by personal delivery, registered mail or by facsimile transmission, addressed to the recipient as follows:

To the Debtor:                                 16 McAdam Avenue  
  Unit 904  
  Toronto, Ontario  
  M6A 0B9

- and -

To the Secured Party:                       25 Sheppard Avenue West  
  Suite 710  
  Toronto, Ontario  
  M2N 6S6

Fax: (416) 733-5616

or such other address, electronic communication number or to the attention of such other individual as may be designated by notice by any party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the third day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the next business day if given after normal business hours on any day. If the party giving any communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

**7.6 Modification; Assignment**

This Agreement may not be amended or modified in any respect except by written instrument signed by all parties. The rights of the Secured Party under this Agreement may be assigned by the Secured Party without the prior consent of the Debtor. The Debtor may not assign its obligations under this Agreement.

**7.7 Additional Continuing Security**

This Agreement and the security interest, assignment and mortgage and charge granted hereby are in addition to and not in substitution for any other security now or hereafter held by the Secured Party and this Agreement is a continuing agreement and security that shall remain in full force and effect until discharged by the Secured Party. The taking of any action or proceedings or refraining from so doing, or any other dealing with any other security for the Obligations or any part thereof, shall not release or affect the security interest created by this Agreement.

**7.8 Discharge**

The Debtor shall not be discharged from any of the Obligations or from this Agreement except by a release or discharge signed in writing by the Secured Party.

**7.9 Governing Law**

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

**7.10 Further Assurances**

The Debtor shall at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all and singular every such further acts, deeds, conveyances, instruments, transfers, assignments, security agreements and assurances as the Secured Party may reasonably require in order to give effect to the provisions and purposes of this Agreement including, without limitation, in respect of the Secured Party's enforcement of the security and its realization on the Collateral, and for the better granting, transferring, assigning, charging, setting over, assuring, confirming and/or perfecting the security interest of the Secured Party in the Collateral pursuant to this Agreement. The Debtor hereby constitutes and appoints any officer of the Secured Party, or any Receiver appointed by the Court or the Secured Party as provided herein, the true and lawful attorney of the Debtor irrevocably with full power of substitution to do, make and execute all such assignments, documents, acts, matters or things with the right to use the name of the Debtor whenever and wherever it may be deemed necessary or expedient. The Debtor hereby authorizes the Secured Party to file such proofs of claim and other documents as may be necessary or advisable in order to prove its claim in any bankruptcy, proposed winding-up or other proceeding relating to the Debtor.

**7.11 Executed Copy**

The Debtor acknowledges receipt of a fully executed copy of this Agreement.

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

**10268054 CANADA CORP.**

Per: 

Name: Temitope Olowolafe

Title: President

I have the authority to bind the Corporation.



- 16 -

### **SCHEDULE "A"**

**1. Location of Principal Place of Business and Location of Business records:**

16 McAdam Avenue, Unit 904  
Toronto, Ontario  
M6A 0B9

**2. Locations of Collateral**

a) 16 McAdam Avenue, Unit 904  
Toronto, Ontario  
M6A 0B9

b) certain lands and premises municipally known as certain lands and premises municipally known as 184-188 Salem Road, Ajax, Ontario, formerly known as 135 Mandrake Street, Ajax, Ontario and legally described as follows:

**PIN: 26453-0695 (LT)**

Block 91, Plan 40M1378, save & except Parts 1 & 2, Plan 40R21864, Ajax, Regional Municipality of Durham

In the Land Titles Division of Durham Region Registry Office (No. 40)

THIS IS **EXHIBIT " F"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi

## GUARANTEE AND POSTPONEMENT OF CLAIM

### TO: CENTURION MORTGAGE CAPITAL CORPORATION

FOR VALUABLE CONSIDERATION, receipt whereof is hereby acknowledged, the undersigned and each of them (if more than one) hereby jointly and severally:

- (a) guarantee(s) payment on demand to **CENTURION MORTGAGE CAPITAL CORPORATION** (hereinafter called the "**Lender**") of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by **10268054 Canada Corp.** (hereinafter called the "**Customer**") to the Lender or remaining unpaid by the Customer to the Lender heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Lender and the Customer or by or from any agreement or dealings with any third party by which the Lender may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside the country where this guarantee is executed and whether the Customer be bound alone or with another or others and whether as principal or surety (such debts and liabilities being hereinafter called the "**liabilities**"); together with interest thereon from the date of demand for payment at a rate equal to the greater of (a) 8.00% per annum and (b) 4.30% above the Prime Rate; with such interest to be calculated daily and compounded and payable monthly, as well after as before default and judgment.

For the purposes hereof "**Prime Rate**" shall mean the annual rate of interest charged from time to time by the Main Branch in Toronto of Royal Bank of Canada for demand loans in Canadian dollars to its most creditworthy commercial borrowers; and

- (b) covenant(s) and agree(s) to observe and perform without the necessity of any demand being made all other covenants and obligations of the Customer to the Lender under the commitment letter from the Lender to the Customer dated October 15, 2018, as the same may be amended, restated, replaced or superseded from time to time (the "**Commitment Letter**") and all security executed and delivered by the Customer pursuant thereto, as and when the same are required to be observed or performed thereunder (collectively, the "**Guaranteed Covenants**").

The obligations of the Customer to pay the liabilities and perform and observe the Guaranteed Covenants are hereinafter collectively referred to as the "**Guaranteed Obligations**".

AND THE UNDERSIGNED AND EACH OF THEM (IF MORE THAN ONE) HEREBY JOINTLY AND SEVERALLY AGREE(S) WITH THE LENDER AS FOLLOWS:

(1) The Lender may grant time, renewals, extensions, indulgences, releases and discharges to, take securities (which word as used herein includes securities taken by the Lender from the Customer and others, monies which the Customer has on deposit with the Lender, other assets of the Customer held by the Lender in safekeeping or otherwise, and other guarantees) from and give the same and any or all existing securities up to, abstain from taking securities from, or perfecting securities of, cease or refrain from giving credit or making loans or advances to, or change any term or condition applicable to the liabilities, including without limitation, the rate of interest or maturity date, if any, or introduce new terms and conditions with regard to the liabilities, or accept compositions from and otherwise deal with, the Customer and others and with all securities as the Lender may see fit, and may apply all moneys at any time received from the Customer or others or from securities upon such part of the liabilities as the Lender deems best and change any such application in whole or in part from time to time as the Lender may see fit, the whole without in any way limiting or lessening the liability of the undersigned under this guarantee, and no loss of or in respect of any securities received by the Lender from the Customer or others, whether occasioned by the fault of the Lender or otherwise, shall in any way limit or lessen the liability of the undersigned under this guarantee.

(2) This guarantee shall be a continuing guarantee and shall cover all the liabilities, and it shall apply to and secure any ultimate balance due or remaining unpaid to the Lender.

(3) The Lender shall not be bound to exhaust its recourse against the Customer or others or any securities it may at any time hold before being entitled to payment and performance from the undersigned of the Guaranteed Obligations. The undersigned renounce(s) to all benefits of discussion and division.

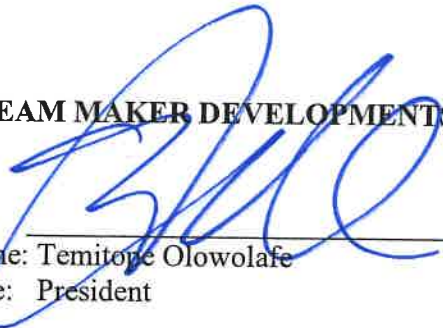
- (4) The undersigned shall not be entitled to terminate its liability under this guarantee while the Customer remains obligated to the Lender in respect of any Guaranteed Obligations. This guarantee will automatically terminate upon payment in full of the liabilities.
- (5) All indebtedness and liability, present and future, of the Customer to the undersigned or any of them are hereby assigned to the Lender and postponed to the liabilities, and all moneys received by the undersigned or any of them in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the undersigned under the foregoing guarantee; and this assignment and postponement is independent of the said guarantee and shall remain in full effect notwithstanding that the liability of the undersigned or any of them under the said guarantee may be extinct.
- (6) This guarantee and agreement shall not be affected by the death or loss or diminution of capacity of the undersigned or any of them or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital structure or constitution of the Customer, or by the Customer's business being amalgamated with a corporation, but shall notwithstanding the happening of any such event continue to apply to all the liabilities whether theretofore or thereafter incurred or arising and in this instrument the word "Customer" shall include every such firm and corporation.
- (7) This guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Lender, and all dividends, compositions, proceeds of security valued and payments received by the Lender from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the undersigned to claim in reduction of the liability under this guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Lender or proceeds thereof, and the undersigned shall have no right to be subrogated in any rights of the Lender until the Lender shall have received payment in full of the liabilities.
- (8) All monies, advances, renewals, credits and credit facilities in fact borrowed or obtained from the Lender shall be deemed to form part of the liabilities, notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents of the Customer, or that the Customer may not be a legal or suable entity, or any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals, credits or credit facilities, or any other reason, similar or not, the whole whether known to the Lender or not. Any sum which may not be recoverable from the undersigned on the footing of a guarantee, whether for the reasons set out in the previous sentence, or for any other reason, similar or not, shall be recoverable from the undersigned and each of them as sole or principal debtor in respect of that sum, and shall be paid to the Lender on demand with interest and accessories.
- (9) This guarantee is in addition to and not in substitution for any other guarantee, by whomsoever given, at any time held by The Lender, and any present or future obligation to the Lender incurred or arising otherwise than under a guarantee, of the undersigned or any of them or of any other obligant, whether bound with or apart from the Customer; excepting any guarantee surrendered for cancellation on delivery of this instrument.
- (10) The undersigned and each of them shall be bound by any account settled between the Lender and the Customer, and if no such account has been so settled immediately before demand for payment under this guarantee any account stated by the Lender shall be accepted by the undersigned and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Lender or remains unpaid by the Customer to The Lender.
- (11) Possession of this guarantee by the Lender shall be conclusive evidence against the undersigned that this guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

- (12) No suit based on this guarantee shall be instituted until demand for payment has been made, and demand for payment shall be deemed to have been effectually made upon any guarantor if and when an envelope containing such demand, addressed to such guarantor at the address of such guarantor last known to the Lender, is posted, postage prepaid, in the post office, and in the event of the death of any guarantor demand for payment addressed to any of such guarantor's heirs, executors, administrators or legal representatives at the address of the addressee last known to the Lender and posted as aforesaid shall be deemed to have been effectually made upon all of them. Moreover, when demand for payment has been made, the undersigned shall also be liable to the Lender for all legal costs (on a solicitor and own client basis) incurred by or on behalf of the Lender resulting from any action instituted on the basis of this guarantee. All payments hereunder shall be made to the Lender.
- (13) This instrument covers all agreements between the parties hereto relative to this guarantee and assignment and postponement, and none of the parties shall be bound by any representation or promise made by any person relative thereto which is not embodied herein.
- (14) This guarantee and agreement shall extend to and enure to the benefit of the Lender and its successors and assigns, and every reference herein to the undersigned or to each of them or to any of them, is a reference to and shall be construed as including the undersigned and the heirs, executors, administrators, legal representatives, successors and assigns of the undersigned or of each of them or of any of them, as the case may be, to and upon all of whom this guarantee and agreement shall extend and be binding.
- (15) This Guarantee and Postponement of Claim shall be governed by and construed in accordance with the laws of the Province of Ontario (the "**Jurisdiction**"). The undersigned irrevocably submits to the courts of the Jurisdiction in any action or proceeding arising out of or relating to this Guarantee and Postponement of Claim, and irrevocably agrees that all such actions and proceedings may be heard and determined in such courts, and irrevocably waives, to the fullest extent possible, the defense of an inconvenient forum. The undersigned agrees that a judgment or order in any such action or proceeding may be enforced in other jurisdictions in any manner provided by law. Provided, however, that the Lender may serve legal process in any manner permitted by law or may bring an action or proceeding against the undersigned or the property or assets of the undersigned in the courts of any other jurisdiction.
- (16) If, for any reason whatsoever, any term, covenant or condition of this Guarantee and Postponement of Claim or the application thereof to any party or circumstance is held or rendered invalid, unenforceable or illegal to any extent, then such term, covenant or condition:
- (a) is and shall be deemed to be independent of the remainder of this Guarantee and Postponement of Claim, to be severable and divisible herefrom and such invalidity, unenforceability or illegality shall not affect, impair or invalidate the remainder of this Guarantee and Postponement of Claim or any part hereof; and
  - (b) continues to be applicable to and enforceable to the fullest extent permitted by law against any party and circumstances other than those as to which it has been held or rendered invalid, unenforceable or illegal.
- (17) The Undersigned hereby acknowledges receipt of a copy of this agreement.
- (18) The Undersigned hereby waives Undersigned's right to receive a copy of any Financing Statement or Financing Change Statement registered by the Lender.
- (19) This Guarantee and Postponement of Claim may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.
- (20) This Guarantee and Postponement of Claim may be executed and delivered by facsimile, email or other form of electronic transmission and shall have the same legally binding effect as if it were an original executed instrument.

**SIGNATURES TO APPEAR ON THE FOLLOWING PAGE**

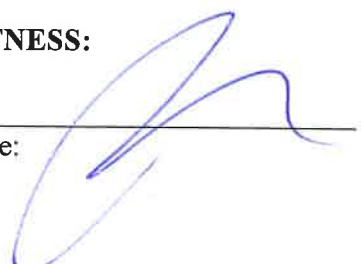
GIVEN UNDER SEAL at Toronto this 11 / 29 / 2018  
(MONTH) (DAY) (YEAR)

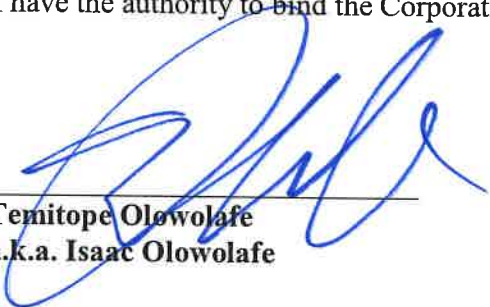
**DREAM MAKER DEVELOPMENTS INC.**

Per:   
Name: Temitope Olowolafe  
Title: President

I have the authority to bind the Corporation.

**WITNESS:**

Name: 

  
Temitope Olowolafe  
a.k.a. Isaac Olowolafe

Insert the full name and address of guarantor (Undersigned above).

Full name and address
For Dream Maker Developments Inc.: 16 McAdam Avenue, Unit 904, Toronto, Ontario M6A 0B9
For Temitope Olowolafe: 9 Aidan Drive, Woodbridge, Ontario L4H 0T5

THIS IS **EXHIBIT " G"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc. Notary Public*

---

Samuel Mosonyi

## ASSIGNMENT OF AGREEMENTS OF PURCHASE AND SALE

This Agreement is made as of the 19<sup>th</sup> day of November, 2018.

**B E T W E E N:**

**10268054 CANADA CORP.**

OF THE FIRST PART,

and

**CENTURION MORTGAGE CAPITAL CORPORATION**

OF THE SECOND PART.

FOR VALUE RECEIVED, the parties agree as follows:

### SECTION 1 — DEFINITIONS

#### 1.1 Defined Terms

- (1) *Assigned Rights* has the meaning set forth in Section 3.1;
- (2) *Borrower* means 10268054 Canada Corp.;
- (3) *Charge* means the Charge/Mortgage of the Lands issued by the Borrower to the Lender in the principal amount of \$17,500,000.00 registered or to be registered in the Land Titles Division of the Durham Region Registry Office (No. 40);
- (4) *Condominium Project* means the construction of 42 stacked townhouse units, approximately 39,084 square feet of net saleable area and 49 above grade parking spaces on the Lands;
- (5) *Default* means the occurrence of any default by the Borrower of obligations under the Loan Agreement, the Security or this agreement;
- (6) *Deposit and Deposits* means each deposit and all deposits paid or arising out of each and any Purchase Agreement;
- (7) *Indebtedness* means all present and future indebtedness, liability and obligations, absolute and contingent, direct or indirect, matured or unmatured, liquidated or unliquidated, now or hereafter owing by the Borrower to the Lender whether pursuant to the Loan Agreement, the charge, any note or otherwise;
- (8) *Lands* means the lands and premises described in Schedule "A" hereto now owned or hereafter acquired from time to time by the Borrower;
- (9) *Lender* means Centurion Mortgage Capital Corporation;
- (10) *Loan Agreement* means the agreement between the Lender and the Borrower dated the 15<sup>th</sup> day of October, 2018, pertaining to the financing of the Project on the Lands as the same may be further supplemented, amended, replaced, restated or superseded from time to time;
- (11) *Occupancy Payment* means each and every occupancy payment paid or due and payable under each and any Purchase Agreement;
- (12) *Person* means an individual, partnership, corporation, trust or unincorporated organization and includes a government or agency or political subdivision thereof;
- (13) *Project* means the Condominium Project;



(14) **Purchase Agreements** means each and every present and future agreement of purchase and sale in respect of the Lands or part thereof including without limitation all agreements of purchase and sale with each unit purchaser in respect of the Condominium Project; and

(15) **Security** means all the security contemplated by the Loan Agreement, including without limitation, the Charge and any notes which might be required.

## **SECTION 2 – CONSIDERATION**

### **2.1 Security**

The parties hereto agree as hereinafter set out in consideration of the premises and the Indebtedness and other good and valuable consideration and the sum of TWO (\$2.00) DOLLARS paid by the Lender to the Borrower, the receipt and sufficiency whereof is hereby acknowledged.

## **SECTION 3 - ASSIGNMENT**

### **3.1 Assignment**

As security for payment of the Indebtedness and performance by the Borrower of its obligations to the Lender pursuant to the Loan Agreement and the Security, the Borrower hereby assigns, transfers and sets over to the Lender and grants to the Lender a security interest in and to and the full benefit of:

- (1) the Purchase Agreements;
- (2) the Deposits;
- (3) the Occupancy Payments;

and each and every one of them, and any amendment, extension, renewal and replacement which have been made or may hereafter be made thereto, including, without limitation,

- (a) all rights, benefits, powers and advantages which now are or may hereafter be derived therefrom;
- (b) all debts, demands, choses in action and claims which are now or may hereafter be or become due, owing or accruing due to the Borrower therefrom; and
- (c) all books, accounts, invoices, letters, papers and documents in any way evidencing or relating thereto,

all of the foregoing (together with the proceeds therefrom) being sometimes hereinafter collectively referred to as the “Assigned Rights” and individually as an “Assigned Right”.

The Lender hereby confirms that the security interest granted to the Lender above in respect to Section 3.1 (2) hereof (the Deposits) is subject to any prior security interest in the Deposits in favour of Westmount Guarantee.

### **3.2 Separate Assignments**

Each of the agreements and other rights, privileges and interest of every kind comprised in the Assigned Rights shall be deemed to be the subject of a separate and individual assignment by the provisions hereof. The Lender may exercise all rights hereunder in respect of each Assigned Right separately and whether or not the Lender in its discretion exercises its rights in respect of any or all of the other Assigned Rights.

### **3.3 Performance by Lender**

Nothing herein shall obligate the Lender to assume or perform any obligation of the Borrower to any third party in respect or arising out of the Assigned Rights or any of them and the Borrower hereby agrees to indemnify and save harmless the Lender from any and all claims of such third parties. The Lender may, however, at its option assume or perform any such obligations which the Lender considers necessary or desirable to obtain the benefit of any Assigned Right free of any set-off, deduction or abatement and any money so expended by the Lender shall form part of the Indebtedness and bear interest at the maximum rate from time to time applicable to any part of the outstanding balance of the Indebtedness.

### **3.4 Where Consent Required**

Nothing herein shall constitute an assignment or attempted assignment of any right, privilege, benefit, contract, permit, policy or other document or instrument which by the provisions thereof or by law is not assignable or which requires the consent of any other party to its assignment who is not a party hereto or whose consent is not obtained. In each such case the Borrower shall, unless the Lender otherwise agrees in writing, forthwith attempt to obtain the consent of any such necessary other party to its assignment and to its further assignment by the Lender to any other party who may acquire same as a result of the Lender's exercise.

### **3.5 Pending Consent**

In any case to which Section 3.4 applies, unless and until consent to assignment is obtained as therein provided, the Borrower shall, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived therefrom in trust for the Lender as additional security for payment of the Indebtedness and shall deliver up all such benefit to the Lender forthwith upon demand by the Lender.

### **3.6 Need for Consent**

Without limiting the effect of Sections 3.4 or 3.5 hereof in any case to which they now or hereafter apply, the Borrower represents to the Lender that none of the Assigned Rights in existence on the date hereof is incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is any one of the Assigned Rights incapable of assignment to the Lender in accordance with the provisions of this Agreement, nor is any one of the Assigned Rights incapable of further assignment by the Lender or by any receiver or receiver and manager after Default, nor is the consent of any third party required for any such assignment; and the Borrower covenants with the Lender that no Assigned Right will be hereafter acquired, obtained or agreed to by the Borrower which is not assignable and assigned to the Lender in accordance with the provisions hereof or which is incapable of further assignment by the Lender or any receiver or receiver and manager after Default, or which requires the consent of any third party to any such assignment.

### **3.7 Re-Assignment at Lender's Option**

The Lender may at any time, in its sole discretion, and whether or not Default has occurred, without further request or agreement by the Borrower, re-assign to the Borrower, its successors or assigns, any or all of the Assigned Rights, by an instrument of re-assignment in writing executed by the Lender and delivered to the Borrower, or such successor or assign. Such instrument shall, upon delivery, constitute a good and sufficient re-assignment of all the Lender's right, title and interest in and benefit of the Assigned Right or Assigned Rights to which it pertains and a release and termination of all obligations (if any) of the Lender with respect thereto. The Lender may, but shall not be obligated to, notify any other party of the re-assignment. The Lender shall not by such re-assignment give any express or implied representation or warranty to the Borrower with respect to the Assigned Right or Assigned Rights or anything related thereto.

### **3.8 Continuing Security**

This Agreement, although absolute and intended so to be, shall be held by the Lender as continuing security for the payment of the Indebtedness and the performance by the Borrower of all its obligations to the Lender pursuant to the Loan Agreement, the Security, this agreement, and any other security for payment of the Indebtedness held at any time by the Lender, and upon satisfaction of the Indebtedness and the performance of all such obligations shall, at the Borrower's expense, be re-assigned to the Borrower.

### **3.9 Service; Registration**

The Lender shall have the right at any time to serve this Agreement or notice thereof on any one or more of the parties to any of the Assigned Rights. The Lender shall also have the right at any time and without notice to any party to cause this Agreement or notice thereof to be registered or filed in any place or office where the Lender or its counsel deem advisable or necessary.

### **3.10 Copies**

The Borrower will, forthwith after receipt of same, furnish to the Lender a copy of any notice, demand, claim or request given or required to be given to any other party or parties to an Assigned Right or received by the Borrower from any such party relating to any Assigned Right and shall, forthwith after execution thereof, deliver to the Lender a true copy of any agreement or other document relating to an Assigned Right.

### **3.11 Bona Fides**

The Borrower shall not execute or enter into any Assigned Right unless such Assigned Right is entered into in accordance with good business practice, is at arm's length or made on an arm's length basis and in good faith and is in the best interests of the Project and is made on such terms as a prudent owner of comparable property would accept in the circumstances having regard to all relevant factors.

## **SECTION 4 - ACKNOWLEDGEMENTS, COVENANTS, REPRESENTATIONS AND WARRANTIES OF THE BORROWER**

### **4.1 Survival**

The Borrower acknowledges that the Lender is relying on the covenants, representations and warranties herein contained and agrees that such covenants, representations and warranties shall survive the execution and delivery of this Agreement.

### **4.2 Capacity**

The Borrower has full capacity, power and authority to enable it to enter into the Assigned Rights and this Agreement and to carry out its obligations thereunder and to carry on its business as now conducted.

### **4.3 Title**

The Borrower covenants that subject only to this Agreement, and the right, title and interest of the Lender in the Assigned Rights, so long as any Indebtedness is outstanding, the Borrower will be the sole legal and beneficial owner of the entire interest in the Assigned Rights conferred on it by the existence or provisions thereof and will have full right to assign them and each of them to the Lender; that there will be no previous or other assignment thereof save and except to a Lender(s) expressly permitted in the Loan Agreement; that the Assigned Rights will be valid and enforceable in accordance with their terms and not subject to defences, set-offs or counterclaims against the Borrower.

### **4.4 Acknowledgement**

The Borrower acknowledges that neither this Agreement nor the assignment set out herein:

- (1) shall in any way lessen or relieve the Borrower from the obligation of the Borrower to observe, satisfy and perform each and every term, agreement, provision, condition, obligation and covenant set out in the Assigned Rights;
- (2) imposes any obligation on the Lender to assume any liability or obligation under, or to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in the Assigned Rights;
- (3) imposes any liability on the Lender for any act or omission on its part in connection with this Agreement including, without limitation, the fulfilment or non-fulfilment by the Lender of the obligations, covenants and agreements of the Borrower set out in any of the Assigned Rights hereby assigned; and
- (4) obligates the Lender to give notice of this Agreement to any person, firm or corporation whatsoever; provided that the Lender may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Borrower.

#### 4.5 Positive Covenants

The Borrower covenants and agrees:

- (1) if so required by the Lender, to execute and deliver to the Lender specific assignments in form satisfactory to the Lender or its counsel of any specific Assigned Rights;
- (2) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in the Assigned Rights;
- (3) to deliver to the Lender a copy of all written notices, demands or requests given under, in connection with or pursuant to the Assigned Rights that are:
  - (a) received by the Borrower, forthwith upon receipt of same, and
  - (b) delivered by the Assignor, contemporaneously with the delivery of same;
- (4) to indemnify and save the Lender 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 Lender in connection with, on account of or by reason of:
  - (a) the assignment to the Lender of the Assigned Rights or any part thereof;
  - (b) any alleged obligation of the Lender to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Assigned Rights;
  - (c) any failure of the Borrower to observe, perform or satisfy each and every term, agreement, provision, condition, obligation and covenant set out in this Agreement;
  - (d) any representation and warranty set out in this Agreement being or becoming false or inaccurate; and
  - (e) the enforcement by the Lender of any of the assignments constituted by this Agreement as a result of any breach by the Borrower or any of its obligations hereunder or under any other related security documents or of any default by the Borrower of any payment hereby secured;
- (5) to notify the Lender in writing as soon as the Borrower becomes aware of any dispute, claim, proceeding or litigation in respect of any of the Assigned Rights or of any breach or default by the Borrower 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 any of the Assigned Rights;
- (6) to obtain such consent from third parties as may be necessary or required pursuant to any of the Assigned Rights in connection with the assignments constituted by this Agreement and, in addition, such other consents from third parties as the Lender may require or desire; and
- (7) unless a court of competent jurisdiction determines otherwise, that it will pay or cause to be paid to the Lender or pursuant to the Lender'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 Lender in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:
  - (a) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;
  - (b) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;

- (c) the collection, disposition, realization preservation or enforcement of the Assigned Rights including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Assigned Rights;
- (d) any action or other proceeding instituted by the Borrower, the Lender or any other person, firm or corporation in connection with or in any way relating to:
  - (i) this Agreement or any part hereof;
  - (ii) the preservation, protection, enforcement or realization of the Assigned Rights; or
  - (iii) the recovery of the Indebtedness; and
- (e) all amounts incurred or paid pursuant to Section 5;

together with interest thereon from the date of the incurring of such expenses at the maximum rate from time to time applicable to any part of the outstanding balance of the Indebtedness. Whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Lender under this Section shall be added to the Indebtedness.

#### **4.6 Negative Covenants**

The Borrower covenants and agrees that it shall not:

- (1) sell, assign, transfer or dispose of the Assigned Rights or any part thereof nor do, nor permit to be done, any act or thing whereby the Lender may be prevented or hindered from so doing;
- (2) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Assigned Rights or any part thereof except as may be expressly permitted in the Loan Agreement;
- (3) cancel or terminate any of the Assigned Rights or any part thereof;
- (4) waive, amend, modify or vary any of the terms, conditions or provisions set out in the Assigned Rights or any part thereof, or otherwise agree or consent to any waiver, amendment, modification or variation of any of them, whether by way of collateral agreement or otherwise;
- (5) waive or agree to waive any failure of any party to any of the Assigned Rights to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Assigned Rights or any part thereof;
- (6) give any consent or approval contemplated by, or required or permitted to be given pursuant to, any of the Assigned Rights or any part thereof; or
- (7) settle or resolve any dispute;

without the prior written consent of the Lender which consent may be withheld at the complete and untrammelled discretion of the Lender. Providing that nothing herein contained shall prohibit the Borrower from waiving, amending, modifying or varying any of the Assigned Rights in a non-material manner.

### **SECTION 5— DEFAULT**

#### **5.1 Until Default**

Until Default, the Borrower shall, except as provided by the Loan Agreement, the Security, or this Agreement be entitled to receive all amounts payable pursuant to any of the Assigned Rights and to exercise its rights with respect thereto.

#### **5.2 General Remedies**

Upon Default, the Lender, any receiver and any receiver and manager appointed by the Lender or a court of competent jurisdiction, or any of them, shall have, in addition to and without

limiting any other remedy available to them, all the remedies provided herein in respect of the Assigned Rights. In addition, the Lender shall have all other remedies provided by the *Personal Property Security Act*. For purposes of such statute the Lender shall have a security interest in the Assigned Rights and this Agreement shall constitute a security agreement.

### **5.3 Collection**

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

### **5.4 Forbearance**

If the Lender elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Borrower any such right, this Agreement shall not be terminated but shall remain in full force and effect until the Indebtedness is paid in full, it being the intent of the parties that the Lender shall, from time to time upon the occurrence of any Default pursuant to this Agreement, have all the rights granted hereby.

### **5.5 Exercise of Remedies**

No delay or omission on the part of the Lender in the exercise of any remedy shall operate as a waiver thereof. The remedies available to the Lender pursuant to this Agreement shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and pursuant to the Loan Agreement and the Security. The said remedies shall be cumulative and not alternative, may be pursued separately or jointly and, successively or together against the Borrower and the Assigned Rights or any or all of them at the sole discretion of the Lender and may be exercised as often as occasion therefor shall arise.

### **5.6 Application of Proceeds**

The Lender shall be entitled to apply all monies received pursuant to the Assigned Rights in such order as the Lender may reasonably determine to reduce or pay the Indebtedness and also to pay any and all sums, monies, costs, charges and expenses incurred by the Lender in the exercise of any of its rights pursuant to the Loan Agreement and the Security and all reasonable expenses for the care and management of the Project, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and collecting rents, and the reasonable expenses and fees of all solicitors and agents reasonably necessary to exercise the powers granted to the Lender hereunder. The receipt by the Lender of any amount pursuant to this Agreement after a Default and the exercise of any remedies provided by the Loan Agreement and the Security shall not cure such Default or affect or prejudice the exercise of such remedies.

### **5.7 Limitation of Lender's Obligations**

The Lender's obligations as to amounts actually collected shall be discharged by the application of such amounts for any of the purposes described in this Agreement. The Lender shall not be liable for uncollected amounts or for any claim for damages or set-off arising from the Lender's management of the Project. The Lender shall not by reason of this Agreement or the exercise of any right granted herein be responsible for any act committed by the Borrower, or any breach or failure to perform by the Borrower with respect to any of the Assigned Rights. Nothing contained herein shall be deemed to have the effect of making the Lender a mortgagee in possession of the Lands or any part thereof. The Borrower covenants and agrees to perform each and every obligation under the Assigned Rights and agrees to indemnify and hold the Lender free and harmless from and against any loss, cost, liability or expense (including, but not limited to, solicitor's fees and disbursements) resulting from any failure of the Borrower to perform its obligations thereunder.

### **5.8 Cure of Default**

The Lender shall have the right, but shall not be obligated, at any time to take, in its name or in the name of the Borrower, or otherwise, such actions as the Lender, acting reasonably, may at any time or from time to time determine to be necessary or desirable to cure any default of the

Borrower under the Assigned Rights, and, in so doing, the Lender shall not incur any liability to the Borrower if any action taken by it or on its behalf in good faith shall prove to be in whole or in part inadequate or invalid and the Borrower shall hold the Lender free and harmless from and against any loss, cost, liability or expense (including, but not limited to, reasonable solicitors' fees and disbursements) incurred by the Lender in connection with such action or actions.

### **5.9 Enforce Assigned Rights**

Upon Default the Lender or any receiver or receiver and manager appointed by the Lender or by a court of competent jurisdiction may from time to time and at any time, in its own name and in the name of the Borrower and without notice to the Borrower, do any one or more of the following:

- (1) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to the Assigned Rights or any of them, could or should be observed, performed or satisfied by the Borrower;
- (2) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Assigned Rights, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Borrower including, without limitation, amending or renewing any of the Assigned Rights or participating in all settlement negotiations and arbitration proceedings resulting from a dispute arising out of, in connection with or pursuant to any of the Assigned Rights; and
- (3) collect any proceeds, receipts or income arising from or out of the Assigned Rights including, without limitation, the institution of proceedings, whether in the name of the Borrower or the Lender or both, for the collection of same; and in the event that the Lender does any one or more of the foregoing, for such period of time that the Lender continues to do so, the rights, benefits, powers and advantages of the Assignor with respect thereto shall thereupon be extinguished.

The Borrower acknowledges and agrees that all costs, charges and expenses incurred by or on behalf of the Lender or any receiver or receiver and manager in connection with doing anything permitted in this Section 5 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Borrower to the Lender.

### **5.10 Exercise of Powers**

Where any discretionary powers hereunder are vested in the Lender or its agents, the same may be exercised by an officer, investment manager or manager of the Lender or its appointed agents, as the case may be.

## **SECTION 6—LENDER'S AUTHORITY**

### **6.1 Authority**

The Borrower hereby appoints the Lender to be the true and lawful attorney of the Borrower for and in the name of the Borrower, but for the use and benefit of the Lender, to give notice of this Agreement and of the assignment or re-assignment of any or all Assigned Rights to any person, to demand, recover and enforce payment of all amounts payable in respect of the Assigned Rights, and to enforce observance by any other person of its obligations pursuant to any Assigned Right and for the purposes aforesaid, or any of them, to institute such actions at law or in equity or to take such proceedings by distress or otherwise as the Lender shall from time to time deem fit or proper, and for the purposes aforesaid or any of them, to make, sign and execute any and all documents in the name of the Borrower as the Lender shall deem fit or proper and to accept in the name of the Borrower any re-assignment of any Assigned Rights pursuant to Section 3.7. All such expenses shall be payable by the Borrower to the Lender upon demand, constitute part of the Indebtedness and bear interest at the maximum rate applicable from time to time to any part of the outstanding balance of the Indebtedness. This power of attorney shall be irrevocable so long as the Indebtedness remains outstanding. The Borrower further hereby appoints the Lender as the Borrower's agent to do or undertake any of the things which the Lender may do pursuant to the foregoing power of attorney without any liability to the Lender.

## **6.2 Third Parties**

No person shall be concerned to inquire into the state of the account between the Lender and the Borrower, or whether any Indebtedness remains secured hereby. The Borrower agrees that any other party may rely upon any notice given or purporting to be given by the Lender or on its behalf and no deficiency in form or substance thereof shall affect the validity of such notice. The Borrower hereby waives as against any other party any claims it may otherwise have by reason of the other party's acting on such notice. The Borrower further agrees that no other party shall be required to honour any re-assignment or purported re-assignment or claim to be entitled to a re-assignment of an Assigned Right unless the notice to the other party thereof is duly executed by the Lender. The Lender agrees to provide such re-assignments and notices thereof at the Borrower's expense upon payment in full of the Indebtedness.

## **SECTION 7— INTERPRETATION**

### **7.1 References**

All references to articles, sections, subsections, paragraphs, subparagraphs, clauses and Schedules unless otherwise specified are to articles, sections, subsections, paragraphs, subparagraphs and clauses of and Schedules to this Agreement.

### **7.2 Statutory References**

Any reference in this Agreement to any act or statute or section thereof shall be deemed to be a reference to such act or statute or section as amended or re-enacted from time to time.

### **7.3 Headings**

The insertion of headings are for convenience of reference only and shall not affect the interpretation of this Agreement.

### **7.4 Number and Gender**

Words importing the singular include the plural and vice versa and words importing gender include all genders.

### **7.5 Governing Law**

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

### **7.6 Time of the Essence**

Time shall be of the essence in this Agreement.

### **7.7 Amendment**

No amendment of this Agreement shall be binding unless in writing and signed by the parties.

### **7.8 Waiver**

No waiver by a party of any breach of this Agreement by the other party shall take effect or be binding upon the party unless in writing and signed by the party or shall limit or affect the rights of the party with respect to any other breach.

### **7.9 Severable**

If any provision of this Agreement is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected.

### **7.10 Successors and Assigns**

This Agreement shall be binding upon and enure to the benefit of the parties and their respective successors and permitted assigns.



## SECTION 8— MISCELLANEOUS

### 8.1 Power Coupled with Interest

This agreement confers upon the Lender a power coupled with an interest and cannot be revoked by the Borrower.

### 8.2 After Acquired Property

The Borrower agrees that if and to the extent the Borrower's right, title and interest in any Assigned Right is not acquired until after the delivery of this assignment, this assignment shall nonetheless apply thereto and the security interest of the Lender hereby created shall attach to any such Assigned Right at the same time as the Borrower acquires rights therein, without the necessity of any further assignment or other assurance.

### 8.3 Notices

Any and all notices required or contemplated hereunder shall be delivered addressed to the respective party on whom notice is to be served and delivered to the appropriate address as hereafter set out:

- (1) in the case of the Borrower, addressed to it at

16 McAdam Avenue  
Unit 904  
Toronto, Ontario  
M6A 0B9

and

- (2) in the case of the Lender, addressed to it at

25 Sheppard Avenue West  
Suite 710  
Toronto, Ontario  
M2N 6S6

### 8.4 Further Assurances

Each party shall, from time to time, promptly take such action and execute and deliver such further documents as may be reasonably necessary or appropriate to give effect to the provisions and intent of this Agreement.

### 8.5 Attornment

Each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

### 8.6 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior negotiations and understandings.

The Borrower has executed this Agreement.

**10268054 CANADA CORP.**

Per: 

Name: Temitope Olowolafe

Title: President

I have the authority to bind the Corporation.

**SCHEDULE "A"****Legal Description****PIN: 26453-0695 (LT)**

Block 91, Plan 40M1378, save & except Parts 1 & 2, Plan 40R21864, Ajax, Regional Municipality of Durham

Municipally known as 184-188 Salem Road, Ajax, Ontario, formerly known as 135 Mandrake Street, Ajax, Ontario

In the Land Titles Division of the Durham Region Registry Office (No. 40)

THIS IS **EXHIBIT " H"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc. Notary Public*

---

Samuel Mosonyi























THIS IS **EXHIBIT " I "** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi



---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Tuesday, December 10, 2019 12:44 AM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: IMG\_9154.mov

Hello

No concerns I have been updating you along the way.

During the summer we lost a few weeks while dealing with value engineering on a few items with city that's resolved now.

Since then we have been pushing on finishing services and connection and now dealing with footings in preparation for pouring concrete.

- Is there a concern with the project and/or the sales I should know about?— no issues. We actually sold more units and have lots of interests. Funny enough we were featured on this article yesterday

<https://www.livabl.com/2019/12/commuter-friendly-new-condos-townhomes-gta-go-transit.html>

- Can you send me confirmation of the sale to date with confirmation from your lawyer the fund are still in trust as well as detailing the amounts?

\_\_\_ I will gather for you.

- Why have you not contacted Intrepid?

--- was intending to.

- Is there a reason for the slow pace of construction?

---back to normal now pending weather.

- Do you have a construction schedule you can send me ASAP.

---I will send.

Thanks

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Dec 9, 2019, at 11:31 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

- Is there a concern with the project and/or the sales I should know about?
- Can you send me confirmation of the sale to date with confirmation from your lawyer the fund are still in trust as well as detailing the amounts?
- Why have you not contacted Intrepid?
- Is there a reason for the slow pace of construction?
- Do you have a construction schedule you can send me ASAP.



---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Thursday, January 16, 2020 3:32 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Update

I know. I am on it.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jan 16, 2020, at 3:28 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

If he has what he needs this week then we should be able resolve this but I am quickly going to lose control of this file.

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T (416) 733-5629  
M (416) 624-0651

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Thursday, January 16, 2020 3:25 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Update

Hello

Not sure I understand? We were in communication with Vincent like 2 days ago and mentioned we are gathering items.

Should have it for him tomorrow.

Thanks

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jan 16, 2020, at 3:17 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, I had my meeting today with management and the tone was very concerned. I have been advised that they believe the lack of reporting and perceived progress on this file is a major issue. I understand from Vince he has not received a reply from you on the project. I have reached out to legal counsel and unless we have some reporting and insight to the project budget, timeline and progress I believe we are going to have to demand on this loan.

Your prompt attention to this matter is appreciated,

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T (416) 733-5629  
M (416) 624-0651

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Tuesday, January 14, 2020 2:51 AM  
**To:** Vincent Chung <[vchung@intrepidqs.com](mailto:vchung@intrepidqs.com)>; Jason Rojas <[rojas@intrepidqs.com](mailto:rojas@intrepidqs.com)>  
**Subject:** [EXTERNAL] Update

Hello

Attached are statdec.  
No new contracts signed.  
HST owed by CRA will be HST component of the budget used. But will confirm from accountant  
Waiting on lawyer for deposit trust account. / sales sheet.

Thank you.

<image001.jpg>

<image002.jpg>

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)







---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Wednesday, February 5, 2020 3:42 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Mandrake Ajax

Ok.

I will work towards that payment

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Feb 5, 2020, at 1:35 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

I am not sure what you are asking but I would say making the March 1<sup>st</sup> interest payment is independent of any other details. Once the budget is solved and construction is commencing we could re-capitalize the interest.

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T (416) 733-5629  
M (416) 624-0651

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Wednesday, February 5, 2020 12:28 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Mandrake Ajax

Is that after making all other arrangements?

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Feb 5, 2020, at 9:51 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, Can you please confirm that you can make the march 1<sup>st</sup> payment? The interest amount to be paid on March 1<sup>st</sup> is \$55,234.08.

Regards,

Ryan Buzzell  
 Director, Mortgage Investments and Joint Ventures  
 Licence no: M14000856  
 T (416) 733-5629  
 M (416) 624-0651

---

**From:** Ryan Buzzell  
**Sent:** Tuesday, February 4, 2020 4:00 PM  
**To:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Subject:** RE: [EXTERNAL] Re: Mandrake Ajax

Isaac, we can discuss mitigating the increase by deferring additional costs but I see 3 key issues:

1. We need to be current pay for March 1 -The project has been stalled and we cannot continue to accrue interest while we wait for construction to resume a normal pace.
2. I need to fully understand why we are moving so slow and have a demonstrated understand how/why it is going to complete in a reasonable time frame.
3. If we are going to mitigate the budget increase with deferred costs I would need to make sure they are deferred until I am fully repaid. Please note we have already credited \$450K in deferred costs which we cannot double count.

Ryan Buzzell  
 Director, Mortgage Investments and Joint Ventures  
 Licence no: M14000856  
 T (416) 733-5629  
 M (416) 624-0651

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Tuesday, February 4, 2020 3:21 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Mandrake Ajax

We can defer the rest plus higher sales price Numbers should be able to fill gap?  
 Is there management fees?

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Feb 4, 2020, at 3:17 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

The total budget is \$742K and it notes 50% is deferred.

Ryan Buzzell  
 Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T (416) 733-5629

M (416) 624-0651

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>

**Sent:** Tuesday, February 4, 2020 3:16 PM

**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

**Subject:** [EXTERNAL] Re: Mandrake Ajax

How much from commission do we have?

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Feb 4, 2020, at 3:14 PM, Ryan Buzzell  
<[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, what portion of the commission and marketing are you able to defer? Marketing only has 24K left in it and we need to fill the \$700K gap. Even with that we will need to have some additional equity injected.

We need to move the interest payments to current pay for March 1 payment. That will give us some breathing room to figure it out.

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T (416) 733-5629

M (416) 624-0651

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>

**Sent:** Tuesday, January 28, 2020 1:25 PM

**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

**Subject:** [EXTERNAL] Re: Mandrake Ajax

Hello

We anticipate much higher sales prices on balance of units due to increase demand.

Also I can defer my brokerage commission/marketing to fill gap.

Is that possible.

Thanks

DreamMaker

On Jan 28, 2020, at 11:55 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac,

Per the below we have a cost overrun on the project. Based on the below we need to inject \$696K to correct the interest reserve. Can you confirm you are making arrangement to inject the required equity? As a started, I would suggest we move the mortgage to current pay. This will allow the equity to not fall further behind.

Please let me know if you want to discuss this matter further.

Regards,

Ryan

**From:** Vincent Chung  
<[vchung@intrepidqs.com](mailto:vchung@intrepidqs.com)>  
**Sent:** January 24, 2020 9:22 AM  
**To:** Ryan Buzzell  
<[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Cc:** Michael Shackell  
<[mshackell@intrepidqs.com](mailto:mshackell@intrepidqs.com)>; Jason Rojas <[jrojas@intrepidqs.com](mailto:jrojas@intrepidqs.com)>  
**Subject:** [EXTERNAL] Mandrake Ajax

Hi Ryan,  
See attached our latest budget and cost summaries which the Borrower has reviewed and approved.

1. The overall budget has increased by \$860,000 almost entirely due to interest. Our updated cash flow carries interest to June 2021, coinciding with final closings as confirmed by Isaac.

2. There is no funding this draw. Costs submitted only amount to \$124k for Servicing and \$52k for Construction Earthworks. There is still 25% to 30%

work to be billed for watermains and stormsewers.

3. The remaining equity to be injected is \$696,032.

4. Isaac has confirmed that there are no changes to the sales and deposits status. We last reported 19 units sold.

Let me know if you have any questions. We will commence with the report writing once you give us the go ahead.

**Vincent Chung**  
Director

**Intrepid Quantity Surveying Inc.**

**Head Office:** 45 Sheppard Avenue East, Suite 300, Toronto, ON, M2N 5W9 | (416) 628-5346 ext. 203

**Eastern Office:** 251 Laurier Avenue West, Suite 900, Ottawa, ON, K1P 5J6 | (613) 702-8005

[www.intrepidqs.com](http://www.intrepidqs.com) | [Connect on LinkedIn](#)

<Mandrake Ajax - Overall Budget Summary.pdf>

<Mandrake Ajax - Revenue and Profit.pdf>

<Mandrake Ajax - Reconciliation of Costs.pdf>

<Mandrake Ajax - Cashflow.pdf>

<Mandrake Ajax - Construction Summary.pdf>

<Mandrake Ajax - Funding Calculation.pdf>





---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Tuesday, April 21, 2020 11:40 AM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Mandrake Ajax - Revised Budget - Rev 2

Hello

It is a priority.

I haven't finalized the matter with Marshal our lawyers are in discussion on concluding the matter.

And I was trying to see which property would make sense from a security point of view.

Please confirm the amount that would need to be securitized.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Apr 21, 2020, at 9:12 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, I will of course review the information provided but I am very disappointed to only receive ¼ of the requested information 7 days later. What is happening with Marshal Zehrs? Are you still able to offer the charge on the Port Credit property? I need the supporting information.

Unfortunately we are running out of time to deal with this matter. Please have the above outstanding items to me before end of business day tomorrow. You need to make this matter your 1<sup>st</sup> priority.

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** April 21, 2020 8:02 AM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Fwd: Mandrake Ajax - Revised Budget - Rev 2

See attached.

Based on extension till Oct 2020.  
Includes deferral of 1M.

Also takes into account \$500,000 in addition equity I put in.

Thanks

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

<mime-attachment>





---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Thursday, May 21, 2020 11:52 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Demand - Loan 198 Ajax

Ryan?

what was the point of all the conversations we were having? how can you do this?

can we talk

On Thu, May 21, 2020 at 5:20 PM Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac,

The attached letter has been served today by our lawyer. While working through this file we pulled title and noted that additional charges have been registered. As you aware we are very concerned with the delays on this project and we have been working to figure out the status. However, with the charges on title my hands have been tied and by board required me to issue the letter attached. With the charges behind I do not see how we can proceed.

With this email we formally demand payment of our loan,

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T [\(416\) 733-5629](tel:(416)733-5629)

M [\(416\) 624-0651](tel:(416)624-0651)

--

Isaac Jr. Olowolafe  
DreamTo.ca





---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Friday, June 26, 2020 5:24 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Cc:** russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] Re: Update

Thursday at latest will have that sorted out.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jun 26, 2020, at 1:49 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Please give me a timeline. We need to work in definites at this point.

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T [\(416\) 733-5629](tel:(416)733-5629)

M [\(416\) 624-0651](tel:(416)624-0651)

----- Original message -----

From: isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
Date: 2020-06-26 12:49 p.m. (GMT-05:00)  
To: Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
Cc: russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
Subject: [EXTERNAL] Re: Update

Yea pushing to get this done ASAP.

We have a few more consultants we waiting on forms signed.

Aiming for mid next week

Thanks

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jun 26, 2020, at 12:42 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

When will you be have to provide an intrepid report confirming the equity is in and the budget is fine.

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>

**Sent:** June 26, 2020 9:07 AM

**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

**Cc:** russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>

**Subject:** [EXTERNAL] Re: Update

The budget is fine,

We are now getting this letter signed by each consultant with a statement (both attached as an example) so Intrepid can take it as confirmation of the additional \$500,000 that was out in.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jun 26, 2020, at 7:54 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Ok, Have you been able to lock down the budget and the equity in place with Intrepid?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** June 25, 2020 5:23 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>; russ giannotta  
<[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] Update

Hello Ryan

Hope the week has been good, just wanted to touch base on a few updates:

1. Other mortgages on property: as per our conversation last week, the mortgages are on the process of being discharged/transferred to Diversified/Russ
2. Schedule: in regards to next steps with moving forward attached is the schedule based on conversations we had with the trades and mobilizing efforts.

We will continue to update you every few days so we can build back confidence with you and get some serious action on site.

Thank you.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)







---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Monday, July 27, 2020 1:52 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Update

Absolutely

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jul 27, 2020, at 1:11 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

OK, are you able to get me a revised cost complete budget this week?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** July 27, 2020 1:01 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Update

Yea

We had team mobilized last week and it rained 3 days out of 5.

Right now we have labour's pumping out water and trying to see what is weather schedule this week as today is scheduled to rain again.

The good news is that team is ready to mobilized on a days notice. Labourers are there pumping water out.

Also myself and Vincent have nailed down the equity piece.

We are making progress as promised.

Thank you

<image001.jpg>  
DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Jul 27, 2020, at 12:21 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac,

I am assuming from you inability to confirm the equity or provide an update on the construction we are once again stalled. You have not met the proposed date and I am once again in the dark.

Without concrete evidence of progress I will be referring this file to my litigation lawyer to proceed on this in short order.

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** July 22, 2020 1:27 AM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Re: Update

Hello,

I will pass by tomorrow

Thanks

On Tue, Jul 21, 2020 at 9:58 AM Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, has work started on sight? Do you have pictures you can send me?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Monday, July 13, 2020 8:56 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Cc:** russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] Re: Update

Hello Ryan

Hope your well, and had a good weekend.

Spoke to the team and they have lined up mobilizing on the start to start again this Friday.

They were planning for Thursday but it's scheduled to rain, so looking as Friday.

I will personally be on site also to make sure things start pushing, and will send you pictures also.

I do Thank you for your cooperation in this.

Also I left msg with Vincent so we can sort that out ASAP also.

Thank you.

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Jul 10, 2020, at 4:52 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, are you still on track to start the excavation next week?

I note you are having trouble getting Intrepid onside with the equity injected to date. Please keep that as a priority.

Regards,

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T [\(416\) 733-5629](tel:(416)733-5629)

M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** June 25, 2020 5:23 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>; russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] Update

Hello Ryan

Hope the week has been good, just wanted to touch base on a few updates:

1. Other mortgages on property: as per our conversation last week, the mortgages are on the process of being discharged/transferred to Diversified/Russ
2. Schedule: in regards to next steps with moving forward attached is the schedule based on conversations we had with the trades and mobilizing efforts.

We will continue to update you every few days so we can build back confidence with you and get some serious action on site.

Thank you.

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

--

Isaac Jr. Olowolafe  
DreamTo.ca





---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Wednesday, September 9, 2020 10:24 AM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Cc:** russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] Re: RE 135 Mandrake

Hello

Work was done more ground work and finishing of service connections.

So just need city inspection then we moving on.

Slight delay cause of school starting and city wanted us to hold off on blocking the main roads to start the heavy work.  
Thanks

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Sep 9, 2020, at 10:17 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, I understand the need to for the city to inspect but is nothing happening on site? Summer is over and it does not appear any tangible progress has been made. In the spring you were saying the trades were mobilizing on site? What happened?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:4167335629)  
M [\(416\) 624-0651](tel:4166240651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** September 9, 2020 10:12 AM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Cc:** russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] Re: RE 135 Mandrake

Hello Ryan

Hope your well and had a good long weekend.

Just updating Providing update.

We had site meetings scheduled for this Tuesday. For City to inspect the initial work completed. It got moved to Thursday as city staff wasn't in office, still on vacation.

Things are progressing along.

Thanks

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Aug 26, 2020, at 4:07 PM, isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)> wrote:

Hello Ryan

Your absolutely correct, I will make sure I will do weekly updates.

The site meeting on site happened with trades last week, and on Friday my project manager is discussing with city the requested road closure required for excavation trucks to come in and out.

As we are making all the necessary steps for when the full work happens.

I will advise early next week on further updates. As we would know by then requirements from city.

Thank you.

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Aug 26, 2020, at 9:19 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, I would like to be clear. I need weekly updates on this and I should not have to chase you for the status.

Has any progress been made?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** August 13, 2020 1:50 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>; russ giannotta <[diversifiedcms@aol.com](mailto:diversifiedcms@aol.com)>  
**Subject:** [EXTERNAL] RE 135 Mandrake



Hello Ryan

In keeping you updated just wanted to attached correspondence today with city on some of the work being done, as we trying to get road closure permits. thanks  
<image001.jpg>

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)



---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** Friday, November 6, 2020 3:10 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: On site

No not yet. But work is happening

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Nov 6, 2020, at 2:50 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Has work continued on site? Are you pouring concrete?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** November 6, 2020 2:46 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: On site

Yes I told staff to get me live videos for today am just waiting.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Nov 6, 2020, at 2:11 PM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

I take from the nil reply no progress has been made.

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T [\(416\) 733-5629](tel:(416)733-5629)

M [\(416\) 624-0651](tel:(416)624-0651)

----- Original message -----

From: Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

Date: 2020-11-06 8:38 a.m. (GMT-05:00)

To: isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

Subject: RE: [EXTERNAL] Re: On site

Isaac, another week is down. Any update on the below or more importantly any progress on the site?

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T [\(416\) 733-5629](tel:(416)733-5629)

M [\(416\) 624-0651](tel:(416)624-0651)

----- Original message -----

From: isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>

Date: 2020-10-26 8:43 a.m. (GMT-05:00)

To: Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

Subject: [EXTERNAL] Re: On site

Thanks Ryan

That is a fair request.

- Detailed comments on the status surrounding the Marshal Zhers demand situation.

---This matter is resolved property sold, all obligations on the 20M is gone. So that's good.

The other items I will work on it ASAP.

Thanks

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Oct 26, 2020, at 8:23 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Isaac, Any extension will require a further display of progress to demonstrate confidence in the construction schedule. I do not believe the current site status goes far enough.

To give me comfort that progress is being made the at site I would like to see the footings completed or at minimum well underway.

Before I could consider an extension I would want to see the following:

- Not less than 60% fixed price contracts. This was shown at the time of the initial funding but it was my understanding that you never executed the contracts.
- Detailed sales list showing the deposit held in trust as well as confirmation that the outside dates remain sufficient to complete the project.
- A QS report confirming the costs to date and cost to complete.
- Updated net worth statement for you as the loan sponsor.
- Detailed comments on the status surrounding the Marshal Zhers demand situation.

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** October 24, 2020 12:01 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: On site

Hello Ryan

Hope your week was well, just to give you general updates, 3-5 days was rainy which made activity hard on site but some movements happened in the other 2 days.

Still on schedule for footings first week of November as per last discussion.

Question now, based on the equity partner am bringing in:



1. Current contract with Centurion I assume needs to be updated? Is that something that can be done? To tie into the end schedule we have. So I can have all expectations on draws to come and how long etc.

Thank you.

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Oct 19, 2020, at 9:39 AM, Dream Maker Developments Inc <[development@dreamto.ca](mailto:development@dreamto.ca)> wrote:

We are negotiating prices for concrete and framing now.

To see where prices will be if they start in the winter.

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

On Oct 19, 2020, at 9:31 AM, Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Good to see some progress. Can you confirm next steps? When will you start concrete? Has the contract been signed?

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T (416) 733-5629  
M (416) 624-0651

---

**From:** Dream Maker Developments Inc <[development@dreamto.ca](mailto:development@dreamto.ca)>

**Sent:** Monday, October 19, 2020 8:26 AM

**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>

**Subject:** [EXTERNAL] On site

FYI

<image001.jpg>

DreamMaker

[www.DreamTO.ca](http://www.DreamTO.ca)

THIS IS **EXHIBIT " J"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc. Notary Public*

---

Samuel Mosonyi

---

**From:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Sent:** Thursday, May 21, 2020 5:20 PM  
**To:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Cc:** Jean Maraj <[jmaraj@centurion.ca](mailto:jmaraj@centurion.ca)>  
**Subject:** Demand - Loan 198 Ajax

Isaac,

The attached letter has been served today by our lawyer. While working through this file we pulled title and noted that additional charges have been registered. As you aware we are very concerned with the delays on this project and we have been working to figure out the status. However, with the charges on title my hands have been tied and by board required me to issue the letter attached. With the charges behind I do not see how we can proceed.

With this email we formally demand payment of our loan,

Ryan Buzzell  
Director, Mortgage Investments and Joint Ventures  
Licence no: M14000856  
T [\(416\) 733-5629](tel:(416)733-5629)  
M [\(416\) 624-0651](tel:(416)624-0651)





### Discharge Statement

**Date:** May 20, 2020

**Via E-mail:** [rlebow@owenswright.com](mailto:rlebow@owenswright.com)

**Attention:** Randy Lebow  
Owens Wright LLP  
20 Holly Street, Suite 300  
Toronto, ON M4S 3B1

**Centurion Loan No:** 198

**Borrower(s):** 10268054 Canada Corporation

**Property Address:** 135 Mandrake Street, Ajax, Ontario, Ontario

Further to your request, please be advised that the total amount due and payable to discharge this mortgage, as at May 21, 2020, is \$8,179,226.89 calculated as follows:

**Funding Date:** December 21, 2018  
**Maturity Date:** January 1, 2021  
**Interest Rate:** The greater of a) 8.00% per annum and b) 4.30% above Prime Rate

Principal Balance as at May 1, 2020:	\$	7,331,559.00
Interest Accrued to & including May 21, 2020:	\$	847,417.89
Administrative Fee:	\$	250.00
<b>Total Amount Due (by 1:00 p.m. May 21, 2020):</b>	<b>\$</b>	<b><u>8,179,226.89</u></b>

The Per Diem Interest charge is \$1,753.27 (after 1:00 p.m.):

#### CONDITIONS:

**Certified** Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$1,753.27 to the next business day.

Payment must be by way of wire (see wire instructions attached), by 1:00 p.m. on May 21, 2020.

The Borrower will be responsible for any costs, legal or otherwise, associated with the discharge, including the preparation of the Discharge of Charge.

Please note this statement is valid to May 31, 2020.

Should the prime rate change prior to payout, then this statement maybe subject to change. An updated statement will be issued to reflect the change in interest rate.

Please feel free to contact us should you have any questions or require any further information.

Yours truly,

**CENTURION MORTGAGE CAPITAL CORPORATION**

Richard Bruce  
Senior Mortgage Administrator

Jean Maraj  
Director, Mortgage Funding & Admin.

E. & O. E



Beneficiary Name:	Centurion Mortgage Services Corporation In Trust
Beneficiary Address:	25 Sheppard Avenue West, Suite # 1800, Toronto, ON M2N 6S6
Bank Name:	TD Canada Trust
Bank Address:	220 Commerce Valley Drive West, Unit 100, Markham, ON L3T 0A8
Bank ID:	004
Bank Transit:	10852
Bank Account:	10855366227
Ref.:	CMCC - Loan 198 - Discharge

**Centurion Mortgage Capital Corporation Contacts:**

**Rania El-Murr**

Senior Mortgage Administrator

T (416) 733-5600 ext. 386

F (416) 733-5619

**Centurion Mortgage Capital Corporation**

25 Sheppard Avenue West, Suite 1800

Toronto, ON M2N 6S6

**Richard Bruce**

Senior Mortgage Administrator

T (416) 733-5600 ext. 321

F (416) 733-5619

**Centurion Mortgage Capital Corporation**

25 Sheppard Avenue West, Suite 1800

Toronto, ON M2N 6S6

**FORM 86****Bankruptcy and Insolvency Act****Notice of Intention to Enforce a Security  
(Rule 124)**

**TO:** 10268054 Canada Corp, an insolvent corporation  
16 McAdam Avenue  
Suite 904  
Toronto, Ontario  
M6A 0B9

**AND TO:** All Parties Set out in Schedule "A" attached hereto

Take notice that:

1. **CENTURION MORTGAGE CAPITAL CORPORATION**, a secured creditor ("**CMCC**"), intends to enforce its security on the insolvent corporation's property described below (the "**Property**"):

- a) the real property legally described as Block 91, Plan 40M1378, save and except Parts 1 and 2 on Plan 40R21864, City of Ajax, Regional Municipality of Durham [being all of PIN 26453-0695 (LT)], in the Land Titles Division of the Durham Region Registry Office (No. 40) (the "**Registry Office**"), and municipally known as 184-188 Salem Road (formerly 135 Mandrake Street) Ajax, Ontario (the "**Property**"), as more particularly described in a mortgage dated December 21, 2018, in the original principal amount of \$17,500,000.00;
- b) all rents due or accruing to and all rights and entitlements of the landlord pursuant to the terms and conditions of all leases relating to the above mentioned real property, between the insolvent person as landlord and all tenants thereof;
- c) all personal property of the insolvent corporation and/or the insolvent person, including without limitation all inventory equipment, machinery, fixtures, book debts, contractual rights, monies, chattel paper, intellectual property and good will of the insolvent corporation, together with all proceeds, additions, accretions and substitution therefore

2. The security that is to be enforced is the following:

- (a) Charge/Mortgage in the original amount of \$17,500,000.00, registered in the Registry Office on the 21<sup>st</sup> day of December, 2018, as Instrument No. DR1762699 against the Property in favour of CMCC;
- (b) Assignment of Rents, registered in the Registry Office on the 21<sup>st</sup> day of December, 2018, as Instrument No. DR1762700, against the Property in favour of CMCC (the "**Assignment of Rents**");
- (c) General Security Agreement in favour of CMCC (the "**General Security Agreement**");
- (d) Assignment and Pledge of Securities dated the 27<sup>th</sup> day of November, 2018;
- (e) Assignment of Insurance Interest dated the 27<sup>th</sup> day of November, 2018;
- (f) Assignment of Rights under Agreements of Purchase and Sale dated the 19<sup>th</sup> day of November, 2018;
- (g) Assignment of Material Agreement dated the 19<sup>th</sup> day of November, 2018;
- (h) Guarantee and Postponement of Claim dated the 27<sup>th</sup> day of November, 2018, from Dream Maker Developments Inc. and Temitope Olowolafe in favour of CMCC (the "**Guarantee**");
- (i) Financing Statement in respect to the Assignment of Rents and the General Security Agreement registered pursuant to the Personal Property Security Act, Ontario registered as Registration No. 20181221 1408 1590 6485;

(j) Financing Statement in respect to the Guarantee registered pursuant to the Personal Property Security Act, Ontario registered as Registration No. 20181221 1410 1590 6486;

3. The total amount owing on the security to date is \$8,180,980.16 (inclusive of accrued interest and costs incurred thereon), together with legal fees incurred to date of \$750.00 plus H.S.T. and disbursements. Per diem interest is \$1,753.27.

4. The secured creditor will not have the right to enforce the security until after the expiry of the ten (10) day period following the sending of this notice, unless the insolvent person consents to an earlier enforcement.

**DATED** this 21<sup>st</sup> day of May, 2020.

**CENTURION MORTGAGE CAPITAL CORPORATION**  
by its Solicitors, OWENS WRIGHT LLP



Per: \_\_\_\_\_

Randy H. Lebow\*

\*on behalf of RANDY H. LEBOW PROFESSIONAL CORPORATION

OWENS WRIGHT LLP  
Barristers and Solicitors  
20 Holly Street, Suite 300  
Toronto, Ontario M4S 3B1

**SCHEDULE "A"****DREAM MAKER DEVELOPMENTS INC.**

16 McAdam Avenue  
Suite 904  
Toronto, Ontario  
M6A 0B9

**Attention: Temitope Olowolafe**

**TEMITOPE OLOWOLAFE**

9 Aidan Drive  
Woodbridge, Ontario  
L4H 0T5

**ISAAC OLOWOLAFE JR.**

16 McAdam Avenue  
Suite 904  
Toronto, Ontario  
M6A 0B9

THIS IS **EXHIBIT " K"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi



**ROBINS APPLEBY**  
BARRISTERS + SOLICITORS

**Dominique Michaud**  
T. 416.360.3795  
E. dmichaud@robapp.com  
F. 416.868.0306

**Delivered by:** E-mail, Mail and Courier  
**File No.:** 2000773

November 18, 2020

**10268054 CANADA CORP.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

**DREAM MAKER DEVELOPMENTS INC.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

**TEMITOPE ISAAC JR. OLOWOLAFE**  
9 Aidan Drive  
Woodbridge, ON L4H 0T5

**TEMITOPE ISAAC JR. OLOWOLAFE**  
c/o Ambros Financial Corp.  
Adit Kumar  
2010 Winston Park Drive, 2nd Floor  
Oakville, ON L6H 6P5

Dear Mr. Olowolafe:

**Re: Centurion Mortgage Capital Corporation - Mortgage Default and Demand on  
Personal Guarantee**

---

We are the lawyers for Centurion Mortgage Capital Corporation ("**Centurion**").

We are following up on the email communication from Ryan Buzzell dated May 21, 2020 (the "**Demand Notice**"). As you know, the loan made to 10268054 Canada Corp. ("**102 Corp.**") by Centurion (the "**Loan**") pursuant to the Commitment Letter dated October 15, 2018 (the "**Commitment Letter**") and Amendment to the Commitment Letter dated December 17, 2018 remains in default.

Since sending the Demand Notice, you have not remedied the defaults. As of today, the following defaults remain in respect of the Loan:

1. There remain unapproved subsequent encumbrances/charges on the Property or Project (as defined in the Commitment Letter), contrary to s. 22(j) of the Commitment Letter;



2. 102 Corp. has failed to deliver a construction budget or Project completion schedule in a form and content satisfactory to Centurion, contrary to s. 8(g) of the Commitment Letter; and
3. 102 Corp. has not proceeded expeditiously with the construction of the Project to ensure its timely completion as required by the terms of the Loan.

The Loan matures on January 1, 2021, and the repayment of the Loan is contemplated by the sales of the condominium units in the Project. This will not occur based on the delays with the Project.

As of November 18, 2020, 102 Corp. is indebted to Centurion in the amount of \$8,505,625.90 plus interest, legal costs, and other protective disbursements incurred in respect of the Loan. The Mortgage Discharge Statement dated November 17, 2020 is attached herein.

Please be advised, that in the circumstances, Centurion restates its demand on 102 Corp., Dream Maker Developments Inc. ("**Dream Maker**") and Temitope Isaac Jr. Olowolafe ("**Olowolafe**") to make immediate payment of the above amounts as required by the Commitment Letter and the Guarantee and Postponement of Claim dated November 29, 2018 (the "**Guarantee**") provided by you in respect of the Loan.

Please be advised that if payment is not made within 10 days of the date of this letter, Centurion reserves all rights to enforce the Loan and to bring an action to seek judgment against 102 Corp., Dream Maker, and Olowolafe in a personal capacity as provided for in the Guarantee.

Please find enclosed a Notice of Intention to Enforce Security which is being served upon you pursuant to section 244 of the *Bankruptcy and Insolvency Act*. Please note that this notice in no way invalidates the earlier notice that was provide to 102 Corp. with the Demand Notice.

If you have any questions, please contact me at the above coordinates.

Yours very truly,

**ROBINS APPLEBY LLP**

Per:

*Dom Michaud*

**Dominique Michaud**

DM:

cc: Ryan Buzzell

Encl.

[robapp\6189764.3](#)





## Discharge Statement

**Date:** November 17, 2020

**Via E-mail:** [dmichaud@robapp.com](mailto:dmichaud@robapp.com)

**Attention:** Dominique Michaud  
Robins Appleby LLP  
Suite 2600  
120 Adelaide Street West  
Toronto, Ontario M5H 1T

**Centurion Loan No:** 198

**Borrower(s):** 10268054 Canada Corporation

**Property Address:** 135 Mandrake Street, Ajax, Ontario, Ontario

Further to your request, please be advised that the total amount due and payable to discharge this mortgage, as at November 18, 2020 is \$8,505,625.90 calculated as follows:

**Funding Date:** December 21, 2018  
**Maturity Date:** January 1, 2021  
**Interest Rate:** The greater of a) 8.00% per annum and b) 4.30% above Prime Rate

Principal Balance as at November 1, 2020:	\$	7,331,559.00
Interest Accrued to November 18, 2020:	\$	1,173,816.90
Administrative Fee:	\$	250.00
<b>Total Amount Due (by 1:00 p.m. November 18, 2020):</b>	<b>\$</b>	<b>8,505,625.90</b>

The Per Diem Interest charge is \$1,884.02 (after 1:00 p.m.):

### CONDITIONS:

**Certified** Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$1,884.02 to the next business day.

Payment must be by way of wire (see wire instructions attached), by 1:00 p.m. on November 18, 2020

The Borrower will be responsible for any costs, legal or otherwise, associated with the discharge, including the preparation of the Discharge of Charge.

Please note this statement is valid to November 30, 2020.

Should the prime rate change prior to payout, then this statement may be subject to change. An updated statement will be issued to reflect the change in interest rate.

Please feel free to contact us should you have any questions or require any further information.

Yours truly,

**CENTURION MORTGAGE CAPITAL CORPORATION**

A handwritten signature in blue ink that reads "Richard Bruce".

Richard Bruce  
Senior Mortgage Administrator

A handwritten signature in blue ink that reads "Jean Maraj".

Jean Maraj  
Director, Mortgage Funding & Administration

E. & O. E



Beneficiary Name:	Centurion Mortgage Services Corporation In Trust
Beneficiary Address:	25 Sheppard Avenue West, Suite # 1800, Toronto, ON M2N 6S6
Bank Name:	TD Canada Trust
Bank Address:	220 Commerce Valley Drive West, Unit 100, Markham, ON L3T 0A8
Bank ID:	004
Bank Transit:	10852
Bank Account:	10855366227
Ref.:	CMCC - Loan 198 - Discharge

**Centurion Mortgage Capital Corporation Contacts:**

**Jean Maraj**

Director, Mortgage Funding & Administration

T (416) 733-5600 ext. 320

F (416) 733-5619

**Centurion Mortgage Capital Corporation**

25 Sheppard Avenue West, Suite 1800

Toronto, ON M2N 6S6

**Richard Bruce**

Senior Mortgage Administrator

T (416) 733-5600 ext. 321

F (416) 733-5619

**Centurion Mortgage Capital Corporation**

25 Sheppard Avenue West, Suite 1800

Toronto, ON M2N 6S6

**NOTICE OF INTENTION TO ENFORCE SECURITY**  
**(Section 244 of the *Bankruptcy and Insolvency Act*)**

**TO:**           **10268054 CANADA CORP.**, an insolvent corporation  
16 McAdam Avenue Suite 904  
Toronto, Ontario M6A 0B9

**AND TO:**   **DREAM MAKER DEVELOPMENTS INC.**  
16 McAdam Avenue, Suite 904  
Toronto, ON M6A 0B9

**AND TO:**   **TEMITOPE ISAAC JR. OLOWOLAFE**  
9 Aidan Drive  
Woodbridge, ON L4H 0T5

**AND TO:**   **TEMITOPE ISAAC JR. OLOWOLAFE**  
C/O Ambros Financial Corp.  
Adit Kumar  
2010 Winston Park Drive, 2nd Floor  
Oakville, ON L6H 6P5

**TAKE NOTICE THAT:**

1. Centurion Mortgage Capital Corporation ("**Centurion**"), a secured creditor, intends to enforce its security on the property of the insolvent person/corporation described as:  
  
Description: Block 91, Plan 40M1378, save and except Parts 1 and 2 on Plan 40R21864, City of Ajax, Regional Municipality of Durham [being all of PIN 26453-0695 (LT)], in the Land Titles Division of the Durham Region Registry Office (No. 40). and municipally known as 184-188 Salem Road (formerly 135 Mandrake Street) Ajax, Ontario (the "**Property**").
2. The security that is to be enforced is described in Schedule "A" attached hereto.
3. The total amount owing on the security to date is \$8,505,625.90 plus interest, legal costs, and other protective disbursements incurred in respect of the loan made by Centurion to 10268054 Canada Corp.

4. The secured creditor will not have the right to enforce the security until after expiry of the 10-day period following the sending of this notice, unless the insolvent person/corporation consents to an earlier enforcement.

DATED at Toronto, this 18<sup>th</sup> day of November, 2020.

**CENTURION MORTGAGE CAPITAL  
CORPORATION**

by its lawyers,

**ROBINS APPLEBY LLP**

120 Adelaide St. West

Suite 2600

Toronto, Ontario M5H 1T1

Per: *Dom Michaud*

Dominique Michaud

File No. 2000773

Phone: 416-360-3795

Fax: 416-868-0306

NOTE: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

**SCHEDULE "A"**

- 1) Charge/Mortgage in the original amount of \$17,500,000.00, registered on the 21st day of December, 2018, as Instrument No. DR1762699 against the Property in favour of Centurion;
- 2) General Security Agreement in favour of Centurion, dated the 19<sup>th</sup> day of November, 2018;
- 3) Guarantee and Postponement of Claim dated the 29<sup>th</sup> day of November, 2018, from Dream Maker Developments Inc. and Temitope Olowolafe in favour of Centurion;
- 4) Assignment of Rents, registered on the 21<sup>st</sup> day of December, 2018, as Instrument No. DR1762700, against the Property in favour of Centurion;
- 5) Assignment and Pledge of Securities dated the 29<sup>th</sup> day of November, 2018;
- 6) Assignment of Insurance Interest dated the 29<sup>th</sup> day of November, 2018;
- 7) Assignment of Rights under Agreements of Purchase and Sale dated the 19<sup>th</sup> day of November, 2018; and
- 8) Assignment of Material Agreement dated the 19<sup>th</sup> day of November, 2018.

THIS IS **EXHIBIT " L "** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc/Notary Public*

---

Samuel Mosonyi



## Discharge Statement

**Date:** November 17, 2020

**Via E-mail:** [dmichaud@robapp.com](mailto:dmichaud@robapp.com)

**Attention:** Dominique Michaud  
Robins Appleby LLP  
Suite 2600  
120 Adelaide Street West  
Toronto, Ontario M5H 1T

**Centurion Loan No:** 198

**Borrower(s):** 10268054 Canada Corporation

**Property Address:** 135 Mandrake Street, Ajax, Ontario, Ontario

Further to your request, please be advised that the total amount due and payable to discharge this mortgage, as at November 18, 2020 is \$8,505,625.90 calculated as follows:

**Funding Date:** December 21, 2018  
**Maturity Date:** January 1, 2021  
**Interest Rate:** The greater of a) 8.00% per annum and b) 4.30% above Prime Rate

Principal Balance as at November 1, 2020:	\$	7,331,559.00
Interest Accrued to November 18, 2020:	\$	1,173,816.90
Administrative Fee:	\$	250.00
<b>Total Amount Due (by 1:00 p.m. November 18, 2020):</b>	<b>\$</b>	<b>8,505,625.90</b>

The Per Diem Interest charge is \$1,884.02 (after 1:00 p.m.):

### CONDITIONS:

**Certified** Funds received after 1:00pm of the proposed discharge date will be subject to an additional daily interest charge of \$1,884.02 to the next business day.

Payment must be by way of wire (see wire instructions attached), by 1:00 p.m. on November 18, 2020

The Borrower will be responsible for any costs, legal or otherwise, associated with the discharge, including the preparation of the Discharge of Charge.

Please note this statement is valid to November 30, 2020.

Should the prime rate change prior to payout, then this statement may be subject to change. An updated statement will be issued to reflect the change in interest rate.

Please feel free to contact us should you have any questions or require any further information.

Yours truly,

**CENTURION MORTGAGE CAPITAL CORPORATION**

A handwritten signature in blue ink that reads "Richard Bruce".

Richard Bruce  
Senior Mortgage Administrator

A handwritten signature in blue ink that reads "Jean Maraj".

Jean Maraj  
Director, Mortgage Funding & Administration

E. & O. E



Beneficiary Name:	Centurion Mortgage Services Corporation In Trust
Beneficiary Address:	25 Sheppard Avenue West, Suite # 1800, Toronto, ON M2N 6S6
Bank Name:	TD Canada Trust
Bank Address:	220 Commerce Valley Drive West, Unit 100, Markham, ON L3T 0A8
Bank ID:	004
Bank Transit:	10852
Bank Account:	10855366227
Ref.:	CMCC - Loan 198 - Discharge

**Centurion Mortgage Capital Corporation Contacts:**

**Jean Maraj**

Director, Mortgage Funding & Administration

T (416) 733-5600 ext. 320

F (416) 733-5619

**Centurion Mortgage Capital Corporation**

25 Sheppard Avenue West, Suite 1800

Toronto, ON M2N 6S6

**Richard Bruce**

Senior Mortgage Administrator

T (416) 733-5600 ext. 321

F (416) 733-5619

**Centurion Mortgage Capital Corporation**

25 Sheppard Avenue West, Suite 1800

Toronto, ON M2N 6S6



THIS IS **EXHIBIT " M"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc/Notary Public*

---

Samuel Mosonyi

**From:** Vincent Chung <[vchung@intrepidqs.com](mailto:vchung@intrepidqs.com)>  
**Sent:** December 3, 2020 5:44 PM  
**To:** Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)>  
**Subject:** [EXTERNAL] Re: Ajax

He mentioned that none of the fees were paid.  
 Not sure if i can get a written confirmation out of him.

**Vincent Chung**  
 Director

**Intrepid Quantity Surveying Inc.**

**Head Office:** 45 Sheppard Avenue East, Suite 300, Toronto, ON, M2N 5W9 | (416) 628-5346 ext. 203

**Eastern Office:** 251 Laurier Avenue West, Suite 900, Ottawa, ON, K1P 5J6 | (613) 702-8005

[www.intrepidqs.com](http://www.intrepidqs.com) | [Connect on LinkedIn](#)

On Thu, Dec 3, 2020 at 5:22 PM Ryan Buzzell <[rbuzzell@centurion.ca](mailto:rbuzzell@centurion.ca)> wrote:

Vince, further to our conversation are you able to confirm what fees were not paid by Isaac? Was it only the Development Charges or also the Parkland and Landscaping fees that were not pad following our report?

	B		C	42
DESCRIPTION	PREVIOUS BUDGET	C - B VARIANCE	IQS PROJECT BUDGET	COST / UNIT
<b>F DEVELOPMENT FEES AND PERMITS</b>				
1 Municipal Engineering and Admin Fee	70,000	54,491	124,491	2,964
2 Development Charges (City, Region, Edu.)	1,996,680	(36,000)	1,960,680	46,683
3 Impost Fee	Not Applicable	0	Not Applicable	0
4 Zoning, Variance, SPA fees	10,000	0	10,000	238
5 Building Permits	66,744	0	66,744	1,589
6 Condominium Application	10,000	0	10,000	238
7 Parkland Levy	294,000	0	294,000	7,000
8 Cash Security (Landscaping/Eng)	Assume LC used	681,312	681,312	16,222
9 Cash Security & Refund	Assume LC used	0	Not Applicable	0
10 DC Credit	Not Applicable	0	Not Applicable	0
<b>DEVELOPMENT FEES AND PERMITS SUBTOTAL</b>	<b>2,447,424</b>	<b>699,803</b>	<b>3,147,227</b>	<b>74,934</b>

Ryan Buzzell

Director, Mortgage Investments and Joint Ventures

Licence no: M14000856

T (416) 733-5629

M (416) 624-0651

## Centurion Mortgage Capital Corporation

Brokerage Licence No: 12372

[www.centurionreit.ca](http://www.centurionreit.ca)



THIS IS **EXHIBIT " N"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc. Notary Public*

---

Samuel Mosonyi



**INTREPID**  
quantity surveying



**INTREPID**  
quantity surveying

## Report No. 2 – Revision 1 Costs to November 30, 2018

Ref No. 17028 – 135 Mandrake Street, Ajax, ON


For the attention of: Mr. Ryan Buzzell  
Company Centurion Mortgage Capital Corporation  
Address 25 Sheppard Avenue West, Suite 710  
Toronto, ON M2N 6S6

Telephone (416) 733-5600  
Email rbuzzell@centurion.ca

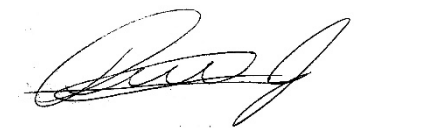
Lender Centurion Mortgage Capital Corporation  
Borrower 10268054 Canada Corporation  
Commitment October 15, 2018  
Amendment to Commitment December 17, 2018  
Project Monitor Intrepid Quantity Surveying Inc. (IQS)  
Proposal May 31, 2017  
Construction Manager Owner Managed

© Intrepid Quantity Surveying Inc. (IQS) All rights reserved December 2018. This document is expressly provided to the Centurion Mortgage Capital Corporation solely and must not be quoted from, referred to, used by or distributed to any other party without prior consent of IQS who accept no liability of whatsoever nature for any use by any other party.

Signed



Name – Vincent Chung, Director  
Dated – December 20, 2018



Name – Jason Rojas, Consultant  
Dated – December 20, 2018



# INTREPID

quantity surveying

## CONTENTS

1. EXECUTIVE SUMMARY .....	4
2. LENDERS CONDITIONS .....	8
3. PROJECT BUDGET DETAILS .....	10
4. FUNDING CALCULATION & EQUITY REQUIRED .....	13
5. CONSTRUCTION BUDGET .....	14
6. PROJECT CASH FLOW AND SCHEDULE .....	17
7. SITE VISIT REPORT .....	18
8. DUE DILIGENCE REPORTS .....	20
9. PERMITS AND APPROVALS .....	22
10. BONDING AND INSURANCE .....	23
11. SALES AND DEPOSITS .....	24
12. BORROWERS DOCUMENTS .....	25
13. PAYMENT CERTIFICATE .....	26
14. WSIB & STATUTORY DECLARATIONS .....	27



## 1. EXECUTIVE SUMMARY

### 1.1 Project Particulars

We have summarized the pertinent details of the Project as follows:

<b>Project Type:</b>	Stacked Towns	<b>Foundation Type:</b>	Concrete Footings & Walls
<b>Owner:</b>	10268054 Canada Corporation	<b>Structure:</b>	Wood Frame
<b>Location:</b>	Ajax, ON	<b>Cladding Type:</b>	Brick, Stone, Siding
<b>Estimated Budget:</b>	\$21.6 Million	<b>GCA:</b>	53,217 s.f.
<b>Construction Start:</b>	November 2018	<b>Units / Rooms</b>	42 Units
<b>Construction Finish:</b>	April 2020	<b>Storeys:</b>	3 Storeys Above Grade
<b>Construction Manager:</b>	Owner Managed	<b>Site Area:</b>	1.05 Acres
<b>Contract Type:</b>	Construction Management	<b>Underground Levels:</b>	1- Level Partially Below Grade

### 1.2 General Qualifications

- This report should be read in its entirety.
- IQS are not planning consultants. If planning issues are raised in this report, we advise the Lender to seek further clarification on these matters from a qualified planning consultant.
- IQS are not qualified to opine on the quality of the work completed on site. This is the duty of the design consultants. We will request for the consultant's site review reports to be provided as required.
- The Terms of Reference for the project are as per the IQS proposal dated May 31, 2017.
- The current report covers the construction of 42 stacked towns, situated on a 1.05-acre lot.





# INTREPID

quantity surveying

## 1.3 Key Items for Consideration

- The Tarion registration number for 10268054 Canada Corp. (Builder and Vendor) is 46824. It is currently shown to be “Registered” with no complaints / claims identified.
- The outside occupancy date as per the Tarion agreement is June 21, 2023. This is the date after which the Purchaser is able to terminate the contract due to delays in occupancy / closing.
- Commentary regarding the Lender’s Conditions Precedent and Terms of Reference are further detailed in Section 2.
- We understand the term of the Mortgage Loan is for 24 months (following the first advance).
- Included in the current project budget are deferred budget items totalling \$482,370 which are made up of warranty and deficiencies, sales commission, and discharge fee.
- The Borrower has now provided trade contracts representing committed amounts of 58% of the hard costs budget.
- The City requires securities of \$681,311.88 to be posted as per the Site Plan Agreement. This includes \$121,872 Landscaping performance security, and \$559,440 Engineering performance security. Refer to Section 3.4 for further details.
- We understand the Lender requires a minimum of 16 firm pre-sold units, at a minimum of \$9,500,000 in Net Sale Proceeds. Current sales are at 19 units and net revenue of \$10,426,549.
- We have not yet received a trust account summary to confirm the deposits currently held. The Borrower has advised that Miller Thompson LLP has been retained to hold the deposits in trust. The Borrower is anticipating \$220,000 in purchaser deposits shortly.
- Included in the current cost-to-date, is funding recommendation for development charges, parkland levy, city engineering & admin fee, servicing costs incurred, and landscaping/engineering securities payable to the City of Ajax. Further details can be found in our Overall Budget Summary in Section 3.4. The Lender should also advise if the amounts payable to the City will be funded to the Borrower, or paid to the City directly.
- HST of \$128,815 has been paid to date, with no HST Input Tax Credits reported.
- **Revision 1 of Report No. 2 incorporates the Lender’s new loan of \$16,629,592, which was increased to fund the City Securities of \$681,312.**

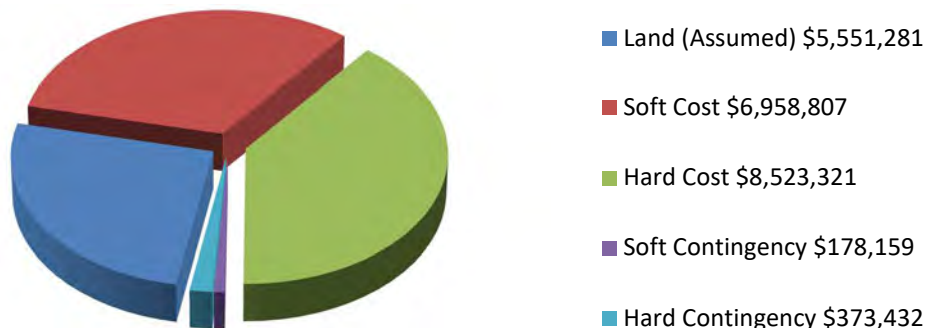


**1.4 Overall Budget**

The Project Budget has been increased by \$685,000 to \$21,585,000 as per the table below (a more detailed budget and full assumptions are enclosed at the end of Section 3). The contingency levels noted below are reasonable to complete the current scope of work.

Use	Percentages	
Land (Assumed) \$5,551,281	25.72 % of Total Budget	
Soft Cost \$6,958,807	32.24 % Excluding Contingency	
Hard Cost \$8,523,321	39.49 % Excluding Contingency	
Soft Contingency \$178,159	0.83 % of Overall Budget	6.09 % of Soft CTC
Hard Contingency \$373,432	1.73 % of Overall Budget	4.69 % of Construction CTC
<b>Total Budget \$21,585,000</b>	<b>100%</b>	

Based on our experience of comparable projects (in relation to the size, location, type and complexity of the subject property), the agreed project budget is reasonable at \$21,585,000



**The budget was increased by \$685,000 to capture the cost of carrying the City’s Securities. Accordingly, the loan was increased and is reflected in the overall budget.**



### 1.5 Overall Expenditures

The current expenditures are as shown in the table below:

Budget	Gross CTD	Holdback	Net CTD	% Complete	CTC
21,585,000	10,436,368	(61,121)	10,375,247	48.35%	11,209,753
Refer to Section 4 for details of draw eligibility.					

- In our opinion the cost to complete identified above is reasonable to complete the balance of the scope of work.
- We recommend the Lender confirm clear title prior to the advance of any funds
- Details of the current expenditures and funding recommendation are provided in Section 4.

### 1.6 Schedule & Cashflow

We have summarized the target dates below as agreed with the Borrower:

Activity	Date	Indicator
Servicing Completion	December 2018	Projected Date
Commence Housing	January 2019	Projected Date
Commence Occupancy	December 2019	Projected Date
Substantial Performance	January 2020	Projected Date
Holdback Release	March 2020	Projected Date
Final Closings	April 2020	Projected Date

- Refer to Section 6 and 7 for the detailed site report, photographs, and schedule commentary.
- We have projected initial occupancy to commence in December of 2019, and Final Closing to complete by April 2020. We will monitor these dates and will advise further as additional information is available.
- Servicing is moving at a reasonable pace, with 82% of the servicing budget expended. The target completion date by December 31, 2018 appears to be reasonable.



# INTREPID

quantity surveying

## 2. LENDERS CONDITIONS

### 2.1 Lender's Conditions

We have summarized the Lender's drawdown conditions and disbursement conditions as follows:

Description	Status	Indicator
<b>8. Conditions Precedent</b>		
a) Zoning approval to be in place for the Project	Not Provided	Assumed to be in place as SPA issued
b) Issuance of building permits by City of Ajax	Not Yet Provided	Potential Issue Refer to Section 9.1
c) Review by Lender of deposit insurance policy	Received	Tarion Bond of \$840,000 in place
d) Minimum 16 of 42 units pre-sold to bona-fide purchasers and minimum \$9,500,000 in Net Sale Proceeds	Reviewed	Refer to Section 11.1
e) Retention of Construction Manager acceptable to the Lender	N/A	Construction Manager not retained
f) Borrower's equity not less than \$2,650,000	Reviewed	Equity reviewed by way of land value
g) Receipt of construction budget and construction schedule	Reviewed	No Issue
h) Project monitor to oversee the following:		
i. Review construction contracts, plans, specifications, budget, and schedule	Reviewed	No Issue
ii. Confirm budget is adequate to complete the project	Reviewed	No Issue
iii. Confirm schedule is reasonable	Reviewed	No Issue
iv. Confirm contracts and costs pertain only to "the project"	Reviewed	No Issue
v. Confirm soft costs, contingency, and interest reserve are adequate	Reviewed	No Issue
v. Review actual cancelled cheques every 2 to 3 months for payment of previous costs	Not Yet Reviewed	Will report accordingly
vi. Certification of each advance under the construction financing	Reviewed	Will report accordingly
vii. Reviewing and confirming the pre-sales amount	Reviewed	No Issue Refer to Section 11.1
i) Confirmation of 60% of hard costs committed	Reviewed	58% confirmed
j) Draw advances not to be less than \$150,000	Reviewed	Will report accordingly
n) Geotechnical report and reliance letter addressed to the Lender to be provided	Reviewed	No Issue Refer to Section 8.1
o) Zoning and other regulatory compliance to be in place	Not Yet Provided	Permits Outstanding
q) Legal survey to be provided	Provided	As provided



# INTREPID

quantity surveying

Description	Status	Indicator
<b>8. Conditions Precedent Continued</b>		
r) All risks insurance with standard mortgage clauses to be provided and reviewed by the Lender	Reviewed	As Provided Refer to Section 10.2
x) Inspection of the property by Lender's representative	Not Reviewed by IQS	Lender to satisfy itself with this matter
z) Confirmation that Realty Taxes are paid and not in arrears	Not Yet Provided	We will include realty taxes as provided

Description	Status	Indicator
<b>10. Ongoing Conditions</b>		
a) Receipt of ECDI Commitment agreement	Reviewed	Tarion and Excess deposit insurance in place
c) Satisfactory Pre-sales must be by bona-fide purchasers, Canadian residents, standard P&S form used, structured 15% deposit agreement, final sales price to be approved by the Lender	Not Reviewed by IQS	Individual Purchase and Sales agreements can be reviewed as an additional service
d) Tarion registration of the project with Borrower or affiliate registered as a vendor	Reviewed	No Issue
e) Minimum 60% of contracts for the budget have been obtained	Reviewed	Over 58% of contracts have been obtained
i) Construction Management Agreement with written consent of assignment to the Lender	N/A	Construction Manager not retained
<b>11. Holdbacks</b>		
a) final advance not to take place until the project is certified to be fully completed	Not Yet Reviewed	Will report accordingly
b) Holdback period for registration of liens has expired, and no liens have been registered	Reviewed	Holdback not yet eligible for release
<b>18. Environmental</b>		
Environmental report with reliance letter addressed to the Lender to be provided	Provided	No Issue Refer to Section 8.1
<b>19. Insurance</b>		
Borrower to provide builder's all-risk coverage not less than \$5,000,000, and soft cost endorsement not less than 25% of soft costs	Reviewed	Potential Issue - Soft Costs endorsement not specified. Refer to Section 10.2

**Attachment: Schedule B**

Schedule "B"  
Request for Advance  
**REQUEST FOR ADVANCE**

TO: <b>Centurion Mortgage Capital Corporation</b> ("Lender")	BORROWER: <b>10268054 Canada Corp.</b> ("Borrower")
ADVANCE NO: <b>2</b>	PROJECT: <b>135 Mandrake Street, Ajax, Ontario</b>
CERTIFICATE DATE: <b>December 20, 2018</b>	COMPLETION DATE: <b>April 2020</b> ("Completion Date")

Borrower hereby requests an advance of **Seven Million, Three Hundred and Thirty-One Thousand, Five Hundred and Fifty-Nine Dollars (\$7,331,559.00)** for work done on the Project up to December 20, 2018, pursuant to the terms of the commitment letter between Centurion and the Borrower dated October 15, 2018 (the "Commitment"), and the Amendment to the Commitment dated December 17, 2018. Capitalized terms used and not defined herein shall have the same meaning given to them in the Commitment.

After due investigation and to induce Centurion to make this advance, the Borrower hereby certifies that:

1. The representations and warranties contained in the Commitment are true and accurate in all respects as of the date hereof.
2. No event has occurred, or would result from this advance, which constitutes, or which, with notice, lapse of time, or both, would constitute, a breach of any covenant or other term or condition of the Commitment or any security agreement given in connection therewith.
3. The Project has not been damaged by fire or other casualty and no part of the premises has been expropriated and no proceedings therefore are pending.
4. Construction of the Project is progressing satisfactorily so as to ensure its timely completion in accordance with the Project Schedule.
5. The estimated Completion Date is **April 2020**, and the estimated cost to complete is **\$11,209,753**.
6. The requirements of any applicable real property lien legislation, including, where applicable, the administration of any holdback accounts, are being met and nothing has occurred subsequent to the date of the Commitment which has resulted or may result in the creation of any lien or legal hypothec, charge or encumbrance upon the premises or any part thereof or which has or may substantially and adversely impair the ability of the Borrower to make all payments of principal and interest under the Commitment or which has or may substantially and adversely impair the financial standing of any guarantors of the obligations of the Borrower under the Commitment or any security agreement given in connection therewith.
7. The Borrower has invested **\$2,650,000 (land) and \$393,688 (cash)** as at the date hereof of its own capital.
8. Any and all funds received from Centurion previously as advances under the Commitment have been expended or are being held in trust solely for the purpose for which they were advanced; no item of construction costs previously certified to Centurion with a request for advance remains unpaid as of the date hereof; and no part of said funds has been nor any part of the funds to be received pursuant to this request for advance shall be used for any other purposes; further, there are no trade or supplier disputes.
9. The summary of Project costs attached hereto as ~~Schedule A~~ (**refer to IQS report**) is true and accurate.
10. All of the statements contained in this request for advance are true, complete and accurate in all respects as of the date hereof.
11. You are hereby irrevocably authorized and directed to deduct from the gross proceeds of the advance and to pay all accrued and unpaid interest on the loan up to the date of the advance and all fees, disbursements and other costs or charges payable by the Borrower pursuant to the Commitment.

Dated at Toronto, Ontario this 20 day of December, 2018.

**10268054 Canada Corp.**

Per: \_\_\_\_\_

Name: Isaac Olowolafe

Title: \_\_\_\_\_



# INTREPID

quantity surveying

## 3. PROJECT BUDGET DETAILS

### 3.1 Key Budget Inclusions and Exclusions

We have summarized below significant items that have either been included or have been excluded:

#### A) Land

- Land cost carried at \$5,551,281 as per the lending agreement.
- Title insurance, land transfer taxes, and legal / closing fees are assumed to be included in the land cost.

#### B) Servicing Costs

- Site servicing carried at \$941,753 including site preparation, storm, sanitary, water, and electrical.

#### C) Construction

- The Site Superintendent fee is carried at 2.61% of the construction budget of \$7,650,000 (including construction contingency).
- Included in the budget are fully deferred costs for warranty / deficiencies.

#### D) Design and Engineering – No comments. Refer to the overall budget summary.

#### E) Legal and Administration

- Bonding is excluded.
- Legals for closings is carried at \$46,200 or \$1,100 per unit.

#### F) Development Fees and Permits

- Development charges carried at \$1,960,680.
- Building permits fees carried at \$66,744.
- Parkland Levy carried at \$294,000
- Cash Security carried at \$681,312

#### G) Marketing & Sales

- Sales commissions carried at \$742,140, however 50% is deferred.
- Marketing carried at \$230,000

#### H) Finance

- Loan interest for construction carried at Prime + 4.30%.
- Discharge fee fully deferred at \$6,300 or \$150 per unit.
- Commitment Fee of \$302,592 is carried, along with processing fee of \$30,000.



# INTREPID

quantity surveying

- I) Development Contingency - No comments. Refer to the overall budget summary.
- J) Government Taxes (HST)
  - HST on Unit Sales of \$2,038,142 is adjusted in revenue.

Refer the attached Overall Budget Summary at the end of this section for detailed budget line-item commentary.

### 3.2 Budget Changes

There has been an overall budget increase of \$685,000 which is due to the inclusion of a new budget item covering security payment to the City of Ajax. The budget changes are as follows:

- Increases of \$54,491 to Municipal Engineering, \$681,312 to Cash Security, \$19,944 to Broker Fee, \$13,626 to Commitment Fees, have been offset by savings of (\$36,000) to Development Charges, (\$12,000) to L/C Fees, and reduction of (\$36,373) to the Development Contingency.

### 3.3 Deferred Costs

We have summarized the deferred budget items below:

Deferred Item	Budget
Warranty / Deficiencies (100% Deferred)	105,000
Sales Commission (50% Deferred)	371,070
Discharge Fee (100% Deferred)	6,300
<b>Total</b>	<b>\$482,370</b>

The Lender is to confirm acceptance of the above prior to the advance of any funds.





# INTREPID

quantity surveying

### 3.4 Securities and Recoveries

The City of Ajax requires securities of \$681,311.88 to be posted as per the Site Plan Agreement. This includes the amounts listed below, and the corresponding percentages required.

As Per Site Plan Agreement			
Security	Amount	% Required	LC Required
<b>Landscaping:</b>			
Trees and Shrubs	29,430	100%	29,430
Other Landscaping Features	83,392	100%	83,392
Tree Preservation	9,050	100%	9,050
<b>Subtotal Landscaping</b>			<b>\$121,872</b>
<b>Engineering:</b>			
Off-Site Works	31,744	100%	31,744
Certificates and Deposits	60,000	100%	60,000
Clearing, Grubbing & Earthworks	55,876	25%	13,969
Storm Sewers	46,121	25%	11,530
Sanitary Sewers	32,937	25%	8,234
Watermain - Domestic	24,528	25%	6,132
Watermain - Fire	30,804	25%	7,701
Servicing Fixtures	86,310	25%	21,578
Stormwater Management	94,000	100%	94,000
Concrete Walkways and Pavers	18,150	50%	9,075
Asphalt Construction	109,294	50%	54,647
Retaining Walls and Stairs	235,236	100%	235,236
Curbs	11,188	50%	5,594
<b>Subtotal Engineering</b>			<b>\$559,440</b>
<b>Total Securities</b>			<b>\$681,312</b>

The securities are funded from the construction loan, as per the Commitment Amendment dated December 17, 2018. The total of \$681,312 has been incorporated into the cost-to-date.

**Attachments: Project Budget Summary and Reconciliation of Costs**



# Overall Budget Summary

DESCRIPTION	B		C		42	53,217	BUDGET ASSUMPTIONS COMMENTS	GROSS COST TO DATE	PREVIOUSLY APPROVED COSTS	CURRENT COSTS INCURRED	COST TO COMPLETE	%	HOLDBACK
	PREVIOUS BUDGET	C - B VARIANCE	IQS PROJECT BUDGET	COST / UNIT	COST / SF (GCA)								
<b>A LAND</b>													
1 Land Value	5,551,281	0	5,551,281	132,173	104.3	Land Value as per lending agreement dated October 15, 2018.	5,551,281	5,551,281	0	0	100%		
2 Land Transfer Tax	Included in A1	0	Included in A1	0	0.0	Assumed to be included in A1 - Land			0	0	0%		
3 Land Legal Fees	Included in A1	0	Included in A1	0	0.0	Assumed to be included in A1 - Land			0	0	0%		
4 Land Title Insurance	Included in A1	0	Included in A1	0	0.0	Assumed to be included in A1 - Land			0	0	0%		
5 Other Land Closing Costs	Included in A1	0	Included in A1	0	0.0	Assumed to be included in A1 - Land			0	0	0%		
6 Realty Taxes	51,281	0	51,281	1,221	1.0	As per City of Ajax Municipal yearly tax rate of 1.266193%. Carried for 18 months			0	51,281	0%		
<b>LAND SUBTOTAL</b>	<b>5,602,562</b>	<b>0</b>	<b>5,602,562</b>	<b>133,394</b>	<b>105.3</b>		<b>5,551,281</b>	<b>5,551,281</b>	<b>0</b>	<b>51,281</b>	<b>99%</b>		
<b>B SERVICING COSTS</b>													
1 Pre-Site Servicing - Demolition	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%	0	
2 Pre-Site Servicing - Clearing and Grubbing	Included in B3	0	Included in B3	0	0.0	Included in B3			0	0	0%	0	
3 Site Servicing - Site Preparation	217,705	529,204	746,908	17,784	14.0	Based on contract with Kapp	611,209	217,705	393,504	135,699	82%	61,121	
4 Site Servicing - Sub-Surface Works	Included in B3	0	Included in B3	0	0.0	Included in B3			0	0	0%	0	
5 Site Servicing - Surface Works	Included in B3	0	Included in B3	0	0.0	Included in B3			0	0	0%	0	
6 Site Servicing - Garbage Enclosure	Included in C1	0	Included in C1	0	0.0	Included in C1			0	0	0%	0	
7 Site Servicing - Sanitary Sewer	60,929	(60,929)	Included in B3	0	0.0	Included in B3			0	0	0%	0	
8 Site Servicing - Storm Water	185,517	(185,517)	Included in B3	0	0.0	Included in B3			0	0	0%	0	
9 Site Servicing - Watermain	282,757	(282,757)	Included in B3	0	0.0	Included in B3			0	0	0%	0	
10 Electrical Service - Electrical	150,000	0	150,000	3,571	2.8	Allowance to cover the offer to connect			0	150,000	0%	0	
11 Electrical Service - Streetlighting	Included in B10	0	Included in B10	0	0.0	Assumed to be included in B10			0	0	0%	0	
12 Landscaping	Included in 2030	0	Included in 2030	0	0.0	Included in 2030			0	0	0%	0	
13 Change Orders	13,820	(13,820)	Included in B3	0	0.0	Included in B3		13,820	(13,820)	0	0%	0	
14 Servicing Contingency	31,026	13,820	44,845	1,068	0.8	Allowance based on 5% of the Servicing and Hydro Servicing works.			0	44,845	0%	0	
15 Owner's Direct Costs	Excluded	0	Excluded	0	0.0	Excluded			0	0	0%	0	
<b>SERVICING &amp; ZONING APPROVALS SUBTOTAL</b>	<b>941,753</b>	<b>1</b>	<b>941,753</b>	<b>22,423</b>	<b>17.7</b>		<b>611,209</b>	<b>231,524</b>	<b>379,685</b>	<b>330,545</b>	<b>65%</b>	<b>61,121</b>	
<b>C CONSTRUCTION COSTS</b>													
1 Building Construction	7,321,413	0	7,321,413	174,319	137.6	Equates to \$138 / sf on project GFA.			0	7,321,413	0%	0	
2 Upgrade Cost	Excluded	0	Excluded	0	0.0	Excluded. Refer to our Construction Budget.			0	0	0%	0	
3 Owner's Direct Costs	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%	0	
4 Management and Site Superintendent	200,000	0	200,000	4,762	3.8	Allowance carried. Equates to 2.61 % of the Const. Budget.			0	200,000	0%	0	
5 Construction Contingency	328,587	0	328,587	7,824	6.2	Equates to 4.5% of the Building Construction Budget, or 4.49% of the Building Construction CTC.			0	328,587	0%	0	
6 Warranty / Deficiencies (100% Deferred)	105,000	0	105,000	2,500	2.0	Allowance at \$2,500 per unit. Budget is noted as 100% deferred.			0	105,000	0%	0	
<b>CONSTRUCTION COSTS - TOWNS SUBTOTAL</b>	<b>7,955,000</b>	<b>0</b>	<b>7,955,000</b>	<b>189,405</b>	<b>149.5</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>7,955,000</b>	<b>0%</b>	<b>0</b>	



# Overall Budget Summary

DESCRIPTION	B		C		42	53,217	BUDGET ASSUMPTIONS COMMENTS	GROSS COST TO DATE	PREVIOUSLY APPROVED COSTS	CURRENT COSTS INCURRED	COST TO COMPLETE	%	HOLDBACK
	PREVIOUS BUDGET	C - B VARIANCE	IQS PROJECT BUDGET	COST / UNIT	COST / SF (GCA)								
<b>D DESIGN &amp; ENGINEERING</b>													
1 Architect	110,000	0	110,000	2,619	2.1	Allowance. Equates to \$2,619 per unit which appears reasonable.	3,862	3,862	0	106,138	4%		
2 Structural Engineer	55,000	0	55,000	1,310	1.0	Allowance. Equates to \$1,310 per unit which appears reasonable.			0	55,000	0%		
3 Electrical & Mechanical Engineer	80,000	0	80,000	1,905	1.5	Allowance. Equates to \$1,905 per unit which appears reasonable.			0	80,000	0%		
4 Environmental Consultant	15,000	0	15,000	357	0.3	Allowance carried	350	350	0	14,650	2%		
5 Surveyor	25,000	0	25,000	595	0.5	Allowance carried	18,112	18,112	0	6,888	72%		
6 Planning Consultant	35,000	0	35,000	833	0.7	Allowance carried	28,442	28,442	0	6,558	81%		
7 Soils Engineer	5,000	0	5,000	119	0.1	Allowance carried	300	300	0	4,700	6%		
8 Appraisal	5,000	0	5,000	119	0.1	Allowance carried	3,450	3,450	0	1,550	69%		
9 Bulletin 19 Inspections	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
10 Landscape Architect	10,000	0	10,000	238	0.2	Allowance carried	5,209	5,209	0	4,791	52%		
11 Interior Design	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
12 Shoring Engineer	10,000	0	10,000	238	0.2	Allowance carried			0	10,000	0%		
13 Printing & Disbursements	5,000	0	5,000	119	0.1	Allowance carried			0	5,000	0%		
14 Civil Consultant	180,000	0	180,000	4,286	3.4	Allowance carried	159,861	159,861	0	20,139	89%		
15 Cost Consultant	Included in I10	0	Included in I10	0	0.0	Included in I10			0	0	0%		
16 Acoustical Consultant	7,000	0	7,000	167	0.1	Allowance carried			0	7,000	0%		
17 Safety Consultant	5,000	0	5,000	119	0.1	Allowance carried			0	5,000	0%		
18 Wind Study	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
19 Testing and Inspections	20,000	0	20,000	476	0.4	Allowance carried			0	20,000	0%		
20 Energy Modelling / LEED	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
21 Building Code Consultant	10,000	0	10,000	238	0.2	Allowance carried			0	10,000	0%		
22 Traffic Consultant	5,000	0	5,000	119	0.1	Allowance carried	1,620	1,620	0	3,380	32%		
23 Audio / Video Consultant	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
24 Ecologist/Geomorphologist	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
25 Market Study	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
26 Other Consultants & Disbursements	20,000	0	20,000	476	0.4	Allowance carried	1,800	1,800	0	18,200	9%		
<b>DESIGN &amp; ENGINEERING SUBTOTAL</b>	<b>602,000</b>	<b>0</b>	<b>602,000</b>	<b>14,333</b>	<b>11.3</b>		<b>0.00</b>	<b>223,005</b>	<b>223,005</b>	<b>0</b>	<b>378,995</b>	<b>417%</b>	<b>0</b>
<b>E LEGAL &amp; ADMINISTRATION</b>													
1 Legal Fees (General)	50,400	0	50,400	1,200	0.9	Allowance. Equates to \$1,200 per unit which appears reasonable.			0	50,400	0%		
2 Legal Fees (Closing)	46,200	0	46,200	1,100	0.9	Allowance. Equates to \$1,100 per unit which appears reasonable.			0	46,200	0%		
3 Overhead Costs	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
4 Development Management Fees / Project Overhead	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
5 Insurance	49,190	0	49,190	1,171	0.9	\$2 per \$1,000 Construction x 1.5 years + Allowance of \$15,000 / year for Commercial Liability for 1.5 years			0	49,190	0%		
6 Bonding	Excluded	0	Excluded	0	0.0	Bonding costs not carried. Will be required if trades are to be bonded.			0	0	0%		
7 Tarion Bond & ECDI Bond + Fees	81,714	0	81,714	1,946	1.5	Tarion Bond at 1% of \$20,000 x 42 units + Excess Deposit Insurance at 1% of \$20,000 x 42 + Commitment Fee at \$7,500			0	81,714	0%		
8 TARION Security Payment	Included in E7	0	Included in E7	0	0.0	Included in E7			0	0	0%		
9 TARION Security Payment - Refund	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%		
10 Accounting	27,000	0	27,000	643	0.5	Equates to \$1,500 per month for 18 months.			0	27,000	0%		
<b>LEGAL &amp; ADMINISTRATION SUBTOTAL</b>	<b>254,504</b>	<b>0</b>	<b>254,504</b>	<b>6,060</b>	<b>4.8</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>254,504</b>	<b>0%</b>	<b>0</b>	



# Overall Budget Summary

	B	C	42	53,217										
DESCRIPTION	PREVIOUS BUDGET	C - B VARIANCE	IQS PROJECT BUDGET	COST / UNIT	COST / SF (GCA)	BUDGET ASSUMPTIONS COMMENTS	GROSS COST TO DATE	PREVIOUSLY APPROVED COSTS	CURRENT COSTS INCURRED	COST TO COMPLETE	%	HOLDBACK		
<b>F DEVELOPMENT FEES AND PERMITS</b>														
1 Municipal Engineering and Admin Fee	70,000	54,491	124,491	2,964	2.3	Allowance carried. Typically 10% of servicing costs.	119,491	65,381	54,109	5,000	96%			
2 Development Charges (City, Region, Edu.)	1,996,680	(36,000)	1,960,680	46,683	36.8	As calculated based on City of Ajax and Durham Region rates as of July 6, 2018. Incl. Education Charges. Refer to Assumptions Tab.	1,960,680		1,960,680	0	100%			
3 Impost Fee	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%			
4 Zoning, Variance, SPA fees	10,000	0	10,000	238	0.2	Allowance to cover application fees relate to SPA			0	10,000	0%			
5 Building Permits	66,744	0	66,744	1,589	1.3	As calculated based on City of Ajax rates at \$11 / m2	66,744	66,744	0	0	100%			
6 Condominium Application	10,000	0	10,000	238	0.2	Allowance for the application and registration of the Condominium			0	10,000	0%			
7 Parkland Levy	294,000	0	294,000	7,000	5.5	Calculation based on Townhouse rate at \$2,600 / FF. FF is estimated.	294,000		294,000	0	100%			
8 Cash Security (Landscaping/Eng)	Assume LC used	681,312	681,312	16,222	12.8	Based on City's requirement. Refer to Section 3.4 of IQS Report	681,312		681,312	0	100%			
9 Cash Security & Refund	Assume LC used	0	Not Applicable	0	0.0	Not Applicable			0	0	0%			
10 DC Credit	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%			
<b>DEVELOPMENT FEES AND PERMITS SUBTOTAL</b>	<b>2,447,424</b>	<b>699,803</b>	<b>3,147,227</b>	<b>74,934</b>	<b>59.1</b>	<b>Payments to 3rd parties and city (non-security related) have been excluded as advised by the Borrower</b>	<b>3,122,227</b>	<b>132,125</b>	<b>2,990,101</b>	<b>25,001</b>	<b>99%</b>			
<b>G MARKETING / SALES / LEASING</b>														
1 Marketing	230,000	0	230,000	5,476	4.3	Allowance. Equates to \$5,476 per unit which appears reasonable.	206,099	206,099	0	23,901	90%			
2 Advertising	Included in G1	0	Included in G1	0	0.0	Included in G1			0	0	0%			
3 Brochures & Signage	Included in G1	0	Included in G1	0	0.0	Included in G1			0	0	0%			
4 Sales Center Overhead and Operation Costs	Included in G1	0	Included in G1	0	0.0	Included in G1			0	0	0%			
5 Sales Centre	Included in G1	0	Included in G1	0	0.0	Included in G1			0	0	0%			
6 After Sales Service	Included in C6	0	Included in C6	0	0.0	Included in C6			0	0	0%			
7 TARION Fees - Enrolment + Registration + Renewal	55,150	0	55,150	1,313	1.0	Based on \$1,075 / unit as per the Tarion Schedule + Registration and Renewal at \$5k each (\$589,000 average sales price)			0	55,150	0%			
8 Sales Commission (50% Deferred)	742,140	0	742,140	17,670	13.9	Commission calculated on 3% of assumed total of unit sales. 50% Deferred.			0	742,140	0%			
9 Sales Commission - Retail - Not Applicable	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%			
10 Provision for Purchaser Inducement	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%			
11 Signage	Included in G1	0	Included in G1	0	0.0	Included in G1			0	0	0%			
<b>MARKETING / SALES / LEASING SUBTOTAL</b>	<b>1,027,290</b>	<b>0</b>	<b>1,027,290</b>	<b>24,459</b>	<b>19.3</b>		<b>206,099</b>	<b>206,099</b>	<b>0</b>	<b>821,191</b>	<b>20%</b>			
<b>H OPERATING EXPENSES</b>														
1 Occupancy & Maintenance Charges	Excluded	0	Excluded	0	0.0	Excluded			0	0	0%			
2 Other Operating Expenses	Excluded	0	Excluded	0	0.0	Excluded			0	0	0%			
<b>OPERATING EXPENSES SUBTOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>			
<b>I FINANCE</b>														
1 L/C Fees	12,000	(12,000)	Not Applicable	0	0.0	Not Applicable			0	0	0%			
2 Broker Fee & Working Fee	229,500	19,944	249,444	5,939	4.7	Allow 1.5% as per the Borrower.	249,444	229,500	19,944	0	100%			
3 Processing Fee	30,000	0	30,000	714	0.6	As per Lending Agreement dated October 15, 2018	30,000	30,000	0	0	100%			
4 Commitment Fees - Lender	288,966	13,626	302,592	7,205	5.7	As per Lending Agreement dated October 15, 2018	302,592	288,966	13,626	0	100%			
5 Lender Legal/Consultants	15,000	0	15,000	357	0.3	Allowance carried			0	15,000	0%			
6 Draw Fees	4,500	0	4,500	107	0.1	Allow \$250 / draw for 18 months			0	4,500	0%			
7 Construction Loan Interest	1,269,311	( )	1,269,311	30,222	23.9	Based on Prime + 4.3%. Increased by 0.25% every 6 months.			0	1,269,311	0%			
8 Loan Interest after Construction	Excluded	0	Excluded	0	0.0	Excluded			0	0	0%			
9 Legals on Closings	6,300	0	6,300	150	0.1	As per Lending Agreement dated October 15, 2018			0	6,300	0%			
10 Discharge Fee (100% Deferred)	6,300	0	6,300	150	0.1	As per Lending Agreement dated October 15, 2018			0	6,300	0%			
11 Cost Consultant	38,208	0	38,208	910	0.7	As per our fee proposal dated May 31, 2017	11,697	985	10,712	26,511	31%			
12 Interests Payable on Deposits	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%			
<b>FINANCE SUBTOTAL</b>	<b>1,900,086</b>	<b>21,569</b>	<b>1,921,655</b>	<b>45,754</b>	<b>36.1</b>		<b>593,733</b>	<b>549,451</b>	<b>44,282</b>	<b>1,327,922</b>	<b>31%</b>			



# Overall Budget Summary

		B	C	42	53,217										
DESCRIPTION	PREVIOUS BUDGET	C - B VARIANCE	IQS PROJECT BUDGET	COST / UNIT	COST / SF (GCA)	BUDGET ASSUMPTIONS COMMENTS	GROSS COST TO DATE	PREVIOUSLY APPROVED COSTS	CURRENT COSTS INCURRED	COST TO COMPLETE	%	HOLDBACK			
<b>J CONTINGENCY</b>															
1 Development Contingency	6.64% of Cost to Complete	214,532	(36,373)	178,159	4,242	3.3 Allowance for future soft cost overruns. Represents 6.64% of Cost to Complete			0	0	0%				
<b>CONTINGENCY SUBTOTAL</b>		214,532	(36,373)	178,159	4,242	3.3	0	0	0	178,159	0%				
<b>K GOVERNMENT TAXES</b>															
1 H.S.T. on Unit Sales	Adj. in Revenue	0	0	Adj. in Revenue	0	0.0 Offset in Revenue calculation.			0	0	0%				
2 G.S.T./H.S.T. on Monthly Costs	1,394,174	0	1,394,174	33,195	26.2	G.S.T./H.S.T. on Monthly Costs	128,815	83,000	45,815	1,265,359	9%				
3 G.S.T./H.S.T. Input Tax Credits	(1,394,174)	(0)	(1,394,174)	(33,195)	(26.2)	G.S.T./H.S.T. Input Tax Credits	0	0	0	(1,394,174)	0%				
4 P.S.T. on Sales Recovery	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%				
<b>GOVERNMENT TAXES SUBTOTAL</b>		0	(0)	0	(0)	(0)	128,815	83,000	45,815	(128,815)	0%				
<b>L OFFSETTING INCOME</b>															
1 Occupancy Income - Interim Mortgages	Not Applicable	0	Not Applicable	0	0.0	Not Applicable as project is a lot-line condo / common element condo.			0	0	0%				
2 Other Recoveries	Refer to L1 & L3	0	Refer to L1 & L3	0	0.0	Refer to L1 and L3			0	0	0%				
3 Tarion - Enrolment Recovery	(45,150)	0	(45,150)	(1,075)	(.8)	Tarion Enrolment Recovery at the end of the Project			0	(45,150)	0%				
4 Interest Earned on Deposits	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%				
5 Recovery of Levies	Adj. in Revenue	0	Adj. in Revenue	0	0.0	Adjusted in Revenue. Total of \$529,000 as per the Borrower. Equates to \$12,595 per unit.			0	0	0%				
6 Recovery of PST	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%				
7 Recovery of LEED	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%				
<b>OFFSETTING INCOME SUBTOTAL</b>		(45,150)	0	(45,150)	(1,075)	(.8)	0	0	0	(45,150)	0%				
<b>M DEFERRED COSTS</b>															
1 Commissions	Refer to G8 & G9	0	Refer to G8	0	0.0	Refer to G8			0	0	0%				
2 Legals on Closing	Refer to I8	0	Refer to E2	0	0.0	Refer to I8			0	0	0%				
3 Interest paid on Purchaser Deposits	Not Applicable	0	Not Applicable	0	0.0	Not Applicable			0	0	0%				
4 After Sales Service	Refer to C6	0	Refer to C6	0	0.0	Refer to C6			0	0	0%				
<b>DEFERRED COSTS SUBTOTAL</b>		0	0	0	0	0.0	0	0	0	0	0%				
<b>TOTAL PROJECT COSTS</b>		20,900,000	685,000	21,585,000	513,929	406	10,436,368	6,976,485	3,459,883	11,148,632	48%	61,121			
	Per Borrower Hard	20,900,000	685,000	21,585,000	513,929	406									
	Per Borrower Softs + Land	0	0	0	0	0									
							<b>HOLDBACK RETAINED</b>								
							<b>HOLDBACK RELEASED</b>								
							(61,121)	(23,152)	(37,968)	61,121		<b>HB RETAINED</b>			
									0	0		<b>HB RELEASED</b>			
							10,375,247	6,953,332	3,421,915	11,209,753					
							10,375,247	6,953,332	3,421,915	11,209,753					
							0	0	0	0					

Contingency	Amount	
Construction Contingency (Servicing & Const.)	373,432	4.36% of Hard Costs
Development Contingency	178,159	6.64% of Cost to Complete; 2.58% of Soft Costs.
<b>Total</b>	<b>\$551,591</b>	



Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

## RECONCILIATION OF COSTS

### Borrower's Costs

Servicing Contractors Billing at November 30, 2018	611,209
Borrower's Soft Costs at October 31, 2018	429,104
	1,040,313 A

### Cost reported by Intrepid QS Costs

Gross Cost to Date	10,436,368
Holdback Retained	(61,121)
Net Cost to Date	10,375,247 B
	0

Variance (9,334,935) = A - B

### Adjustments

Land	5,551,281
Holdback Retained by IQS	(61,121)
Municipal Engineering and Admin Fee	65,381
Building Permits	66,744
Broker Fee & Working Fee	229,500
Processing Fee	30,000
Commitment Fees - Lender	288,966
Cost Consultant - Pro-Forma Report and Report No. 1 + Report No. 2	11,697
HST on Hard and Soft Costs to Date	128,815
Accrue - Fees to City of Brampton (incl. Engineering Admin)	54,109
Accrue - Parkland Levy	294,000
Accrue - Development Charges	1,960,680
Accrue - Security Deposit City of Ajax	681,312
Accrue - Balance of Updated Commitment Fees - Lender (December 18, 2018)	33,570

Rounding 0

Reconciled (0)



**INTREPID**  
quantity surveying

#### **4. FUNDING CALCULATION & EQUITY REQUIRED**

##### **4.1 Equity Required**

The land equity required of \$2,650,000 is covered by the land value of \$5,551,281, which is carried in the overall budget.

Based on our assessment, the Borrower is required to inject additional equity of \$393,688 to cover the source of funds shortfall. The Borrower has provided copies of cancelled cheques as evidence of the injection of \$393,688 in additional equity.

##### **4.2 Funding Required**

Based on the above, and the net costs incurred to November 30, 2018 of \$10,375,247, the maximum amount available from the Loan is \$7,331,559. We previously recommended funding of \$3,913,332 which has not yet been advanced to the Borrower. The Borrower therefore is eligible for current total funding of \$7,311,615 covering both Report No. 1 and Report No. 2. The current funding is broken down as follows:

Report No. 1 Funding (previously recommended)	\$3,913,332
Hard and Soft Costs (Report No. 2)	\$428,126
Parkland Levy*	\$294,000
Development Charges*	\$1,960,680
City Fees*	\$54,109
Cash Security*	\$681,312
<b>Total Funding</b>	<b>\$7,331,559</b>

\* The Lender is to advise if the payments to the City will be funded to the Borrower or paid directly to the City.

Refer to the Funding Calculation overleaf for our assumptions on funding.

**Attachment: Funding Calculation**



Dream Maker Developments  
135 Mandrake St., Ajax, ON  
Project No. 17028 - Report No. 2 at November 30, 2018  
Issued December 19, 2018

## FUNDING CALCULATION

SOURCE OF FUNDS		A		C-A		B		C-B		C		COST TO DATE	PREVIOUSLY ADVANCED	CURRENT ADVANCE	COST TO COMPLETE
		PER LENDER	VARIANCE	PREVIOUS BUDGET	VARIANCE	IQS BUDGET									
LAND EQUITY	12%	2,650,000	0	2,650,000	0	2,650,000	2,650,000	2,650,000	2,650,000	0	0	2,650,000	2,650,000	0	0
CASH EQUITY	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ADDITIONAL EQUITY	2%	0	393,688	390,000	3,688	393,688	393,688	390,000	3,688	0	0	393,688	390,000	3,688	0
TARION DEPOSITS	4%	840,000	0	840,000	0	840,000	0	0	0	0	840,000	0	0	0	840,000
EXCESS DEPOSITS	3%	589,350	0	589,350	0	589,350	0	0	0	0	589,350	0	0	0	589,350
DEFERRALS	2%	482,370	0	482,370	0	482,370	0	0	0	0	482,370	0	0	0	482,370
LOAN	77%	16,629,592	0	15,948,280	681,312	16,629,592	7,331,559	7,331,559	0	7,331,559	0	7,331,559	0	7,331,559	9,298,033
		<b>21,191,312</b>	<b>393,688</b>	<b>20,900,000</b>	<b>685,000</b>	<b>21,585,000</b>	<b>10,375,247</b>	<b>3,040,000</b>	<b>7,335,247</b>	<b>11,209,753</b>					
		21,191,312	393,688	20,900,000	685,000	21,585,000	10,375,247	6,953,332	3,421,915	11,209,753					
		0	0	0	0	21,585,000	0	-3,913,332	3,913,332	0					
						0		See Note Below (4)							

### 2. PRIMARY MARGIN

GROSS COST TO DATE	10,436,368
LESS HOLDBACK	-61,121
	<b>10,375,247</b>
LESS LAND EQUITY	-2,650,000
LESS CASH EQUITY	0
LESS ADDITIONAL EQUITY	-393,688
LESS TARION DEPOSITS	0
LESS EXCESS DEPOSITS	0
LESS DEFERRALS	0
MAXIMUM AVAILABLE	<b>7,331,559</b>
PREVIOUSLY ADVANCED	0
CURRENT ADVANCE (Costs in Place)	<b>7,331,559</b>
	S/BE ZERO 0

### 3. SECONDARY MARGIN

LOAN AMOUNT	16,629,592
LESS COST TO COMPLETE	-11,209,753
ADD OUTSTANDING LAND EQUITY	0
ADD OUTSTANDING CASH EQUITY	0
ADD OUTSTANDING ADDITIONAL EQUITY	0
ADD OUTSTANDING TARION DEPOSITS	840,000
ADD OUTSTANDING EXCESS DEPOSITS	589,350
ADD OUTSTANDING DEFERRALS	482,370
MAXIMUM AVAILABLE	<b>7,331,559</b>
PREVIOUSLY ADVANCED	0
CURRENT ADVANCE (Costs in Place)	<b>7,331,559</b>
	S/BE ZERO 0

### NOTES

- (1) We have received and have reviewed the cost to date and equity information from the Borrower.
- (2) The foregoing calculation is a draft provided for the Lenders review. Any necessary revisions should be undertaken by the Lender.
- (3) Please advise us of the actual amount of the advance in order that we may keep our records accurate.
- (4) The variance of \$3,913,332 represents the amount that was previously reported, but was not advanced in our Report No. 1
- (5) Deferred Costs noted above are detailed as follows:

Warranty / Deficiencies (100% Deferred)	105,000
Sales Commission (50% Deferred)	371,070
Discharge Fee (100% Deferred)	6,300
<b>Total Deferred</b>	<b>482,370</b>
	0





## 5. CONSTRUCTION BUDGET

### Qualifications

- A detailed estimate has not been made available for our review. Furthermore, our terms of reference do not include the preparation of a detailed estimate.
- If required, we will request for updated plans in the future to verify if any material changes to the project documents have occurred and the subsequent impact to the overall project cost and schedule.

### 5.1 Construction Budget

The construction budget is made up of signed contracts and allowances for various scopes of work. The construction budget of \$7,955,000, excluding servicing, is broken down as follows:

Budget Item	Budget	%
Building Construction	7,321,413	92.04%
Upgrade Cost	Excluded	0.00%
Owner's Direct Costs	Not Applicable	0.00%
Management and Site Superintendent	200,000	2.51%
Construction Contingency	328,587	4.13%
Warranty / Deficiencies (100% Deferred)	105,000	1.32%
<b>Total Hard Cost Budget</b>	<b>7,955,000</b>	<b>100%</b>

Furthermore, we have summarized the breakdown of the construction budget, excluding Management & Site Superintendent, and Warranty & Deficiencies as follows:

Description	Amount	% of Budget
Contract/Quote	4,457,153	58.26%
C.O.	0	0.00%
P.O.	0	0.00%
<b>Total Committed</b>	<b>4,457,153</b>	<b>58.26%</b>
Uncommitted	2,864,260	37.44%
Const. Contingencies	328,587	4.30%
<b>Overall Budget</b>	<b>7,650,000</b>	<b>100.00%</b>

Based on contracts and quotations received, the hard costs are currently confirmed to 58% of the Construction Budget. We understand the Lender requires 60% to be committed prior to funding. The Lender is to advise if 58% acceptable.



We have also included the summary breakdown of the servicing budget as follows:

Budget Item	Amount	%
Pre-Site Servicing - Demolition	Not Applicable	0.00%
Site Servicing - Site Preparation	746,908	79.31%
Site Servicing - Garbage Enclosure	Included in Const. Budget	0.00%
Site Servicing - Sanitary Sewer	Included Above	0.00%
Site Servicing - Storm Water	Included Above	0.00%
Site Servicing - Watermain	Included Above	0.00%
Electrical Service - Electrical	150,000	15.93%
Landscaping	Included in Const. Budget	0.00%
Change Orders	Included Above	0.00%
Servicing Contingency	44,845	4.76%
Owner's Direct Costs	Excluded	0.00%
<b>Total Servicing Budget</b>	<b>941,753</b>	<b>100%</b>

On an aggregate basis, including site servicing, we find the construction budget to fall into the mid-range of costs that we would expect in today's market at \$167 / s.f. of the Gross Construction Area for a project of this size and scope.

### **5.2 Change Orders**

IQS has not been retained to complete an in-depth review of CO's and CCO's regarding appropriate costs and potential of an impact to the schedule. We will however track and summarize the Change Orders issued and report accordingly. Additional expenses will be incurred should detailed change order reviews be required by the Lender.

There are no change orders to report at this time.

### **5.3 Contract Administration**

The project will be managed and administered on a Construction Management basis. The Borrower has not retained a third-party construction manager for the project and instead will self-manage and certify the costs going forward. IQS will assist the Borrower with the review and approval of completed work.

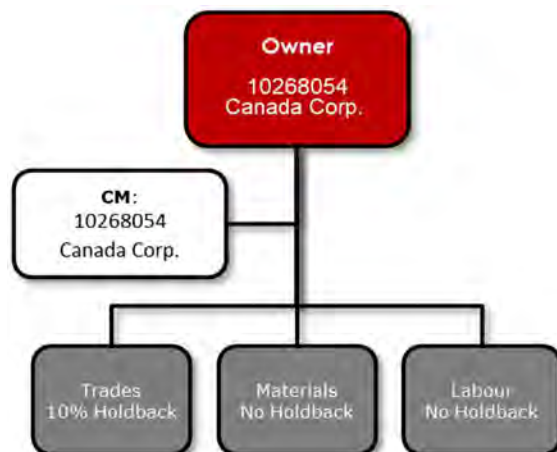
A Site Superintendent Fee is included at \$200,000, which equates to 2.61% of the construction budget of \$7,650,000. We note that the construction management fee is in the typical 2% to 5% range we would expect.



#### 5.4 Holdback Provisions

In Ontario, Statutory Holdback of 10% of the completed work is required to be retained. Under the form of contract administration depicted below, Holdback is generally retained on Trade Contracts that provide both Material and Installation services. Holdback monies are generally not retained on consultants, or on Trade Contractors providing material only or labour only services, notwithstanding these vendors have lien rights.

The Lender should confirm if 10% holdback is to be retained on all hard-costs. We will track and report on this accordingly.



#### 5.5 Holdback Retained / Released

There is currently \$61,121 of holdback retained to date. There is currently no holdback recommended for release.

**Attachment: Construction Budget Summary**





Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CONSTRUCTION SUMMARY

Ref	ITEM / DESCRIPTION	B		C-B		C		CONTRACTOR	CONTRACT / QUOTE	CHANGE ORDER	PURCHASE ORDER	TOTAL COMMITTED	GROSS COST TO DATE	PREVIOUS COST	CURRENT COST	COST TO COMPLETE	%	GROSS HB	HB RELEASE	NET HB
		PREVIOUS BUDGET	VARIANCE	IQS PROJECT BUDGET	GFA COST / SF	COST / UNIT	53,217													
<b>DIVISION 4 MASONRY</b>																				
4001	Brick Veneer Supply & Install	589,800	0	589,800	11.1	14,042.9	Euro Group Masonry	589,800				589,800	0	0	0	589,800	0%	0	0	0
4005	Stone Facing	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
4010	Window Sills	Included in 4001	0	Included in 4001	-	-	Included in 4001					0	0	0	0	0	0%	0	0	0
4015	Address Stone	5,000	0	5,000	0.1	119.0	Allowance Carried					0	0	0	0	5,000	0%	0	0	0
4020	Masonry (S&I)	Not Applicable	0	Not Applicable	-	-	Not Applicable			0		0	0	0	0	0	0%	0	0	0
4025	Misc. Masonry	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
<b>DIVISION 4 TOTAL</b>		594,800	0	594,800	11.2	14,162		589,800	0	0	0	589,800	0	0	0	594,800	0%	0	0	0
<b>DIVISION 5 METALS</b>																				
5001	Steel Beams and Columns	223,291	0	223,291	4.2	5,316.5	Trimcon Contracting Inc.	223,291			0	223,291	0	0	0	223,291	0%	0	0	0
5005	Steel Welding	10,500	0	10,500	0.2	250.0	Allowance of \$250 per unit X 42 units				0	0	0	0	0	10,500	0%	0	0	0
5010	Exterior Railings & Accessories	71,400	0	71,400	1.3	1,700.0	Allowance of \$1,700 per unit X 42 units					0	0	0	0	71,400	0%	0	0	0
5015	Steel Lintels	Included in 4001	0	Included in 4001	-	-	Included in 4001					0	0	0	0	0	0%	0	0	0
<b>DIVISION 5 TOTAL</b>		305,191	0	305,191	5.7	7,266		223,291	0	0	0	223,291	0	0	0	305,191	0%	0	0	0
<b>DIVISION 6 CARPENTRY AND MILLWORK</b>																				
6001	Woodframing (Labour)	707,550	0	707,550	13.3	16,846.4	K.J.T. Carpentry Inc.	707,550			0	707,550	0	0	0	707,550	0%	0	0	0
6005	Woodframing (Material)	566,095	0	566,095	10.6	13,478.5	Lake Scugog Lumber	566,095			0	566,095	0	0	0	566,095	0%	0	0	0
6010	Truss Package	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
6015	Interior Trim & Doors - Supply & Install	150,000	0	150,000	2.8	3,571.4	Allowance Carried				0	0	0	0	0	150,000	0%	0	0	0
6020	Wood Stairs (Oak)	150,000	0	150,000	2.8	3,571.4	Stairfab and Railings Inc.	150,000				150,000	0	0	0	150,000	0%	0	0	0
6025	Railings (Oak handrails with rough iron pickets)	25,000	0	25,000	0.5	595.2	Stairfab and Railings Inc.	25,000				25,000	0	0	0	25,000	0%	0	0	0
6030	Screwing Sub Floor	10,000	0	10,000	0.2	238.1	Allowance of \$238 per unit X 42 units				0	0	0	0	0	10,000	0%	0	0	0
6035	Kitchen Supplier & Installer	112,392	0	112,392	2.1	2,676.0	Cartier Kitchens; Excludes upgrades	112,392				112,392	0	0	0	112,392	0%	0	0	0
6040	Granite Countertops	80,000	0	80,000	1.5	1,904.8	Allowance Carried				0	0	0	0	0	80,000	0%	0	0	0
6045	Washroom Vanities	Included in 6035	0	Included in 6035	-	-	Included in 6035					0	0	0	0	0	0%	0	0	0
<b>DIVISION 6 TOTAL</b>		1,801,037	0	1,801,037	33.8	42,882		1,561,037	0	0	0	1,561,037	0	0	0	1,801,037	0%	0	0	0
<b>DIVISION 7 THERMAL &amp; MOISTURE PROTECTION</b>																				
7001	Roofing - Fiberglass Shingles / Metal Roofs	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
7005	Flat Roof & Balconies	351,245	0	351,245	6.6	8,363.0	Chislett Asphalt Roofing	351,245		0	0	351,245	0	0	0	351,245	0%	0	0	0
7010	Aluminum / Siding / Soffits	282,000	0	282,000	5.3	6,714.3	Allowance carried					0	0	0	0	282,000	0%	0	0	0
7015	Sheet Metal & Trim	Included in 7010	0	Included in 7010	-	-	Included in 7010					0	0	0	0	0	0%	0	0	0
7020	Insulation for Basement	Included in 9001	0	Included in 9001	-	-	Included in 9001					0	0	0	0	0	0%	0	0	0
7025	Stucco Finishing	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
7030	Exterior Caulking & Sealants	8,500	0	8,500	0.2	202.4	Allowance Carried					0	0	0	0	8,500	0%	0	0	0
7035	Waterproofing & Firestopping	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
7040	Hardie Board (fiber cement) S&I	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
<b>DIVISION 7 TOTAL</b>		641,745	0	641,745	12.1	15,280		351,245	0	0	0	351,245	0	0	0	641,745	0%	0	0	0
<b>DIVISION 8 DOORS &amp; WINDOWS</b>																				
8001	Door Hardware	Included in 6015	0	Included in 6015	-	-	Included in 6015					0	0	0	0	0	0%	0	0	0
8005	Garage Door	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
8010	Garage Door Opener	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
8015	Windows and Doors	250,000	0	250,000	4.7	5,952.4	Allowance Carried				0	0	0	0	0	250,000	0%	0	0	0
8020	Ext Doors - Supply	Included in 8015	0	Included in 8015	-	-	Included in 8015					0	0	0	0	0	0%	0	0	0
8025	Shop Labour for Pre-Hung Doors	Not Applicable	0	Not Applicable	-	-	Not Applicable					0	0	0	0	0	0%	0	0	0
8030	Interior Doors (Supply)	Included in 6015	0	Included in 6015	-	-	Included in 6015					0	0	0	0	0	0%	0	0	0
8035	Basement Windows	Included in 8015	0	Included in 8015	-	-	Included in 8015				0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 8 TOTAL</b>		250,000	0	250,000	4.7	5,952		0	0	0	0	0	0	0	0	250,000	0%	0	0	0



Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CONSTRUCTION SUMMARY

Ref	ITEM / DESCRIPTION	B PREVIOUS BUDGET	C-B VARIANCE	C IQS PROJECT BUDGET	GFA COST / SF 53,217	COST / UNIT 42	CONTRACTOR	CONTRACT / QUOTE	CHANGE ORDER	PURCHASE ORDER	TOTAL COMMITTED	GROSS COST TO DATE	PREVIOUS COST	CURRENT COST	COST TO COMPLETE	%	GROSS HB	HB RELEASE	NET HB
<b>DIVISION 9 FINISHES</b>																			
9001	Drywall / Insulation	700,000	0	700,000	13.2	16,666.7	Allowance Carried			0	0	0	0	0	700,000	0%	0	0	0
9005	Plaster Moulding Mantels	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
9010	Backsplash - Installation & Material	Included in 9015	0	Included in 9015	-	-	Included in 9015			0	0	0	0	0	0	0%	0	0	0
9015	Tile - Supply and Install	90,500	0	90,500	1.7	2,154.8	Allowance Carried			0	0	0	0	0	90,500	0%	0	0	0
9020	Exterior Columns & Porches	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
9025	Flooring - Supply & Install	85,000	0	85,000	1.6	2,023.8	Allowance for hardwood / engineered floors			0	0	0	0	0	85,000	0%	0	0	0
9030	Flooring - Carpet	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
9035	Flooring - Vinyl Plank	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
9040	Flooring - Underlayment	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
9045	Sanding of Stairs	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
9050	Painting	90,000	0	90,000	1.7	2,142.9	Allowance carried			0	0	0	0	0	90,000	0%	0	0	0
<b>DIVISION 9 TOTAL</b>		965,500	0	965,500	18.1	22,988		0	0	0	0	0	0	0	965,500	0%	0	0	0
<b>DIVISION 10 SPECIALTIES</b>																			
10001	Security System Wiring	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
10005	Mirrors & Accessories	10,500	0	10,500	0.2	250.0	Allowance of \$250 per unit X 42 units			0	0	0	0	0	10,500	0%	0	0	0
10010	Shower Doors & Glass	1,050	0	1,050	0.0	25.0	Allowance for shower curtain rods (21 No. only)			0	0	0	0	0	1,050	0%	0	0	0
10015	Toilet & Bath Accessories	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
10020	Internet Rough-In	6,300	0	6,300	0.1	150.0	Allowance of \$150 per unit X 42 units			0	0	0	0	0	6,300	0%	0	0	0
10025	Gas Fireplaces	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
10030	Cable Rough-In	Included in 10020	0	Included in 10020	-	-	Included in 10020			0	0	0	0	0	0	0%	0	0	0
10035	Telephone Rough-In	3,150	0	3,150	0.1	75.0	Allowance of \$75 per unit X 42 units			0	0	0	0	0	3,150	0%	0	0	0
10040	Vacuum Rough-In	Not Applicable	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 10 TOTAL</b>		21,000	0	21,000	0.4	500		0	0	0	0	0	0	0	21,000	0%	0	0	0
<b>DIVISION 11 EQUIPMENT</b>																			
11001	Kitchen Appliances	148,500	0	148,500	2.8	3,535.7	Allowance Carried			0	0	0	0	0	148,500	0%	0	0	0
11005	Laundry Equipment	Included in 11001	0	Included in 11001	-	-	Included in 11001			0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 11 TOTAL</b>		148,500	0	148,500	2.8	3,536		0	0	0	0	0	0	0	148,500	0%	0	0	0
<b>DIVISION 12 FURNISHINGS</b>																			
12501	Curtain Track/Blinds	0	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 12 TOTAL</b>		0	0	0	0.0	-		0	0	0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 13 SPECIAL CONSTRUCTION</b>																			
13640	Central Vacuum - TH	0	0	Not Applicable	0	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
13700	Security Systems	0	0	Not Applicable	0	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
13600	Waterfall Feature - Tropics North	0	0	Not Applicable	0	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 13 TOTAL</b>		0	0	0	0.0	-		0	0	0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 14 ELEVATORS</b>																			
12001	Elevator	0	0	Not Applicable	-	-	Not Applicable			0	0	0	0	0	0	0%	0	0	0
<b>DIVISION 14 TOTAL</b>		0	0	0	0.0	-		0	0	0	0	0	0	0	0	0%	0	0	0



Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CONSTRUCTION SUMMARY

Ref	ITEM / DESCRIPTION	B		C-B		C		CONTRACTOR	CONTRACT / QUOTE	CHANGE ORDER	PURCHASE ORDER	TOTAL COMMITTED	GROSS COST TO DATE	PREVIOUS COST	CURRENT COST	COST TO COMPLETE	%	GROSS HB	HB RELEASE	NET HB		
		PREVIOUS BUDGET	VARIANCE	IQS PROJECT BUDGET	GFA COST / SF	COST / UNIT	53,217														42	
<b>DIVISION 15 MECHANICAL</b>																						
15001	Plumbing	335,975	0	335,975	6.3	7,999.4	Breda Baypoint Plumbing	335,975			0	335,975	0	0	0	335,975	0%	0	0	0		
15005	Plumbing Fixtures	Included in 15001	0	Included in 15001	-	-	Included in 15001	-			0	0	0	0	0	0	0%	0	0	0		
15010	Mechanical HVAC (Incl. furnace + AC unit)	481,060	0	481,060	9.0	11,453.8	Alma Mechanical	481,060			0	481,060	0	0	0	481,060	0%	0	0	0		
15015	Simplified HRV	Included in 15010	0	Included in 15010	-	-	Included in 15010	-			0	0	0	0	0	0	0%	0	0	0		
15020	Hot Water Tank (Tankless)	Not Applicable	0	Not Applicable	-	-	Not Applicable - Rental Unit	-			0	0	0	0	0	0	0%	0	0	0		
15025	Watermeter	Included in 15010	0	Included in 15010	-	-	Included in 15010	-			0	0	0	0	0	0	0%	0	0	0		
15030	Gas & Water turn-on	Included in 15010	0	Included in 15010	-	-	Included in 15010	-			0	0	0	0	0	0	0%	0	0	0		
15035	Sprinkler System	170,100	0	170,100	3.2	4,050.0	Riva Plumbing	170,100			0	170,100	0	0	0	170,100	0%	0	0	0		
<b>DIVISION 15 TOTAL</b>		<b>987,135</b>	<b>0</b>	<b>987,135</b>	<b>18.5</b>	<b>23,503</b>		<b>987,135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>987,135</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>987,135</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>		
<b>DIVISION 16 ELECTRICAL</b>																						
16001	Electrical	350,000	0	350,000	6.6	8,333.3	Narlee Electric				0	350,000	0	0	0	350,000	0%	0	0	0		
16005	Fire Alarm Wiring	Included in 16001	0	Included in 16001	-	-	Included in 16001	-			0	0	0	0	0	0	0%	0	0	0		
16010	Electrical Fixtures	Included in 16001	0	Included in 16001	-	-	Included in 16001	-			0	0	0	0	0	0	0%	0	0	0		
16015	Changes in ESA Code	Not Applicable	0	Not Applicable	-	-	Not Applicable	-			0	0	0	0	0	0	0%	0	0	0		
<b>DIVISION 16 TOTAL</b>		<b>350,000</b>	<b>0</b>	<b>350,000.0</b>	<b>6.6</b>	<b>8,333</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>350,000</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>		
1.5%	DIVISION 1 - GENERAL REQUIREMENTS	111,060	0	111,060	2.1	2,644.29		0	0	0	0	111,060	0	0	0	111,060	0%	0	0	0		
5.2%	DIVISION 2 - SITE WORK	400,800	0	400,800	7.5	9,542.86		0	0	0	0	400,800	0	0	0	400,800	0%	0	0	0		
9.7%	DIVISION 3 CONCRETE & FORMWORK	744,644	0	744,644	14.0	17,729.62		744,644	0	0	0	744,644	0	0	0	744,644	0%	0	0	0		
7.8%	DIVISION 4 MASONRY	594,800	0	594,800	11.2	14,161.90		589,800	0	0	0	589,800	0	0	0	589,800	0%	0	0	0		
4.0%	DIVISION 5 METALS	305,191	0	305,191	5.7	7,266.46		223,291	0	0	0	223,291	0	0	0	305,191	0%	0	0	0		
23.5%	DIVISION 6 CARPENTRY AND MILLWORK	1,801,037	0	1,801,037	33.8	42,881.84		1,561,037	0	0	0	1,561,037	0	0	0	1,801,037	0%	0	0	0		
8.4%	DIVISION 7 THERMAL & MOISTURE PROTECTION	641,745	0	641,745	12.1	15,279.64		351,245	0	0	0	351,245	0	0	0	641,745	0%	0	0	0		
3.3%	DIVISION 8 DOORS & WINDOWS	250,000	0	250,000	4.7	5,952.38		0	0	0	0	250,000	0	0	0	250,000	0%	0	0	0		
12.6%	DIVISION 9 FINISHES	965,500	0	965,500	18.1	22,988.10		0	0	0	0	965,500	0	0	0	965,500	0%	0	0	0		
0.3%	DIVISION 10 SPECIALTIES	21,000	0	21,000	0.4	500.00		0	0	0	0	21,000	0	0	0	21,000	0%	0	0	0		
1.9%	DIVISION 11 EQUIPMENT	148,500	0	148,500	2.8	3,535.71		0	0	0	0	148,500	0	0	0	148,500	0%	0	0	0		
0.0%	DIVISION 12 FURNISHINGS	0	0	0	0.0	-		0	0	0	0	0	0	0	0	0	0%	0	0	0		
0.0%	DIVISION 13 SPECIAL CONSTRUCTION	0	0	0	0.0	-		0	0	0	0	0	0	0	0	0	0%	0	0	0		
0.0%	DIVISION 14 ELEVATORS	0	0	0	0.0	-		0	0	0	0	0	0	0	0	0	0%	0	0	0		
12.9%	DIVISION 15 MECHANICAL	987,135	0	987,135	18.5	23,503.21		987,135	0	0	0	987,135	0	0	0	987,135	0%	0	0	0		
4.6%	DIVISION 16 ELECTRICAL	350,000	0	350,000	6.6	8,333.33		0	0	0	0	350,000	0	0	0	350,000	0%	0	0	0		
<b>CONSTRUCTION CONTINGENCY</b>		<b>328,587</b>	<b>0</b>	<b>328,587</b>	<b>6.2</b>	<b>7,823.5</b>	4.49% of Construction Cost to Complete				0	328,587	0	0	0	328,587	0%	0	0	0		
<b>CONSTRUCTION BUDGET TOTAL</b>		<b>7,650,000</b>	<b>0</b>	<b>7,650,000</b>	<b>143.8</b>	<b>182,143</b>		<b>4,457,153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,457,153</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,650,000</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>		
		7,650,000	0	7,650,000	143.8	182,143		4,457,153	0	0	0	4,457,153	0	0	0	7,650,000	0%	0	0	0		
													<b>HOLDBACK RETAINED</b>	0	0	0	0	<b>HOLDBACK RETAINED</b>	0	0	0	0
													<b>HOLDBACK RELEASED</b>	0	0	0	0	<b>HOLDBACK RELEASED</b>	0	0	0	0
													<b>NET COST TO DATE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,650,000</b>	<b>NET COST TO DATE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,650,000</b>

Description	Amount	Percentage
Contract/Quote	4,457,153	58.26%
C.O.	0	0.00%
P.O.	0	0.00%
<b>Total Committed</b>	<b>4,457,153</b>	<b>58.26%</b>
Uncommitted	2,864,260	37.44%
Const. Contingencies	328,587	4.30%
<b>Overall Budget</b>	<b>7,650,000</b>	<b>100.00%</b>
	0	



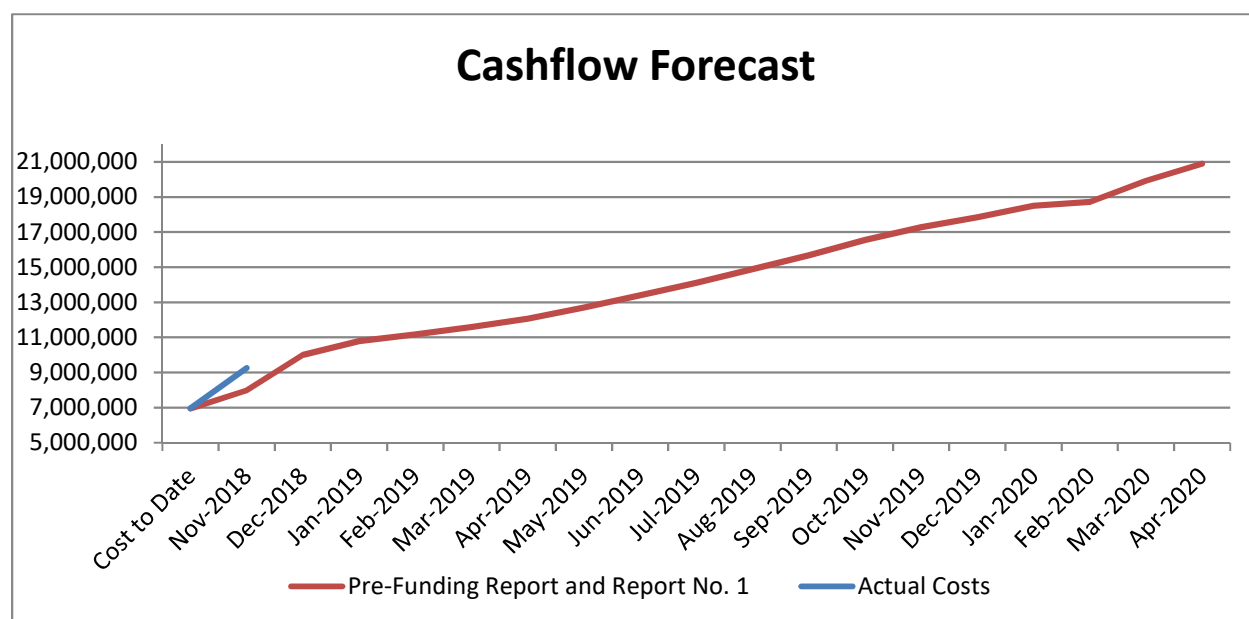
## 6. PROJECT CASH FLOW AND SCHEDULE

### 6.1 Cash Flow and Schedule

We have agreed with the Borrower to report the following target dates in our Cashflow:

Activity	Date	Indicator
Servicing Completion	December 2018	Projected Date
Commence Housing	January 2019	Projected Date
Commence Occupancy	December 2019	Projected Date
Substantial Performance	January 2020	Projected Date
Holdback Release	March 2020	Projected Date
Final Closings	April 2020	Projected Date

- Refer to Section 7 for the detailed site report, and photographs.
- We have projected initial occupancy to commence in December of 2019, and Final Closing to complete by April 2020. We will monitor these dates and will advise further as additional information is available.
- Servicing is moving at a reasonable pace, with 82% of the servicing budget expended. The target completion date by December 31, 2018 appears to be reasonable.



### **Attachment: Cash Flow**





Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CASH FLOW

0.0% 4.0% 4.0% 4.5% 5.0% 7.0% 8.0% 8.0% 9.0% 9.0% 10.0% 8.5% 6.0% 7.0% 2.0% 8.0% 0.00%

PROJECT CASH FLOW	PROJECT BUDGET	Cost to Date	<table border="1"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td><td>11</td><td>12</td><td>13</td><td>14</td><td>15</td><td>16</td><td>17</td><td>18</td> </tr> <tr> <td>Nov-2018</td><td>Dec-2018</td><td>Jan-2019</td><td>Feb-2019</td><td>Mar-2019</td><td>Apr-2019</td><td>May-2019</td><td>Jun-2019</td><td>Jul-2019</td><td>Aug-2019</td><td>Sep-2019</td><td>Oct-2019</td><td>Nov-2019</td><td>Dec-2019</td><td>Jan-2020</td><td>Feb-2020</td><td>Mar-2020</td><td>Apr-2020</td> </tr> </table>																		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020	Site Servicing Complete	Commence Housing	Commence Occupancy	Substantial Performance	Registration / Holdback Release	Final Closings
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18																																										
Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020																																													
<b>PROJECTED COSTS UNTIL FINAL CLOSING</b>																																																														
<b>A LAND</b>																																																														
1 Land Value	5,551,281	5,551,281	5,551,281																																																											
2 Land Transfer Tax		Included in A1	0																																																											
3 Land Legal Fees		Included in A1	0																																																											
4 Land Title Insurance		Included in A1	0																																																											
5 Other Land Closing Costs		Included in A1	0																																																											
6 Realty Taxes	51,281	51,281	0	9,050		9,050		9,050		9,050		9,050		9,050		9,050		6,033																																												
<b>B SERVICING COSTS</b>																																																														
1 Pre-Site Servicing - Demolition		Not Applicable	0																																																											
2 Pre-Site Servicing - Clearing and Grubbing		Included in B3	0																																																											
3 Site Servicing - Site Preparation	746,908	746,908	195,934	21,770																529,204																																										
4 Site Servicing - Sub-Surface Works		Included in B3	0																																																											
5 Site Servicing - Surface Works		Included in B3	0																																																											
6 Site Servicing - Garbage Enclosure		Included in C1	0																																																											
7 Site Servicing - Sanitary Sewer		Included in B3	0																																																											
8 Site Servicing - Storm Water		Included in B3	0																																																											
9 Site Servicing - Watermain		Included in B3	0																																																											
10 Electrical Service - Electrical	150,000	150,000	0	150,000																																																										
11 Electrical Service - Streetlighting		Included in B10	0																																																											
12 Landscaping	0	Included in B30	0																																																											
13 Change Orders		Included in B3	12,438	(12,438)																																																										
14 Servicing Contingency	44,845	44,845	0	31,026																13,819																																										
15 Owner's Direct Costs		Excluded	0																	0																																										
<b>C CONSTRUCTION COSTS</b>																																																														
1 Building Construction	7,321,413	7,321,413	0	0	0	292,857	292,857	329,464	366,071	512,499	585,713	585,713	658,927	658,927	732,141	622,320	439,285	512,499	146,428	585,713																																										
2 Upgrade Cost		Excluded	0																																																											
3 Owner's Direct Costs	0	Not Applicable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0																																										
4 Management and Site Superintendent	200,000	200,000	0	0	8,000	8,000	9,000	10,000	14,000	16,000	16,000	18,000	18,000	20,000	17,000	12,000	14,000	4,000	16,000	0																																										
5 Construction Contingency	328,587	328,587	0																	328,587																																										
6 Warranty / Deficiencies (100% Deferred)	105,000	105,000	0																	105,000																																										
<b>D DESIGN &amp; ENGINEERING</b>																																																														
1 Architect	110,000	110,000	3,862	70,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	1,138																																										
2 Structural Engineer	55,000	55,000	0	30,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500						0																																										
3 Electrical & Mechanical Engineer	80,000	80,000	0	40,000	10,000	3,000	3,000	3,000	3,000	3,000	2,500	2,500	2,500	2,500						0																																										
4 Environmental Consultant	15,000	15,000	350	10,000	2,500	2,150														0																																										
5 Surveyor	25,000	25,000	18,112		2,000															0																																										
6 Planning Consultant	35,000	35,000	28,442	6,558																0																																										
7 Soils Engineer	5,000	5,000	300	4,700																0																																										
8 Appraisal	5,000	5,000	3,450																	0																																										
9 Bulletin 19 Inspections	0	Not Applicable	0																	1,550																																										
10 Landscape Architect	10,000	10,000	5,209	2,500			2,291													0																																										
11 Interior Design	0	Not Applicable	0																	0																																										
12 Shoring Engineer	10,000	10,000	0		10,000															0																																										
13 Printing & Disbursements	5,000	5,000	0	2,500			2,500													0																																										
14 Civil Consultant	180,000	180,000	159,861	10,000			10,139													0																																										
15 Cost Consultant	0	Included in I10	0																	0																																										
16 Acoustical Consultant	7,000	7,000	0																		0																																									
17 Safety Consultant	5,000	5,000	0	1,500			1,500							2,500		2,000				0																																										
18 Wind Study	0	Not Applicable	0																		0																																									
19 Testing and Inspections	20,000	20,000	0	3,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000																																										
20 Energy Modelling / LEED	0	Not Applicable	0																		0																																									
21 Building Code Consultant	10,000	10,000	0				2,500			2,500				2,500						0																																										
22 Traffic Consultant	5,000	5,000	1,620		3,380															0																																										
23 Audio / Video Consultant	0	Not Applicable	0																		0																																									
24 Ecologist/Geomorphologist	0	Not Applicable	0																		0																																									
25 Market Study	0	Not Applicable	0																		0																																									
26 Other Consultants & Disbursements	20,000	20,000	1,800										3,200	2,500	2,500	2,500	2,500	2,500	2,500	2,500	0																																									



Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CASH FLOW

0.0% 4.0% 4.0% 4.5% 5.0% 7.0% 8.0% 8.0% 9.0% 9.0% 10.0% 8.5% 6.0% 7.0% 2.0% 8.0% 0.00%

PROJECT CASH FLOW	PROJECT BUDGET	Cost to Date	Site Servicing Complete												Commence Housing		Commence Occupancy	Substantial Performance	Registration / Holdback Release	Final Closings
			1	2	3	4	5	6	7	8	9	10	11	12	13	14				
			Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020
<b>E LEGAL &amp; ADMINISTRATION</b>																				
1 Legal Fees (General)	50,400	50,400	0	20,000	5,000			5,000			5,000			5,000			5,000			5,400
2 Legal Fees (Closing)	46,200	46,200	0	4,000	10,000			10,000								4,000			5,000	3,200
3 Overhead Costs		Not Applicable	0																	0
4 Development Management Fees / Project Overhead		Not Applicable	0																	0
5 Insurance	49,190	49,190	0	20,000	20,000									9,190						0
6 Bonding		Excluded	0																	0
7 Tarion Bond & ECDD Bond + Fees	81,714	81,714	0	10,000	18,888	3,942	3,942	3,942	3,942	3,942	3,942	3,942	3,942	3,942	3,942	3,942	3,942	1,776		3,750
8 TARION Security Payment		Included in E7	0																	0
9 TARION Security Payment - Refund		Not Applicable	0																	0
10 Accounting		27,000	0	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
<b>F DEVELOPMENT FEES AND PERMITS</b>																				
1 Municipal Engineering and Admin Fee	124,491	124,491	65,381		54,109				3,000					2,000						0
2 Development Charges (City, Region, Edu.)	1,960,680	1,960,680	0		1,960,680															0
3 Impost Fee		Not Applicable	0																	0
4 Zoning, Variance, SPA fees	10,000	10,000	0	5,000	5,000															0
5 Building Permits	66,744	66,744	66,744																	0
6 Condominium Application	10,000	10,000	0									5,000					5,000			0
7 Parkland Levy	294,000	294,000	0		294,000															0
8 Cash Security (Landscaping/Eng)	681,312	681,312	0																	681,312
9 Cash Security & Refund		Not Applicable	0																	0
10 DC Credit		Not Applicable	0																	0
<b>G MARKETING / SALES / LEASING</b>																				
1 Marketing	230,000	230,000	206,099		3,901				10,000					10,000						0
2 Advertising		Included in G1	0																	0
3 Brochures & Signage		Included in G1	0																	0
4 Sales Center Overhead and Operation Costs		Included in G1	0																	0
5 Sales Centre		Included in G1	0																	0
6 After Sales Service		Included in C6	0																	0
7 TARION Fees - Enrolment + Registration + Renewal	55,150	55,150	0		49,560												5,590			0
8 Sales Commission (50% Deferred)	742,140	742,140	0																	371,070
9 Sales Commission - Retail - Not Applicable	0	Not Applicable	0																	0
10 Provision for Purchaser Inducement	0	Not Applicable	0																	0
11 Signage		Included in G1	0																	0
<b>H OPERATING EXPENSES</b>																				
1 Occupancy & Maintenance Charges		Excluded	0																	0
2 Other Operating Expenses		Excluded	0																	0
<b>I FINANCE</b>																				
1 L/C Fees		Not Applicable	0																	0
2 Broker Fee & Working Fee	249,444	249,444	229,500																	19,944
3 Processing Fee	30,000	30,000	30,000																	0
4 Commitment Fees - Lender	302,592	302,592	288,966																	13,626
5 Lender Legal/Consultants	15,000	15,000	0	5,000					5,000					5,000						0
6 Draw Fees	4,500	4,500	0	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250	250
7 Construction Loan Interest		1,269,311	0	26,904	27,717	41,369	45,388	46,573	50,228	52,908	57,376	62,196	66,244	71,021	77,329	83,779	89,061	93,093	97,877	180,815
8 Loan Interest after Construction		Excluded	0																	0
9 Legals on Closings	6,300	6,300	0																	6,300
10 Discharge Fee (100% Deferred)	6,300	6,300	0																	6,300
11 Cost Consultant		38,208	985	3,653	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	1,927	2,130	2,130	2,130
12 Interests Payable on Deposits		Not Applicable	0																	0



**Dream Maker Developments**  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CASH FLOW

0.0% 4.0% 4.0% 4.5% 5.0% 7.0% 8.0% 8.0% 9.0% 9.0% 10.0% 8.5% 6.0% 7.0% 2.0% 8.0% 0.00%

PROJECT CASH FLOW	PROJECT BUDGET	Cost to Date	Site Servicing Complete / Commence Housing																		Commence Occupancy	Substantial Performance	Registration / Holdback Release	Final Closings																		
			1 Nov-2018	2 Dec-2018	3 Jan-2019	4 Feb-2019	5 Mar-2019	6 Apr-2019	7 May-2019	8 Jun-2019	9 Jul-2019	10 Aug-2019	11 Sep-2019	12 Oct-2019	13 Nov-2019	14 Dec-2019	15 Jan-2020	16 Feb-2020	17 Mar-2020	18 Apr-2020																						
<b>J CONTINGENCY</b>																																										
1	Development Contingency	0.83%	178,159	0																																						
<b>K GOVERNMENT TAXES</b>																																										
1	H.S.T. on Unit Sales	Adj. in Revenue	0																			0																				
2	G.S.T./H.S.T. on Monthly Costs	1,394,174	83,000	51,515	9,255	50,419	43,375	46,323	52,953	72,198	79,961	82,821	90,388	91,779	100,491	85,240	62,562	70,903	21,399	128,187	171,407																					
3	G.S.T./H.S.T. Input Tax Credits	(1,394,174)	0	(83,000)	(51,515)	(9,255)	(50,419)	(43,375)	(46,323)	(52,953)	(72,198)	(79,961)	(82,821)	(90,388)	(91,779)	(100,491)	(85,240)	(62,562)	(70,903)	(21,399)	(299,593)																					
4	P.S.T. on Sales Recovery	Not Applicable	0																																							
<b>L OFFSETTING INCOME</b>																																										
1	Occupancy Income - Interim Mortgages	Not Applicable	0																																							
2	Other Recoveries	Refer to L1 & L3	0																																							
3	Tarion - Enrolment Recovery	(45,150)	(45,150)																			(45,150)																				
4	Interest Earned on Deposits	Not Applicable	0																																							
5	Recovery of Levies	Adj. in Revenue	0																																							
6	Recovery of PST	Not Applicable	0																																							
7	Recovery of LEED	Not Applicable	0																																							
<b>M DEFERRED COSTS</b>																																										
1	Commissions	Refer to G8	0																																							
2	Legals on Closing	Refer to E2	0																																							
3	Interest paid on Purchaser Deposits	Not Applicable	0																																							
4	After Sales Service	Refer to C6	0																																							
<b>TOTAL PROJECT COSTS</b>			<b>21,585,000</b>	<b>6,953,332</b>	<b>421,938</b>	<b>2,085,742</b>	<b>784,619</b>	<b>372,250</b>	<b>406,103</b>	<b>478,484</b>	<b>630,771</b>	<b>680,471</b>	<b>711,438</b>	<b>774,358</b>	<b>778,658</b>	<b>884,541</b>	<b>724,466</b>	<b>552,877</b>	<b>656,138</b>	<b>213,232</b>	<b>1,198,554</b>	<b>2,277,031</b>																				
Check per Capital Cost Summary			0	21,585,000	10,375,247	10,797,185	12,882,927	13,667,545	14,039,795	14,445,898	14,924,382	15,555,153	16,235,624	16,947,061	17,721,419	18,500,077	19,384,617	20,109,083	20,661,960	21,318,098	21,531,330	22,729,884	25,006,915																			
<b>PROJECT CASH FLOW - PROJECTED REVENUE</b>																																										
<b>EQUITY</b>																																										
1	Equity - Land		0	700,000																		(700,000)																				
2	Equity - Cash		0	390,000	3,688	0	0	0														(393,688)																				
<b>SOLD UNITS - Structured Deposit at 20%</b>			<b>117,800</b>																																							
3	First Deposit (\$10,000 at Offer) - Tarion	10,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000																				
4	Second Deposit (to 5% within 30 days) Excess	10,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000																				
5	Second Deposit (to 5% within 30 days) Excess	9,450	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000	189,000																				
6	Third Deposit (to 10% within 60 days) Excess	29,450	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000																				
7	Fourth Deposit (to 15% within 6 months) Excess	29,450	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000																				
8	Fourth Deposit (to 20% within 12 months) Excess	29,450	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000	589,000																				
9	Sixth Deposit - Not Applicable		0	0																																						
10	Balance on Closing		9,424,000																			9,424,000																				
<b>INVENTORY UNITS - Structured Deposit at 20%</b>			<b>117,800</b>																																							
11	First Deposit (\$10,000 at Offer) - Tarion	10,000	220,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000																				
12	Second Deposit (to 5% within 30 days) Tarion	10,000	220,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000																				
13	Second Deposit (to 5% within 30 days) Excess	9,450	396,900	189,000	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900	18,900																				
14	Third Deposit (to 10% within 60 days) Excess	29,450	1,236,900	589,000	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900																				
15	Fourth Deposit (to 15% within 6 months) Excess	29,450	1,178,000	589,000	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900																				
16	Fourth Deposit (to 20% within 12 months) Excess	29,450	942,400	589,000	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900	58,900																				
17	Sixth Deposit - Not Applicable	0	0																																							
18	Balance on Closing		8,763,800																			8,763,800																				
<b>ADDITIONAL REVENUES</b>																																										
19	H.S.T. on Sales		(2,038,142)																			(2,038,142)																				
20	Recoveries (Not Yet Defined by Borrower)		529,000																			529,000																				
21	Parking Spots		Not Applicable																																							
22	H.S.T. on Parking Spots & Lockers		Not Applicable																																							
23	Lockers		Not Applicable																																							
24	Upgrade Revenue (Net)		Excluded																																							
25	Retail Sale		Not Applicable																																							
26	Interest Earned		45,034																			45,034																				
27	Interest Payable		Not Applicable																																							
28	Occupancy Income (Mortgage)		Incl. in Budget																																							
29	Occupancy Income (Refundable Operating Costs)		Incl. in Budget																																							
<b>TOTAL PROJECT REVENUES</b>			<b>23,273,892</b>	<b>3,446,000</b>	<b>232,688</b>	<b>647,900</b>	<b>117,800</b>	<b>117,800</b>	<b>117,800</b>	<b>706,800</b>	<b>176,700</b>	<b>176,700</b>	<b>176,700</b>	<b>156,700</b>	<b>147,250</b>	<b>686,800</b>	<b>167,250</b>	<b>147,250</b>	<b>156,700</b>	<b>117,800</b>	<b>88,350</b>	<b>15,688,904</b>																				



Dream Maker Developments  
 135 Mandrake St., Ajax, ON  
 Project No. 17028 - Report No. 2 at November 30, 2018  
 Issued December 19, 2018

# CASH FLOW

0.0% 4.0% 4.0% 4.5% 5.0% 7.0% 8.0% 8.0% 9.0% 9.0% 10.0% 8.5% 6.0% 7.0% 2.0% 8.0% 0.00%

PROJECT CASH FLOW	PROJECT BUDGET	Cost to Date	Interest Rates																		Commence Occupancy	Substantial Performance	Registration / Holdback Release	Final Closings
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18				
			Nov-2018	Dec-2018	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019	Jan-2020	Feb-2020	Mar-2020	Apr-2020				
<b>SALES</b>																								
Monthly Sales - Assume 60% req. prior to project start	42	42	20	2	2	2	2	2	2	2	2	2	1	1	0	1	1							
Cumulative Sales	Average Price / Unit	589,000	20	22	24	26	28	30	32	34	36	38	39	40	40	41	42	42	42	42				
	20% Deposit	117,800																						
<b>OCCUPANCIES</b>																								
Monthly Occupancies	42														4	6	7	8	8	9				
Cumulative Occupancies	42												0	0	0	4	10	17	25	33				
<b>TARION DEPOSITS</b>																								
Monthly TARION Deposits		400,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	20,000	20,000	0	20,000	20,000	0	0	0	0				
Cumulative TARION Deposits	840,000	400,000	440,000	480,000	520,000	560,000	600,000	640,000	680,000	720,000	760,000	780,000	800,000	800,000	820,000	840,000	840,000	840,000	840,000	840,000				
<b>EXCESS DEPOSITS</b>																								
Monthly Excess Deposits		1,956,000	189,000	607,900	77,800	77,800	77,800	666,800	136,700	136,700	136,700	136,700	127,250	686,800	147,250	127,250	156,700	117,800	88,350	58,900				
Cumulative Excess Deposits	5,710,200	1,956,000	2,145,000	2,752,900	2,830,700	2,908,500	2,986,300	3,653,100	3,789,800	3,926,500	4,063,200	4,199,900	4,327,150	5,013,950	5,161,200	5,288,450	5,445,150	5,562,950	5,651,300	5,710,200				
<b>TOTAL DEPOSITS</b>																								
Monthly Deposits		2,356,000	229,000	647,900	117,800	117,800	117,800	706,800	176,700	176,700	176,700	156,700	147,250	686,800	167,250	147,250	156,700	117,800	88,350	58,900				
Cumulative Deposits	6,550,200	2,356,000	2,585,000	3,232,900	3,350,700	3,350,700	3,468,500	4,175,300	4,352,000	4,528,700	4,705,400	4,862,100	5,009,350	5,696,150	5,863,400	6,010,650	6,167,350	6,285,150	6,373,500	6,432,400				
<b>DEPOSITS USED TO FUND PROJECT COSTS</b>																								
Monthly TARION Deposits Used To Fund Costs	840,000	0	200,000	0	100,000	100,000	0	100,000	0	0	140,000	0	200,000	0	0	0	0	0	0	0				
Cumulative TARION Deposits Used To Fund Costs	740,000	0	200,000	200,000	300,000	300,000	300,000	400,000	400,000	400,000	540,000	540,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000	740,000				
Monthly Excess Deposits Used To Fund Costs	589,350	0	100,000	100,000	100,000	100,000	89,350	0	0	0	100,000	0	0	0	0	0	0	0	0	0				
Cumulative Excess Deposits Used To Fund Costs	489,350	0	100,000	200,000	300,000	300,000	389,350	389,350	389,350	389,350	389,350	489,350	489,350	489,350	489,350	489,350	489,350	489,350	489,350	489,350				
Total Monthly Deposits Used To Fund Costs	1,429,350	0	300,000	100,000	200,000	200,000	89,350	100,000	0	0	140,000	100,000	200,000	0	0	0	0	0	0	0				
Total Cumulative Deposits Used To Fund Costs	1,429,350	0	300,000	400,000	600,000	600,000	689,350	789,350	789,350	789,350	929,350	1,029,350	1,229,350	1,229,350	1,229,350	1,229,350	1,229,350	1,229,350	1,229,350	1,229,350				
Remaining TARION Deposits	0	400,000	240,000	280,000	220,000	260,000	300,000	240,000	280,000	320,000	220,000	240,000	60,000	60,000	80,000	100,000	100,000	100,000	100,000	100,000				
Remaining Excess Deposits	5,120,850	1,956,000	2,045,000	2,552,900	2,530,700	2,608,500	2,596,950	3,263,750	3,400,450	3,537,150	3,673,850	3,710,550	3,837,800	4,524,600	4,671,850	4,799,100	4,955,800	5,073,600	5,161,950	5,220,850				
Remaining Total Deposits	5,120,850	2,356,000	2,285,000	2,832,900	2,750,700	2,750,700	2,779,150	3,385,950	3,562,650	3,739,350	3,776,050	3,832,750	3,780,000	4,466,800	4,634,050	4,781,300	4,938,000	5,055,800	5,144,150	5,203,050				
<b>INTEREST EARNED ON DEPOSITS</b>																								
Monthly Interest Earned On Deposits	0.75%	45,034	1,473	1,428	1,771	1,719	1,719	1,737	2,116	2,227	2,337	2,360	2,395	2,363	2,792	2,896	2,988	3,086	3,160	3,215				
Cumulative Interest Earned On Deposits		45,034	1,473	2,901	4,671	6,390	8,110	9,847	11,963	14,189	16,527	18,887	21,282	23,645	26,436	29,333	32,321	35,407	38,567	41,782				
<b>INTEREST PAYABLE ON DEPOSITS</b>																								
Monthly Interest Payable On Deposits (BOC less 2%)	0.0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
Cumulative Interest Payable On Deposits		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0				
<b>SOURCE OF FUNDING &amp; FINANCING CALCULATION</b>																								
			Per Lender																					
LAND EQUITY	13%	-	2,650,000	2,650,000																				
CASH EQUITY	0%	-	0	0																				
ADDITIONAL EQUITY	0%	393,688	393,688	393,688																0				
TARION DEPOSITS	4%	-	840,000	840,000																				
EXCESS DEPOSITS	3%	-	589,350	589,350																				
DEFERRALS	2%	-	482,370	482,370																482,370				
LOAN	78%	-	16,629,592	16,629,592	3,913,332	118,250	1,985,742	584,619	172,250	316,753	378,484	630,771	680,471	571,438	674,358	578,658	884,541	724,466	552,877	656,138				
			0	0																				
<b>TOTAL SOURCES OF FUNDING</b>			<b>21,191,312</b>	<b>21,585,000</b>	<b>6,953,332</b>	<b>421,938</b>	<b>2,085,742</b>	<b>784,619</b>	<b>372,250</b>	<b>406,103</b>	<b>478,484</b>	<b>630,771</b>	<b>680,471</b>	<b>711,438</b>	<b>774,358</b>	<b>778,658</b>	<b>884,541</b>	<b>724,466</b>	<b>552,877</b>	<b>656,138</b>				
Check			21,585,000	21,585,000	6,953,332	421,938	2,085,742	784,619	372,250	406,103	478,484	630,771	680,471	711,438	774,358	778,658	884,541	724,466	552,877	656,138				
Check			393,688	(393,688)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
Var: Lender vs IQS																								
MONTHLY DRAW (CONST. LOAN)			3,913,332	118,250	1,985,742	584,619	172,250	316,753	378,484	630,771	680,471	571,438	674,358	578,658	884,541	724,466	552,877	656,138	213,232	1,198,554	1,794,661			
INTEREST RATE - 8.25%	8.25%		3,913,332	4,031,583	6,017,324	6,601,943	6,774,192	7,090,945	7,469,429	8,100,200	8,780,671	9,352,109	10,026,466	10,605,124	11,489,665	12,214,130	12,767,007	13,423,145	13,636,377	14,834,931	16,629,592			
CUMULATIVE DRAWS			3,913,332	4,031,583	6,017,324	6,601,943	6,774,192	7,090,945	7,469,429	8,100,200	8,780,671	9,352,109	10,026,466	10,605,124	11,489,665	12,214,130	12,767,007	13,423,145	13,636,377	14,834,931	16,629,592			
<b>PROJECTED MONTHLY EXPENDITURES</b>																								
CUMULATIVE PROJECTED EXPENDITURES			6,953,332	7,375,271	9,461,012	10,245,631	10,617,880	11,023,983	11,502,467	12,133,238	12,813,709	13,525,147	14,299,504	15,078,162	15,962,703	16,687,168	17,240,045	17,896,183	18,109,415	19,307,969	21,585,000			
<b>ACTUAL MONTHLY EXPENDITURES</b>																								
CUMULATIVE ACTUAL EXPENDITURES			6,953,332	2,707,033	2,085,742	784,619	372,250	406,103	478,484	630,771	680,471	711,438	774,358	778,658	884,541	724,466	552,877	656,138	213,232	1,198,554	2,277,031			
			6,953,332	9,660,365	11,746,107	12,530,725	12,902,975	13,309,078	13,787,562	14,418,333	15,098,804	15,810,241	16,584,599	17,363,257	18,247,797	18,972,263	19,525,140	20,181,278	20,394,510	21,593,064	23,870,095			
<b>VARIANCE (PROJECTED LESS ACTUAL)</b>			0	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)	(2,285,095)			



**INTREPID**  
quantity surveying

## **7. SITE VISIT REPORT**

### **7.1 Site Visit Report**

We have last visited the site on December 11, 2018 and noted the following:

Description
<b>Site</b>
- General clearing complete and removal of excess soil complete
- Site fencing, silt fencing, waste container, and temporary sanitation are set up
- General site servicing work is ongoing
- Watermain and sanitary sewers installation mostly complete
- Storm sewer installation in progress
- Retaining wall work is set to commence





**7.2 Photographs**

We have enclosed photographs from our site visit on December 11, 2018 below:





## 8. DUE DILIGENCE REPORTS

### 8.1 Design Due Diligence Reports

We have summarized the status of design due diligence reports provided as follows:

Description	Status	Indicator
Phase 1 ESA Report	Received	Reviewed
Phase 2 ESA Report	Received	Reviewed
ESA Reports Reliance Letter	Received	Reviewed
Geotechnical Report	Received	Reviewed
Geotechnical Reliance Letter	Received	Reviewed
Legal Survey	Received	As Provided

### Soils and Environmental

#### Environmental Report

- We have received the Phase 1 (No. T1713414EN) and Phase 2 (No. T1713414EN) ESA reports from CCI Group Inc., both dated May 2, 2017. Based on the Phase 1 ESA report recommendations, the Phase 2 report was conducted, and it noted: *“Based on the Phase Two ESA findings, no further investigation is recommended for the Site at this time”*. Copies of the reports are available upon request.
- We have also been provided with a reliance letter addressed to the Lender from the Environmental Engineer, dated November 2, 2018. A copy of the letter is available upon request.

#### Geotechnical Investigation

- We have received the Geotechnical Subsurface Investigation from CCI Group Inc., dated February 25, 2016, which comment that conventional strip footings can be used in most areas; however, caisson foundations will be more appropriate in certain areas identified in the report. Current design and current tender does not require use of caissons. A copy of the report is available upon request.
- We have also been provided with a reliance letter addressed to the Lender from the Geotechnical Engineer, dated November 1, 2018. A copy of the letter is available upon request.



## **Other Reports**

### **Legal Survey**

We have been provided with a copy of the Plan of Topographic Detail prepared by Donevan Fleischmann Petrich Ltd., Ontario Land Surveyors, dated December 5, 2017. The Lender should seek counsel's advice on the survey as required. A copy was previously enclosed in our report No. 1.

### **Tarion Builder Registration**

We have received a Tarion Registration Certificate dated August 20, 2018 stating that 10268054 Canada Corp. is a registered builder with Tarion Warranty Corporation with a registration number 46824. We have also confirmed the same via Tarion's website. There are currently no issues or claims registered against the builder.

## **8.2 Design Compliance Review**

Note that Quantity Surveyors are not qualified to opine on the design or on the quality of the construction work. This is the responsibility of the project consultants. As such we will request for the design consultants' site review reports and compliance certificates as appropriate for the work being completed.

Design Compliance: The compliance statement from the Consultants would typically include the following (or similar wording): "The Project is proceeding in general conformity with the plans and specifications issued by this office and in accordance with the Ontario building codes, municipal by-laws and regulations."

## **8.3 Consultant Reports**

Consultant site review reports are not yet required. We will forward all applicable reports in the future. Site servicing reports will be provided upon inspection and sign-off.

**No Attachment**





**INTREPID**  
quantity surveying

## **9. PERMITS AND APPROVALS**

### **9.1 Permits**

The status of the permits is summarized below:

Description	Permit Number	Indicator
Servicing Permit	18 104326	Received - No Issue
Building Permits	Not Provided	Unknown

We have been provided a copy of the servicing permit issued June 22, 2018. A copy is attached overleaf.

We have not yet received the building permits. We expect the City to issue the permits shortly.

### **9.2 Zoning and Site Plan Approval**

#### **Zoning**

We have requested for, but have not yet received separate documents confirming the status of zoning. We note zoning is assumed to be in place as site plan approval has been granted by the City of Ajax.

#### **Site Plan Approval**

A copy of the Site Plan Agreement dated July 2018 has been provided by the Borrower. The agreement sets out various obligations that the Borrower is required to meet. The agreement also notes the following financial securities:

Landscape performance guarantee	\$121,872
<u>Engineering performance guarantee</u>	<u>\$559,440</u>
<b>Total performance guarantee</b>	<b>\$681,312</b>

The securities are funded from the construction loan, as per the Commitment Amendment dated December 17, 2018. The total of \$681,312 has been incorporated into the cost-to-date.

**No Attachment**



# INTREPID

quantity surveying

## 10. BONDING AND INSURANCE

### 10.1 Bonding

The Borrower has confirmed that bonding is not applicable. The Lender is to confirm acceptance of this.

### 10.2 Insurance

We have received and have summarized the insurance policies in place as follows:

Description	Details
Builder's Risk	Policy No. BWT14144
Hard Costs	\$10,000,000
Soft Costs	Not Noted
Insured	10268054 Canada Corp.
Certificate Holder	Centurion Mortgage Capital Corporation
Mortgagee	Centurion Mortgage Capital Corporation
Term	Expires March 12, 2019
General Liability	Policy No. BWT14144
Property and Liability	\$5,000,000
Aggregate Limit	\$5,000,000
Insured	10268054 Canada Corp.
1st Mortgagee / Loss Payee	Centurion Mortgage Capital Corporation
Additional Insured	Centurion Mortgage Capital Corporation
Term	Expires March 7, 2020

The Insurance policy provided for Builder's risk does not specify an endorsement for soft costs. The Lending agreement requires an endorsement of an amount no less than 25% of the soft cost portion of the budget.

A copy of the insurance certificate was previously enclosed in our Report No. 1.

**IQS Inc. is not an insurance specialist. Any review required by the Bank should be undertaken by a specialist insurance consultant.**

**No Attachment**



## 11. SALES AND DEPOSITS

### 11.1 Sales

We have summarized the status of the sales as follows:

Sales Status - Unit Sales	# of Units	Area (sf)	Revenue
Firm Sales	19	23,494	11,326,000
Conditional Sales	0	-	-
Inventory	23	28,577	13,412,000
<b>Total - Unit Sales</b>	<b>42</b>	<b>52,071</b>	<b>24,738,000</b>

- The Borrower has provided a sales summary indicating 19 units sold, with revenue totalling \$11,326,000 (inclusive of HST)
- We have not reviewed individual agreements of purchase and sale to determine if the sales are qualified and of an arm's length nature. This can be provided as an additional service.
- We have not reviewed whether the Purchasers are qualified for Mortgage Financing.
- The Lender requires 16 of the 42 units to be presold to "arm's length" buyers, with a minimum of \$9,500,000 in net revenue, and structured deposits payable not less than 15% of the purchase price. The latest sales information is in conformance.

### 11.2 Deposits

We have summarized the status of the deposits as follows:

Deposit Status	Available	Allowed	Collected	Utilized
Tarion Deposits	840,000	840,000	-	-
Excess Deposits	589,350	589,350	-	-
<b>Total</b>	<b>1,429,350</b>	<b>1,429,350</b>	<b>-</b>	<b>-</b>

- Deposits are collected in excess of 15% of the purchase price. The Purchase and Sale agreements require five deposits of \$22,000, or a total of \$110,000 for each unit.
- We have not yet received a trust account summary to confirm the deposits currently held. The Borrower has advised that Miller Thompson LLP has been retained to hold the deposits in trust. The Borrower is anticipating \$220,000 in purchaser deposits shortly.
- Westmount Guarantee has provided a Tarion Bond of \$840,000, and Deposit Insurance Facility of \$4,500,000 (both Tarion and excess).

### **Attachments: Borrower's Sales and Deposit Summaries**

Sold Units					
Unit No.	Sq.ft.	No. of Bedrooms	Sold Price	Extra Parking / Loc.	Name of Purchaser
TH2	1195	2	\$589,000		Pricilla Ukeit
TH8	1194	2	\$599,000		Iman Shah
TH9	1194	2	\$599,000		Iman and George
TH10	1194	2	\$599,000		George Mathew
TH15	1295	2	\$589,000		Marie Wafo Fonou
TH21	1197	2	\$589,000		Yves Apollon
TH22	1288	2+DEN	\$589,000		Pricilla Ukeit
TH23	1210	2+DEN	\$589,000		Racheal Iyengunmwena
TH24	1210	2+DEN	\$589,000		Alex Ogie
TH29	1327	3+DEN	\$649,000	Parking	Jameel Francis
TH30	1327	3+DEN	\$619,000		Ibukun Akinbola
TH32	1288	2+DEN	\$604,000		Bidemi Akinbola
TH33	1212	2+Den	\$589,000		Mercy Samuel-Apiafi
TH36	1210	2+DEN	\$589,000		Sabine Chebou
TH38	1288	2+DEN	\$589,000		David Dessources
TH39	1240	2+DEN	\$589,000		Kingsley Otakho Osayande
TH40	1210	2+DEN	\$589,000		Mabel Ogbiede
TH41	1219	2+DEN	\$589,000		Grace Smart and Margaret Enanoro
TH42	1288	2+DEN	\$589,000		Gladys Ogbomo

Unsold Unit					
Unit No.	Sq.ft.	No. of Bedrooms	Asking Price	Parking Included	
TH1	1222	2	\$605,000	y	
TH3	1295	2	\$605,000	y	
TH4	1293	2	\$605,000	y	
TH5	1209	2	\$605,000	y	
TH6	1195	2	\$599,000	y	
TH7	1194	2	\$599,000	y	
TH11	1294	2	\$610,000	y	
TH12	1329	2	\$615,000	y	
TH13	1207	2	\$605,000	y	
TH14	1210	2	\$605,000	y	
TH15	1196	2	\$599,000	y	
TH16	1195	2	\$599,000	y	
TH17	1252	2	\$605,000	y	
TH18	1222	2	\$605,000	y	
TH19	1195	2	\$605,000	y	
TH20	1195	2	\$605,000	y	
TH25	1288	2+DEN	\$629,000	y	
TH26	1247	2+DEN	\$629,000	y	
TH27	1327	3 + DEN	\$649,000	y	
TH28	1327	3+ DEN	\$649,000	y	
TH31	1247	2+DEN	\$629,000	y	
TH34	1212	2+DEN	\$629,000	y	
TH35	1212	2+DEN	\$629,000	y	
TH37	1210	2+DEN	\$629,000	y	

Sold Units			
Unit No.	Name of Purchaser	Deposit	Parking
TH2	Pricilla Ukeit	15000	49 spots 1 per unit
TH8	Iman Shah	10000	
TH9	Iman and George	10000	
TH10	George Mathew	10000	
TH15	Marie Wafo Fonou	15000	7 Extra spots @ \$30,000 each
TH21	Yves Apollon	15000	
TH22	Pricilla Ukeit	15000	
TH23	Racheal Iyengunmwena	15000	
TH24	Alex Ogie	15000	
TH29	Jameel Francis	15000	
TH30	Ibukun Akinbola	15000	
TH32	Bidemi Akinbola	10000	
TH33	Mercy Samuel-Apiafi	10000	
TH36	Sabine Chebou	10000	
TH38	David Dessources	10000	
TH39	Kingsley Otakho Osayande	10000	
TH40	Mabel Ogbeide	10000	
TH41	Grace Smart and Margaret Enanoro	10000	
TH42	Gladys Ogbomo	10000	



**INTREPID**  
quantity surveying

## **12. BORROWERS DOCUMENTS**

### **12.1 Borrower's Documents**

We have been provided with the servicing contractor's Progress Application No. 2, covering costs to November 30, 2018.

Refer overleaf for a copy.

**Attachments: Servicing Contractor's Progress Billing No. 2**



10268054 Canada Corporation  
 16 McAdam Avenue - Unit 2  
 North York, ON M6A 0B9

Inv No. 18-13/PB02  
 Inv Date Nov 30/18  
 Terms Net 30  
 Reference #1 PM17-005  
 Sls Cat / SlsM MISC/HSE  
 Job Number 18-13  
 135 Mandrake Street  
 Our GST/HST/BN No. 13963 7151

Description	Amount
<hr/>	
PROGRESS APPLICATION NO. 2	
CONTRACT:	746,908.00
EXTRAS:	0.00
	-----
TOTAL REVISED CONTRACT:	746,908.00
	=====
CONTRACT COMPLETED TO DATE:	611,208.70
EXTRAS COMPLETED TO DATE:	0.00
	-----
COMPLETED TO DATE SUB-TOTAL	611,208.70
LESS PREVIOUS BILLINGS:	231,524.10
	-----
GROSS INVOICE AMOUNT	379,684.60
	=====

(BALANCE TO INVOICE: 135,699.30)

Subtotal	379,684.60
Less Holdback	37,968.46
GST/HST	44,423.10
	-----
Total	386,139.24
	=====



APPLICATION FOR PAYMENT

10268054 Canada Corporation  
 16 McAdam Avenue - Unit 2  
 North York, ON M6A 0B9

Project: 18-13 A  
 135 Mandrake Street

AJAX

Date: Nov 30/18  
 Cust.Ref PM17-005  
 Appl #: 2  
 Inv. No. 18-13/PB02

		Total
1. Original Contract Sum	\$746,908.00	
2. Authorized Changes to Date	\$0.00	
3. Unapproved Changes to Date	\$0.00	
	-----	
4. Contract Amount to Date	\$746,908.00	\$746,908.00
	=====	
5. Total Progress	\$611,208.70	
6. Holdback	\$61,120.87	
7. Holdback Released	\$0.00	
8. Current Holdback (6-7)	\$61,120.87	
	-----	
9. Total Progress Less Curr.Holdback (5-8)	\$550,087.83	\$550,087.83
	-----	
10. Less line 9 from previous application	\$208,371.69	
	-----	
11. NET AMOUNT PAYABLE THIS APPLICATION (9-10)	\$341,716.14	
	=====	
12. Balance Unpaid Under Contract (4-9)		\$196,820.17
		=====
13. GST/HST BN # 13963 7151	\$44,423.10	
	-----	
14. TOTAL AMOUNT PAYABLE THIS APPLICATION (11+13)	\$386,139.24	
	=====	



10 - Kapp Infrastructure Inc.  
 Billing Application  
 18-13-A 135 Mandrake Street  
 Application Number - 2 Date - Nov 01/18 - Nov 30/18  
 AJAX Cust.Ref# FM17-005

Line#	Description	Contract Value	Pct-----To Date	Pct----Prev Billed	Pct---This Billing	Balance to Complete
<b>Contract</b>						
=====						
02001	A-Site Preparation and Earthwork	217,705.00	109%	236,764.10	106%	231,524.10 2% 5,240.00 -19,059.10*
02002	B-Storm Sewers	185,516.60	60%	110,825.50	0%	0.00 60% 110,825.50 74,691.10*
02003	C-Sanitary Sewers	60,929.00	116%	70,926.00	0%	0.00 116% 70,926.00 -9,997.00*
02004	D-Watermains	282,757.40	68%	192,693.10	0%	0.00 68% 192,693.10 90,064.30*
Subtotal		746,908.00	82%	611,208.70	31%	231,524.10 51% 379,684.60 135,699.30
Total Contract		746,908.00	82%	611,208.70	31%	231,524.10 51% 379,684.60 135,699.30
Less Holdback on lines noted (*)				61,120.87		23,152.41 37,968.46
Holdback Subtotal				550,087.83		208,371.69 341,716.14
Plus GST/HST on 341,716.14 13963 7151						44,423.10
Total this Billing						386,139.24
						=====

Approved by \_\_\_\_\_

Approved by \_\_\_\_\_

Contractor:  
KAPP Infrastructure Inc.  
161 Trade Valley Drive  
Vaughan, ON, L4H 3N6

135 Mandrake Street  
Ajax  
PC# 2

Consultant:  
Lithos Group Inc.  
150 Bermondsey Road, Unit#200  
Toronto, ON, M4A 1Y1

ITEM	DESCRIPTION	Quantity	Unit	Unit Price \$	Projected Final Cost (\$)	Quantity this period	Previous quantity	Quantity to Date	Amount this period	Previous amount	Amount to date	
<b>A.1</b>		<b>PART 1 - SITE PREPARATION</b>										
A.1.1	Clearing and grub site of all trees, shrubs, and stumps. (unless marked	1	LS	2,000.00	2,000.00	0.80	0.00	0.80	1,600.00	0.00	1,600.00	
A.1.3	Supply and install single erosion and siltation control fencing as per drawing ESC-01, including periodic inspection and maintenance.	1	LS	3,640.00	3,640.00	1.00	0.00	0.80	3,640.00	0.00	2,912.00	
A.1.4	Supply and install Tree Protection Barrier as per drawings, including periodic inspection and maintenance.	1	LS	1,200.00	1,200.00	0.00	0.80	0.80	0.00	960.00	960.00	
A.1.5	Install temporary sediment trap around area drains/catchbasins as per Town's guidelines and Tender drawings, including periodic inspection and maintenance.	1	LS	3,000.00	3,000.00	0.00	0.50	0.50	0.00	1,500.00	1,500.00	
A.1.6	Construct mud mat as per the Town of Ajax Standards and Tender drawings Including maintenance during construction. (Size to price is 135 m <sup>2</sup> )	1	LS	5,000.00	5,000.00	0.00	0.70	0.70	0.00	3,500.00	3,500.00	
A.1.7	Site fencing, Construction & Health and Safety Signs. (Site fencing to remain on-site for 1 year.) <b>(Silt fence only)</b>	1	LS	3,500.00	3,500.00	0.00	0.70	0.70	0.00	2,450.00	2,450.00	
<b>A.2</b>		<b>PART 2 - EARTHWORKS</b>										
A.2.1.1	Strip topsoil and remove offsite to approved dump location.	675	m3	33.00	22,275.00	0.00	950.20	950.20	0.00	31,356.60	31,356.60	
A.2.1.2	Strip topsoil and stockpile on site for future re-use on site. (PROVISIONAL)	200	m3	6.00	1,200.00	0.00	0.00	0.00	0.00	0.00	0.00	
A.2.1.3	Cut/Fill site and regrade to underside off granular base, including grading and compaction to 98% S.P.D. to pregrades as specified: Roads = 0.60m below finished grade. Landscaped areas = 0.3m below finished grade.	4165	m3	5.00	20,825.00	0.00	0.00	0.00	0.00	0.00	0.00	
A.2.1.4	Remove excess cut/fill material offsite to approved dump location.	4000	m3	33.00	132,000.00	0.00	5,477.50	5,477.50	0.00	180,757.50	180,757.50	
A.2.1.7	If required, import clean suitable fill required to pregrade roads and blocks and compact to 98% S.P.D. to pregrades as specified: Roads = 0.60m below finished grade. Building lots = 0.3m below BFE. Landscaped areas = 0.3m below finished grade. (PROVISIONAL)	313	m3	5.00	1,565.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>A.2.3</b>		<b>Surveys.</b>										
A.2.3.1	Construction layout for all servicing and roadworks. <b>(Excavation and Site Servicing only)</b>	1	LS	6,000.00	6,000.00	0.00	0.50	0.50	0.00	3,000.00	3,000.00	
A.2.3.2	Construction layout for all grading works.	1	LS	4,000.00	4,000.00	0.00	0.50	0.50	0.00	2,000.00	2,000.00	
A.2.3.3	As-built survey of services including centre line of the road, inverts, watermain appurtenances (e.g. bends, restrainers, valves, hydrants, etc.) and all other structures. <b>(Site Servicing only)</b>	1	LS	2,500.00	2,500.00	0.00	0.00	0.00	0.00	0.00	0.00	
A.2.3.4	As-built grading surveys (Post topsoil strip and post grading)	1	LS	6,000.00	6,000.00	0.00	0.50	0.50	0.00	3,000.00	3,000.00	
A.2.3.5	Provide original ground survey prior to construction (PROVISIONAL)	1	LS	3,000.00	3,000.00	0.00	1.00	1.00	0.00	3,000.00	3,000.00	
<b>TOTAL SECTION A - CLEARING &amp; GRUBBING, SITE PREPARATION, AND EARTHWORKS</b>						<b>217,705.00</b>				<b>5,240.00</b>	<b>231,524.10</b>	<b>236,036.10</b>

Contractor:  
KAPP Infrastructure Inc.  
161 Trade Valley Drive  
Vaughan, ON, L4H 3N6

135 Mandrake Street  
Ajax  
PC# 2

Consultant:  
Lithos Group Inc.  
150 Bermondsey Road, Unit#200  
Toronto, ON, M4A 1Y1

ITEM	DESCRIPTION	Quantity	Unit	Unit Price \$	Projected Final Cost (\$)	Quantity this period	Previous quantity	Quantity to Date	Amount this period	Previous amount	Amount to date
<b>B</b>		<b>SECTION B - SEWERS</b>									
B.1.1.1	MH4 to MH2 , 375mm PVC SDR-35	49.7	m	290.00	14,413.00	49.70	0.00	49.70	14,413.00	0.00	14,413.00
B.1.1.2	MH2 to MH3, 300mm PVC SDR-35	22.8	m	410.00	9,348.00	22.80	0.00	22.80	9,348.00	0.00	9,348.00
B.1.1.3	MH4 to CO1, 150mm PVC SDR-35, price to include CO and plug for future foundation drain hookup	5.5	m	125.00	687.50	5.50	0.00	5.50	687.50	0.00	687.50
B.1.1.4	MH4 to Storm Chambers, 300mm PVC SDR-35	1.5	m	234.00	351.00		0.00	0.00	0.00	0.00	0.00
B.1.1.6	MH4 to MH2 Sewer Segment to CO2, 150mm PVC SDR-35	8.8	m	125.00	1,100.00	8.80	0.00	8.80	1,100.00	0.00	1,100.00
B.1.1.10	MH2 to CBMH1, 300mm PVC SDR-35	16.1	m	234.00	3,767.40	16.10	0.00	16.10	3,767.40	0.00	3,767.40
B.1.1.11	CBMH1 to CO4, 150mm PVC SDR-35, price to include CO and plug for future foundation drain hookup	3	m	125.00	375.00		0.00	0.00	0.00	0.00	0.00
B.1.1.12	CBMH1 to CB1, 250mm PVC SDR-35	26.1	m	191.00	4,985.10		0.00	0.00	0.00	0.00	0.00
B.1.1.15	MH3 to Building, 150mm PVC SDR-35	1.5	m	125.00	187.50	1.50	0.00	1.50	187.50	0.00	187.50
B.1.1.18	MH2 to CO8, 300mm PVC SDR-35, price to include CO with insulation	3	m	125.00	375.00	3.00	0.00	3.00	375.00	0.00	375.00
B.1.1.24	MH2 to CBMH1 Sewer Segment to CO11, 150mm PVC SDR-35, price to include CO	3.1	m	125.00	387.50	3.10	0.00	3.10	387.50	0.00	387.50
B.1.1.28	MH2 to OGS, 300mm PVC SDR-35	6.4	m	234.00	1,497.60	6.40	0.00	6.40	1,497.60	0.00	1,497.60
B.1.1.29	OGS to CBMH2, 300mm PVC SDR-35 with insulation	20.7	m	260.00	5,382.00	20.70	0.00	20.70	5,382.00	0.00	5,382.00
B.2.1	Manhole MH1	1	ea	5,420.00	5,420.00	1.00	0.00	1.00	5,420.00	0.00	5,420.00
B.2.2	Manhole MH2	1	ea	5,420.00	5,420.00	2.00	0.00	2.00	10,840.00	0.00	10,840.00
B.2.3	Manhole MH3 with plug for future foundation drain hookup	1	ea	8,520.00	8,520.00	1.00	0.00	1.00	8,520.00	0.00	8,520.00
B.2.4	Catchbasin Manhole CBMH1	1	ea	6,950.00	6,950.00	1.00	0.00	1.00	6,950.00	0.00	6,950.00
B.2.5	Catchbasin Manhole CBMH2	1	ea	6,950.00	6,950.00	1.00	0.00	1.00	6,950.00	0.00	6,950.00
B.2.6	Oil and Grit Separator OGS STC300i	1	ea	35,000.00	35,000.00	1.00	0.00	1.00	35,000.00	0.00	35,000.00
B.2.7	130mm ORIFICE PLATE	1	ea	1,200.00	1,200.00		0.00	0.00	0.00	0.00	0.00
B.2.8	Reinstate storm stub	1	ea	1,600.00	1,600.00		0.00	0.00	0.00	0.00	0.00
B.3.1	Catchbasin CB1	1	ea	2,400.00	2,400.00		0.00	0.00	0.00	0.00	0.00
B.3.3	Double area drain DAD, including pipe connected to Storm Chambers.	1	ea	5,200.00	5,200.00		0.00	0.00	0.00	0.00	0.00
B.4.1	Install Underground MC-3500 Storm Chambers, 20 Units and 12 End Caps	1	ea	64,000.00	64,000.00		0.00	0.00	0.00	0.00	0.00
<b>TOTAL SECTION C - STORM SEWERS</b>					<b>185,516.60</b>				<b>110,825.50</b>	<b>0.00</b>	<b>110,825.50</b>
<b>SECTION C - SANITARY SEWERS</b>											
C.1.1	MH1A to MH2A 200mm PVC SAN	15.2	m	185.00	2,812.00	0.00	0.00	0.00	0.00	0.00	0.00
C.1.2	MH2A to MH5A 200mm PVC SAN	16.2	m	185.00	2,997.00	16.20	0.00	16.20	2,997.00	0.00	2,997.00
C.1.3	MH2A to MH5A Sewer Segment to Building, 2 pipes 100mm PVC SAN	4	m	200.00	800.00	4.00	0.00	4.00	800.00	0.00	800.00
C.1.4	MH5A to Building 100mm PVC SAN	4.2	m	200.00	840.00	4.20	0.00	4.20	840.00	0.00	840.00
C.1.5	MH5A to Building 100mm PVC SAN	5.5	m	200.00	1,100.00	5.50	0.00	5.50	1,100.00	0.00	1,100.00
C.1.6	MH5A to MH4A 200mm PVC SAN	34.4	m	185.00	6,364.00	34.40	0.00	34.40	6,364.00	0.00	6,364.00

Contractor:  
KAPP Infrastructure Inc.  
161 Trade Valley Drive  
Vaughan, ON, L4H 3N6

135 Mandrake Street  
Ajax  
PC# 2

Consultant:  
Lithos Group Inc.  
150 Bermondsey Road, Unit#200  
Toronto, ON, M4A 1Y1

ITEM	DESCRIPTION	Quantity	Unit	Unit Price \$	Projected Final Cost (\$)	Quantity this period	Previous quantity	Quantity to Date	Amount this period	Previous amount	Amount to date
C.1.7	MH5A to MH4A Sewer Segment to Building, 5 pipes 100mm PVC SAN	10	m	200.00	2,000.00	10.00	0.00	10.00	2,000.00	0.00	2,000.00
C.1.8	MH4A to Building 100mm PVC SAN	5	m	200.00	1,000.00	5.00	0.00	5.00	1,000.00	0.00	1,000.00
C.1.9	MH4A to Building 100mm PVC SAN	2	m	200.00	400.00	2.00	0.00	2.00	400.00	0.00	400.00
C.1.10	MH4A to Building 100mm PVC SAN	2	m	200.00	400.00	2.00	0.00	2.00	400.00	0.00	400.00
C.1.11	MH4A to MH3A 200mm PVC SAN	16.6	m	120.00	1,992.00	16.60	0.00	16.60	1,992.00	0.00	1,992.00
C.1.12	MH4A to MH3A Sewer Segment to Building, 2 pipes 100mm PVC SAN	4	m	200.00	800.00	4.00	0.00	4.00	800.00	0.00	800.00
C.1.13	MH3A Pipe to Building 100mm PVC SAN	2	m	200.00	400.00	2.00	0.00	2.00	400.00	0.00	400.00
C.1.14	MH3A Pipe to Building 100mm PVC SAN	3	m	200.00	600.00	3.00	0.00	3.00	600.00	0.00	600.00
C.1.15	MH3A to MH2A 200mm PVC SAN	34.4	m	185.00	6,364.00	34.40	0.00	34.40	6,364.00	0.00	6,364.00
C.1.16	MH3A & MH2A Sewer Segment to Building, 4 pipes 100mm PVC SAN	8	m	200.00	1,600.00	8.00	0.00	8.00	1,600.00	0.00	1,600.00
C.1.17	MH3A Pipe to Building 100mm PVC SAN	1		400.00	400.00		0.00	0.00	0.00	0.00	0.00
C.2.1	Manhole MH1A	1		6,240.00	6,240.00		0.00	0.00	0.00	0.00	0.00
C.2.2	Manhole MH2A	1		5,600.00	5,600.00	1.00	0.00	1.00	5,600.00	0.00	5,600.00
C.2.3	Manhole MH3A	1		5,600.00	5,600.00	1.00	0.00	1.00	5,600.00	0.00	5,600.00
C.2.4	Manhole MH4A	1		5,520.00	5,520.00	1.00	0.00	1.00	5,520.00	0.00	5,520.00
C.2.5	Manhole MH5A	1		5,500.00	5,500.00	1.00	0.00	1.00	5,500.00	0.00	5,500.00
C.2.5.1	MH1A to MH6A 200mm PVC SAN	3.7	m	500.00		3.70	0.00	3.70	1,850.00	0.00	1,850.00
C.2.5.2	MH1A to MH6A 200mm PVC SAN	11.2	m	185.00		11.20	0.00	11.20	2,072.00	0.00	2,072.00
C.2.5.3	Manhole MH1A with drop structure	1	ea	9,300.00		1.00	0.00	1.00	9,300.00	0.00	9,300.00
C.2.5.4	Manhole MH6A	1	ea	6,240.00		1.00	0.00	1.00	6,240.00	0.00	6,240.00
C**	CCTV Inspection of the existing storm and sanitary laterals	1	LS	1,587.00		1.00	0.00	1.00	1,587.00	0.00	1,587.00
C.2.6	Reinstate Sanitary Sewer Stub	1		1,600.00	1,600.00		0.00	0.00	0.00	0.00	0.00
<b>TOTAL SECTION B - SANITARY SEWERS</b>					<b>60,929.00</b>				<b>70,926.00</b>	<b>0.00</b>	<b>70,926.00</b>
<b>SECTION D - WATERMAINS</b>											
D.1.1	50mm dia. PVC watermain. Watermain to Bend 7. Price to include plug, and connection to existing system.	125.8	m	298.00	37,488.40	110.00	0.00	110.00	32,780.00	0.00	32,780.00
D.1.2	25mm dia. CU watermain. Price to include connection up to valve. Connection to building to be completed by others.	36.7	m	93.00	3,413.10	36.70	0.00	36.70	3,413.10	0.00	3,413.10
D.1.3	100mm dia. PVC watermain from building to existing 300mm municipal watermain	24	m	2,200.00	52,800.00	0.00	0.00	0.00	0.00	0.00	0.00
D.1.4	Abandon existing watermain along Angus drive as per town/region standards	1	LS	9,800.00	9,800.00	0.00	0.00	0.00	0.00	0.00	0.00
D.1.5	Curbstops for watermain connections before the buildings	20	ea	350.00	7,000.00	20.00	0.00	20.00	7,000.00	0.00	7,000.00
D.2.1	Fire Hydrant	2	ea	5,500.00	11,000.00	2.00	0.00	2.00	11,000.00	0.00	11,000.00
D.2.2.1	200mm dia. PVC Fire. Price to include connection up to building.	153.7	m	443.00	68,089.10	140.00	0.00	140.00	62,020.00	0.00	62,020.00
D.2.2.2	100mm dia. PVC Fire. Price to include connection up to building.	57.4	m	482.00	27,666.80	140.00	0.00	140.00	67,480.00	0.00	67,480.00
D.2.2.3	200mm dia. PVC Fire from building to existing 300mm municipal watermain	25	m	2,260.00	56,500.00	0.00	0.00	0.00	0.00	0.00	0.00
D.2.2.4	Gate Valves for PVC fire connections before the buildings	5	ea	1,800.00	9,000.00	5.00	0.00	5.00	9,000.00	0.00	9,000.00
<b>TOTAL SECTION D - WATERMAINS</b>					<b>282,757.40</b>				<b>192,693.10</b>	<b>0.00</b>	<b>192,693.10</b>

Contractor:  
 KAPP Infrastructure Inc.  
 161 Trade Valley Drive  
 Vaughan, ON, L4H 3N6

135 Mandrake Street  
 Ajax  
 PC# 2

Consultant:  
 Lithos Group Inc.  
 150 Bermondsey Road, Unit#200  
 Toronto, ON, M4A 1Y1

ITEM	DESCRIPTION	Quantity	Unit	Unit Price \$	Projected Final Cost (\$)	Quantity this period	Previous quantity	Quantity to Date	Amount this period	Previous amount	Amount to date	
<b>SUMMARY</b>												
	<b>SECTION A - Site Preparation and Earthworks</b>				217,705.00				5,240.00	231,524.10	236,036.10	
	<b>SECTION B - Storm Sewers</b>				185,516.60				110,825.50	0.00	110,825.50	
	<b>SECTION C - Sanitary Sewers</b>				60,929.00				70,926.00	0.00	70,926.00	
	<b>SECTION D - Watermains</b>				282,757.40				192,693.10	0.00	192,693.10	
	<b>TOTAL CONTRACT:</b>				746,908.00				<b>SUB-Total:</b>	379,684.60	231,524.10	610,480.70
									<b>10% Holdback:</b>	37,968.46	23,152.41	61,048.07
									<b>Total:</b>	341,716.14	208,371.69	549,432.63
									<b>13% HST:</b>	44,423.10	27,088.32	71,426.24
									<b>TOTAL PC#2:</b>	386,139.24	235,460.01	620,858.87
												subtotal of \$610,481 is supposed to be \$611,209.



### **13. PAYMENT CERTIFICATE**

#### **13.1 Payment Certificate**

A Payment Certifier has not been retained on this project to certify the construction work. IQS will be assisting the Borrower in verifying and approving the costs incurred.

**No Attachment**



**INTREPID**  
quantity surveying

#### **14. WSIB & STATUTORY DECLARATIONS**

**Note: Work Place Safety Insurance Board Certificates are required to be valid at the time of the draw and are valid for 90 days from the date of issuance. Statutory Declaration of Payments should be requested to confirm (for the second and all subsequent draw advances) the date of last payment received by the Trade Contractors.**

We summarized the documents relevant to the applicable draw as follows:

Trade	WSIB Certificate	Statutory Declaration
KAPP Infrastructure Inc.	February 19, 2019	August 31, 2018

**Attachments: WSIB Certificate and Statutory Declaration**



## eclearance

### Clearance Certificate

Search results

Contractor Legal / Trade Name	Contractor Address	Contractor Classification Unit and Description	Clearance certificate number	Validity period (dd-mmm-yyyy)	Principal Legal / Trade Name	Principal Address
<a href="#">KAPP INFRASTRUCTURE INC.</a>	161 TRADE VALLEY DR, WOODBIDGE, ON, L4H3N6, CA	4121-001: Highways, Streets, and Small Bridges	E000000FADBI	21-Nov-2018 to 19-May-2019	<a href="#">INTREPID QUANTITY SURVEYING INC.</a>	300-45 SHEPPARD AVE E, NORTH YORK, ON, M2N5W9, CA

You can add a business to your Contractors List. This way, the clearance certificate will automatically renew when it expires (for all contractors on your list that remain eligible).

[Add Contractor to List](#)

[Back](#)



## STATUTORY DECLARATION

TO BE MADE BY THE CONTRACTOR OR SUBCONTRACTOR TO ACCOMPANY  
THE SECOND AND SUBSEQUENT PROGRESS CLAIMS

IN THE MATTER OF THE CONTRACT/SUBCONTRACT

between 10268054 CANADA CORPORATION  
Owner/Contractor

and KAPP CONTRACTING INC.  
Contractor/Subcontractor


for 135 MANDRAKE STREET  
Project

I, Claudio Memme of the City of Vaughan in the Province of Ontario DO SOLEMNLY DECLARE:

THAT I am President of KAPP Infrastructure Inc., the Contractor / Subcontractor named in the Contract / Subcontract abovementioned, and as such have personal knowledge of the facts hereunder declared, and that all accounts for labour, subcontracts, products, construction machinery, and equipment and other indebtedness which may have incurred by the Contractor / Subcontractor in the Performance of the Work and for which the Owner might in any way be held responsible have been paid in full under the said Contract / Subcontract up to August 31, 2018, as set forth in Progress Claim No. 1, relating to Payment Certificate No. 1, except for (i) holdback monies properly retained, (ii) payments deferred by agreement, (iii) accounts withheld by reason of legitimate dispute.

AND I MAKE THIS SOLEMN DECLARATION conscientiously believing it to be true and knowing it is of the same force and effect as if made under oath.

DECLARED before me at the City }  
of Vaughan in the }  
Region of }  
York this }  
11th day of December 20 18 . }  
\_\_\_\_\_ }  
A Commissioner for Oaths, Notary Public, etc. }

Signed 

THIS IS **EXHIBIT " O "** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc/Notary Public*

---

Samuel Mosonyi



**STATEMENT OF ADVANCE**  
2018-12-21

Mortgage Number: 198

Borrower Name: 10268054 Canada Corp.  
Guarantors: Dream Maker Developments Inc./ Temitope Isaac Jr. Olowolafe

Property Address: 135 Mandrake Street , Ajax, Ont

Term: 24 Months  
Interest Rate: Greater of 8.00% or RBC Prime + 4.30%

Commitment Fees/Set Up Fee: \$332,592.00 (\$30,000.00 Sep 25/18 & \$20,000 Oct 22, 2018 Rec'd)

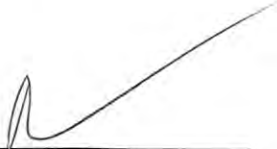
1st Advance Date: December 20, 2018  
Interest Adjustment Date: January 1, 2018  
1st Payment Date: February 1, 2019  
Maturity Date: January 1, 2020

CMCC - First Mortgage Loan Full Advance:	\$16,629,592.00
Total Facility available:	\$16,629,592.00
CMSC- 1st Advance (REOT):	\$7,331,559.00
<b>Interest Deduction/Adjustment</b>	
Less: Loan Fees	
Loan Commitment/Set-Up Fee	(\$282,592.00)
<b>Net Advance Amount Due to Borrower:</b>	<u><u>\$7,048,967.00</u></u>

Law Firm: Owens Wright LLP \$7,048,967.00  
20 Holly Street  
Toronto, Ontario M4S 3B1  
Attn: Mark Zwegers/Julia Khit

Wire Funds to Trust A/C: Bank of Montreal  
2210 Yonge Street  
Transit : 04432  
Bank No.: 001  
Account No.: 1106-913

Advance Requested By:

  
\_\_\_\_\_  
Ryan Buzzell

21-Dec-18  
\_\_\_\_\_  
(Date)

Reviewed & Approved By:

  
\_\_\_\_\_  
Banita El-Murr

21-Dec-18  
\_\_\_\_\_  
(Date)

THIS IS **EXHIBIT " P"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc/Notary Public*

---

Samuel Mosonyi

**CLEAR CERTIFICATE / CERTIFICAT LIBRE****SHERIFF OF / SHÉRIF DE :** CITY OF TORONTO (TORONTO)**CERTIFICATE # /** 40902294-0070532B**N° DE CERTIFICAT :****DATE OF CERTIFICATE /** 2020-DEC-03**DATE DU CERTIFICAT :****SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

**DÉCLARATION DU SHÉRIF**

CE CERTIFICAT ATTESTE QU'IL N'Y A AUCUNE ORDONNANCE ACTIVE OU AUCUN BREF D'EXÉCUTION FORCÉE OU CERTIFICAT DE PRIVILÈGE ACTIF DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

**NAME SEARCHED / NOM RECHERCHÉ**

#	PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	10268054 CANADA CORP.

**CAUTION TO PARTY REQUESTING SEARCH:**

1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. BY VIRTUE OF THIS CERTIFICATE, THE SHERIFF IS ASSURING THAT THIS NAME WILL REMAIN CLEAR UNTIL THE END OF CLOSE OF THIS BUSINESS DATE, UNLESS THE SHERIFF IS DIRECTED OTHERWISE UNDER AN ORDER OF THE COURT.

**AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :**

1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. EN VERTU DU PRÉSENT CERTIFICAT, LE SHÉRIF ASSURE QUE CE NOM DEMEURE LIBRE JUSQU'À LA FIN DE CETTE JOURNÉE DE TRAVAIL, À MOINS DE RECEVOIR DES DIRECTIVES CONTRAIRES AUX TERMES D'UNE ORDONNANCE DU TRIBUNAL.

**CHARGE FOR THIS CERTIFICATE / FRAIS POUR CE CERTIFICAT :** CDN 11.95**SEARCHER REFERENCE /  
REFERENCE CONCERNANT  
L'AUTEUR DE LA DEMANDE :** 2000773





**CLEAR CERTIFICATE / CERTIFICAT LIBRE****SHERIFF OF / SHÉRIF DE :** REGIONAL MUNICIPALITY OF DURHAM (OSHAWA)**CERTIFICATE # /** 40902309-4642367B**N° DE CERTIFICAT :****DATE OF CERTIFICATE /** 2020-DEC-03**DATE DU CERTIFICAT :****SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

**DÉCLARATION DU SHÉRIF**

CE CERTIFICAT ATTESTE QU'IL N'Y A AUCUNE ORDONNANCE ACTIVE OU AUCUN BREF D'EXÉCUTION FORCÉE OU CERTIFICAT DE PRIVILÈGE ACTIF DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

**NAME SEARCHED / NOM RECHERCHÉ**

#	PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	10268054 CANADA CORP.

**CAUTION TO PARTY REQUESTING SEARCH:**

1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. BY VIRTUE OF THIS CERTIFICATE, THE SHERIFF IS ASSURING THAT THIS NAME WILL REMAIN CLEAR UNTIL THE END OF CLOSE OF THIS BUSINESS DATE, UNLESS THE SHERIFF IS DIRECTED OTHERWISE UNDER AN ORDER OF THE COURT.

**AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :**

1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. EN VERTU DU PRÉSENT CERTIFICAT, LE SHÉRIF ASSURE QUE CE NOM DEMEURE LIBRE JUSQU'À LA FIN DE CETTE JOURNÉE DE TRAVAIL, À MOINS DE RECEVOIR DES DIRECTIVES CONTRAIRES AUX TERMES D'UNE ORDONNANCE DU TRIBUNAL.

**CHARGE FOR THIS CERTIFICATE / FRAIS POUR CE CERTIFICAT :** CDN 11.95**SEARCHER REFERENCE /  
REFERENCE CONCERNANT  
L'AUTEUR DE LA DEMANDE :** 2000773

THIS IS **EXHIBIT " Q"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi



**AGREEMENT RESPECTING PURCHASERS' DEPOSITS**

**THIS AGREEMENT** made as of the 19<sup>th</sup> day of November, 2018.

**A M O N G:**

**10268054 CANADA CORP.**  
(hereinafter called the "**Borrower**")

OF THE FIRST PART

- and -

**MILLER THOMSON LLP**  
(hereinafter called the "**Borrower's Solicitor**")

OF THE SECOND PART

- and -

**CENTURION MORTGAGE CAPITAL CORPORATION**  
(hereinafter called the "**Lender**")

OF THE THIRD PART

**WHEREAS** pursuant to a commitment letter (the "**Commitment Letter**") dated October 15, 2018, as such Commitment Letter may be amended, supplemented, restated, replaced or superseded from time to time, the Lender has agreed to provide certain credit facilities (the "**Credit Facilities**") to the Borrower to partially finance the construction of 42 stacked townhouse units, approximately 39,084 square feet of net saleable area and 49 above grade parking spaces (collectively the "**Units**" and each a "**Unit**"), located on the lands legally described in Schedule "A" hereto (the "**Condominium Project**");

**AND WHEREAS** the Borrower has retained the Borrower's Solicitor to hold all monies received from all Unit purchasers (collectively the "**Purchasers**" and each a "**Purchaser**") on account of any and all sales of Units in the Condominium Project (collectively the "**Deposits**" and individually a "**Deposit**") in trust pending the completion of such Unit sales;

**AND WHEREAS** Westmount Guarantee Services Inc. ("**Westmount**") has agreed to provide an excess condominium deposit insurance facility in respect of the Condominium Project in the amount of \$ \* SEE BELOW to the Borrower pursuant to a commitment letter dated Nov. 20, 2018 (the "**ECDI Commitment**");

**AND WHEREAS** the Lender requires that the Borrower direct the Borrower's Solicitor to pay the Deposits to the Lender forthwith upon the completion of the sale of the Units upon and subject to the terms and conditions of this Agreement.

\*\$840,000 for Tarion Bond and \$4,500,000 for ECDI

**NOW THEREFORE THIS ASSIGNMENT WITNESSES** that in consideration of the sum of Ten Dollars (\$10.00) paid by the Lender to the Borrower and the Borrower's Solicitor (the receipt and sufficiency of which are hereby acknowledged) the parties covenant and agree as follows:

1. The foregoing recitals are true and correct and form a part of this Agreement as if repeated herein at length.
2. The Borrower shall cause all Deposits to be held in trust by the Borrower's Solicitor and shall not without the prior written consent of the Lender terminate the Borrower's retainer of the Borrower's Solicitor in connection with the Condominium Project and shall not retain any other trustee (each a "Trustee") prescribed under O. Reg. 48/01 under the *Condominium Act, 1998* (the "Act") to hold any Deposits in trust without the prior written consent of the Lender. Without limiting the discretion of the Lender to provide its consent as aforesaid, the Lender may require as a condition of providing its consent to any such further retainer, that the new trustee enter into an agreement with the Lender on the same terms set out herein.
3. The Borrower hereby irrevocably authorizes and directs the Borrower's Solicitor to hold the Deposits in the Trust Account (as hereinafter defined), and, subject always to section 82 of the Act, to release all or any part thereof only in the following circumstances and in the following priority:
  - (a) upon being authorized and directed in writing to do so from time to time by Westmount Guarantee Services Inc. in order to fund construction costs for the Condominium Project or as otherwise permitted under the ECDI Commitment;
  - (b) upon the completion of the sale of a Unit from time to time, any Deposits held in respect of such Unit shall be paid to the Lender, less any amounts agreed to by the Lender, until such time as the Lender has been paid in full;
  - (c) upon payment in full of the Credit Facilities, as the Borrower may further direct from time to time.
4. Notwithstanding anything to the contrary herein, including subparagraphs 3(a), 3(b), 3(c) and 3(d) hereof, the following shall be held back from the Deposits received, if not retained from the balance due on closing for each Unit and may be disbursed by the Borrower's Solicitor in its discretion: (i) all HST collected on the closing of the Unit; (ii) reasonable legal fees, disbursements and HST owing to the Borrower's Solicitor with respect to the sale of the Unit in respect of which the Deposit is being held; and (iii) any amounts related to real estate commissions plus HST thereon in respect of the sale of the Units.
5. The Borrower hereby confirms that as of the date of this Agreement, the Borrower's Solicitor holds Deposits in the aggregate amount of \$\_\_\_\_\_ in its trust account (the "Trust Account"), the particulars of which are as follows:

**Account Holder:** MILLER THIMSON LLP  
**Account Number:** 69-69402  
**Transit Number:** 08642  
**Bank Name:** Canadian Imperial Bank of Commerce  
**Branch Address:** Highway 7 and West Beaver Creek Banking Centre  
300 West Beaver Creek Rd.  
Richmond Hill, Ontario L4B 3B1

6. The Borrower's Solicitor hereby irrevocably confirms, agrees and undertakes to and with the Lender and Borrower as follows:
- a) to observe, perform and be bound by the direction set out in Paragraph 3 above;
  - b) to notify the Lender or its solicitors in the event that the Borrower's Solicitor ceases to act as the solicitor for the Borrower in respect of the sale of Units; and
  - c) upon request by the Lender from time to time, to provide the Lender with a summary showing the details of all Deposits held in trust or released from trust from time to time.
7. The Borrower's Solicitor shall be automatically discharged from its obligations under Paragraphs 3, 4 and 5 hereof in the event that it no longer acts for the Borrower in connection with the sale of Units or in the event that the Lender delivers written notice to the Borrower's Solicitor that the Credit Facilities have been paid in full.
8. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signature received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

[signature page follows]

**IN WITNESS WHEREOF** the parties have executed this agreement as of the date and year first above-written.

**10268054 CANADA CORP.**

Per:   
Name: Temitope Olowolafe  
Title: President

I have the authority to bind the Corporation.

**MILLER THOMSON LLP**

Per:   
Name: *Ran Farhan*

**CENTURION MORTGAGE CAPITAL CORPORATION**

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

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

I/We have the authority to bind the Corporation.

**SCHEDULE "A"****LEGAL DESCRIPTION**

**PIN: 26453-0695 (LT)**

Block 91, Plan 40M1378, save & except Parts 1 & 2, Plan 40R21864, Ajax, Regional Municipality of Durham

Municipally known as 184-188 Salem Road, Ajax, Ontario, formerly known as 135 Mandrake Street, Ajax, Ontario

In the Land Titles Division of the Durham Region Registry Office (No. 40)

THIS IS **EXHIBIT " R"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc./Notary Public*

---

Samuel Mosonyi

---

**From:** Dominique Michaud  
**Sent:** December 1, 2020 6:19 PM  
**To:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Cc:** Fairbloom, Ron <[rfairbloom@millerthomson.com](mailto:rfairbloom@millerthomson.com)>  
**Subject:** RE: [Marketing Mail] Re: [Marketing Mail] Re: 10268054 Canada Corp. - Agreement Respecting Purchasers' Deposits

Centurion is not willing to consider holding off with its motion to appoint a Receiver unless we are provided credible evidence of a refinancing that is in place or of a sale in place that is able to close and pay off Centurion's mortgage in full. Please have your lawyer contact me and provide this information asap.

Dom



**Dominique Michaud** | [Bio](#)

T. 416.360.3795

E. [dmichaud@robapp.com](mailto:dmichaud@robapp.com)

**ROBINS APPLEBY**  
BARRISTERS + SOLICITORS

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** December 1, 2020 4:23 PM  
**To:** Dominique Michaud <[dmichaud@robapp.com](mailto:dmichaud@robapp.com)>  
**Cc:** Fairbloom, Ron <[rfairbloom@millerthomson.com](mailto:rfairbloom@millerthomson.com)>  
**Subject:** [Marketing Mail] Re: [Marketing Mail] Re: 10268054 Canada Corp. - Agreement Respecting Purchasers' Deposits

**CAUTION:** External e-mail.

I will.

But with a sale at hand and also an alternative lender to take out.

We are requesting to hold off in meantime for 45/60 days to avoid the additional cost which will only add to cost and make harder for full payout.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Dec 1, 2020, at 4:16 PM, Dominique Michaud <[dmichaud@robapp.com](mailto:dmichaud@robapp.com)> wrote:

Please have your lawyer contact me. That said, Centurion is proceeding with a motion to appoint a receiver at this stage. Regardless of your position, section 6 of the Deposit Agreement requires Miller Tomson LLP to provide Centurion this information. Accordingly, we require this information forthwith.

Thank you.

Dom



**Dominique Michaud** | [Bio](#)  
T. 416.360.3795  
E. [dmichaud@robapp.com](mailto:dmichaud@robapp.com)  
**ROBINS APPLEBY**  
BARRISTERS + SOLICITORS

---

**From:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Sent:** December 1, 2020 4:11 PM  
**To:** Dominique Michaud <[dmichaud@robapp.com](mailto:dmichaud@robapp.com)>  
**Cc:** Fairbloom, Ron <[rfairbloom@millerthomson.com](mailto:rfairbloom@millerthomson.com)>  
**Subject:** [Marketing Mail] Re: 10268054 Canada Corp. - Agreement Respecting Purchasers' Deposits

**CAUTION:** External e-mail.

Hello

We are working on a sale of the property. Kevin my litigation lawyer was going to respond with statement of defence.

DreamMaker  
[www.DreamTO.ca](http://www.DreamTO.ca)

On Dec 1, 2020, at 4:07 PM, Dominique Michaud <[dmichaud@robapp.com](mailto:dmichaud@robapp.com)> wrote:

Ron:

Can I please get this summary asap. Also when providing the summary please confirm the number of APS's entered into by the Borrower and whether any deposits were released into the Project.



**Dominique Michaud** | [Bio](#)  
T. 416.360.3795  
E. [dmichaud@robapp.com](mailto:dmichaud@robapp.com)  
**ROBINS APPLEBY**  
BARRISTERS + SOLICITORS



---

**From:** Fairbloom, Ron <[rfairbloom@millerthomson.com](mailto:rfairbloom@millerthomson.com)>  
**Sent:** November 27, 2020 1:56 PM  
**To:** Dominique Michaud <[dmichaud@robapp.com](mailto:dmichaud@robapp.com)>  
**Cc:** isaac olowolafe <[olowolafe@gmail.com](mailto:olowolafe@gmail.com)>  
**Subject:** RE: 10268054 Canada Corp. - Agreement Respecting Purchasers' Deposits

**CAUTION:** External e-mail.

Hi Dominique

Thank you for your email.

I have forwarded this email to our client.

I will ask our deposit clerk to provide a summary. I may not get it to you until Monday.

Thanks

## **RON FAIRBLOOM**

Partner

### **Miller Thomson LLP**

Scotia Plaza  
40 King Street West, Suite 5800  
P.O. Box 1011  
Toronto, Ontario M5H 3S1  
**Direct Line:** +1 416.595.8637  
**Fax:** +1 416.595.8695  
**Email:** [rfairbloom@millerthomson.com](mailto:rfairbloom@millerthomson.com)  
**millerthomson.com**

<image002.png>

**Please consider the environment before printing this email.**

[Our COVID-19 preparedness and support commitment](#)

---

**From:** Dominique Michaud [<mailto:dmichaud@robapp.com>]  
**Sent:** Friday, 27 November 2020 1:46 PM  
**To:** Fairbloom, Ron <[rfairbloom@millerthomson.com](mailto:rfairbloom@millerthomson.com)>  
**Subject:** **[\*\*EXT\*\*]** 10268054 Canada Corp. - Agreement Respecting Purchasers' Deposits

Ron:

Further to my voicemail, we represent Centurion Mortgage Capital Corporation in respect of a mortgage enforcement matter against 10268054 Canada Corp. (the "**Borrower**"). We understand that you are the Borrower's real estate lawyer and your firm is party to the attached Agreement Respecting Purchasers' Deposits (the "**Deposit Agreement**").

At this stage, unless the loan is repaid, Centurion intends to take steps to appoint a Receiver over the Borrower. One consideration in the contemplated receivership is the status of the sales in the project and the deposits currently being held by your firm.

Accordingly, can you please provide us a summary showing the details of the deposits that are held in trust and those that were released into the project, if any. Centurion is making this request in accordance with section 6 of the Deposit Agreement.

Please let me know if you would like to discuss. I look forward to hearing from you.

Dom



**Dominique Michaud** | [Bio](#)

T. 416.360.3795  
E. [dmichaud@robapp.com](mailto:dmichaud@robapp.com)

**ROBINS APPLEBY**  
BARRISTERS + SOLICITORS

**\*\*Please note that Robins Appleby LLP is working remotely due to the COVID-19 pandemic. We continue to be available by email and by phone. Our secure electronic file management system enables us to be fully operational during this time.\*\***

Robins Appleby LLP | 2600-120 Adelaide St.W., Toronto, ON M5H 1T1 <http://www.robapp.com>

---

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed. The message may be protected by solicitor-client privilege and contain information that is confidential and exempt from disclosure under applicable law. If you have received this transmission in error, please notify us immediately either by telephone at (416) 868-1080 or by e-mail at [info@robapp.com](mailto:info@robapp.com) and destroy any original transmission or copies of this message without making a copy. Any other distribution, copying or disclosure is strictly prohibited. Any personal information provided to Robins Appleby LLP is collected, used, retained and disclosed in accordance with the firm's Privacy Policy, available at <http://www.robapp.com>

..--

-----  
[EXTERNAL EMAIL / COURRIEL EXTERNE]

Please report any suspicious attachments, links, or requests for sensitive information.

Veuillez rapporter la présence de pièces jointes, de liens ou de demandes d'information sensible qui vous semblent suspectes.

-----

You can [subscribe](#) to Miller Thomson's free electronic communications, or [unsubscribe](#) at any time.

**CONFIDENTIALITY:** This e-mail message (including attachments, if any) is confidential and is intended only for the addressee. Any unauthorized use or disclosure is strictly prohibited. Disclosure of this e-mail to anyone other than the intended addressee does not constitute waiver of privilege. If you have received this communication in error, please notify us immediately and delete this. Thank

you for your cooperation. This message has not been encrypted. Special arrangements can be made for encryption upon request. If you no longer wish to receive e-mail messages from Miller Thomson, please contact the sender.

Visit our website at [www.millerthomson.com](http://www.millerthomson.com) for information about our firm and the services we provide.

Il est possible de [s'abonner](#) aux communications électroniques gratuites de Miller Thomson ou de s'en [désabonner](#) à tout moment.

**CONFIDENTIALITÉ:** Ce message courriel (y compris les pièces jointes, le cas échéant) est confidentiel et destiné uniquement à la personne ou à l'entité à qui il est adressé. Toute utilisation ou divulgation non permise est strictement interdite. L'obligation de confidentialité et de secret professionnel demeure malgré toute divulgation. Si vous avez reçu le présent courriel et ses annexes par erreur, veuillez nous en informer immédiatement et le détruire. Nous vous remercions de votre collaboration. Le présent message n'a pas été crypté. Le cryptage est possible sur demande spéciale. Communiquer avec l'expéditeur pour ne plus recevoir de courriels de la part de Miller Thomson.

Pour tout renseignement au sujet des services offerts par notre cabinet, visitez notre site Web à [www.millerthomson.com](http://www.millerthomson.com)

**\*\*Please note that Robins Appleby LLP is working remotely due to the COVID-19 pandemic. We continue to be available by email and by phone. Our secure electronic file management system enables us to be fully operational during this time.\*\***

Robins Appleby LLP | 2600-120 Adelaide St.W., Toronto, ON M5H  
1T1 | <http://www.robapp.com>

---

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed. The message may be protected by solicitor-client privilege and contain information that is confidential and exempt from disclosure under applicable law. If you have received this transmission in error, please notify us immediately either by telephone at (416) 868-1080 or by e-mail at [info@robapp.com](mailto:info@robapp.com) and destroy any original transmission or copies of this message without making a copy. Any other distribution, copying or disclosure is strictly prohibited. Any personal information provided to Robins Appleby LLP is collected, used, retained and disclosed in accordance with the firm's Privacy Policy, available at <http://www.robapp.com>

..--

**\*\*Please note that Robins Appleby LLP is working remotely due to the COVID-19 pandemic. We continue to be available by email and by phone. Our secure electronic file management system enables us to be fully operational during this time.\*\***

Robins Appleby LLP | 2600-120 Adelaide St.W., Toronto, ON M5H  
1T1 | <http://www.robapp.com>

---

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed. The message may be protected by solicitor-client privilege and contain information that is confidential and exempt from disclosure under applicable law. If you have received this transmission in error, please notify us immediately either by telephone at (416) 868-1080 or by e-mail at [info@robapp.com](mailto:info@robapp.com) and destroy any original transmission or copies of this message without making a copy. Any other distribution, copying or disclosure is strictly prohibited. Any personal information provided to Robins Appleby LLP is collected, used, retained and disclosed in accordance with the firm's Privacy Policy, available at <http://www.robapp.com>

..--

THIS IS **EXHIBIT " S"** REFERRED TO IN  
THE AFFIDAVIT OF **RYAN BUZZELL**  
SWORN BEFORE ME ON THE 3<sup>RD</sup> DAY OF  
DECEMBER, 2020.

*Samuel Mosonyi*

---

*Commissioner for Taking Affidavits etc/Notary Public*

---

Samuel Mosonyi

Court File No.: CV-20-00652174-00CL

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

B E T W E E N:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND  
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**CONSENT**

**BDO CANADA LIMITED**, a licensed trustee in bankruptcy, hereby consents to act as the receiver and manager over 10268054 Canada Corp. and all of the assets, undertakings and properties of 10268054 Canada Corp., pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

DATED AT TORONTO, ONTARIO this 2nd day of December, 2020.

**BDO CANADA LIMITED**



Per: \_\_\_\_\_

Name: Josie Parisi

Title: Partner and Senior Vice-President

**CENTURION MORTGAGE - and-  
CAPITAL CORPORATION**

**10268054 CANADA CORP.,**

*Plaintiff*

*Defendants*

Court File No.: CV-20-00652174-00CL

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

PROCEEDING COMMENCED AT TORONTO

**CONSENT**

**ROBINS APPLEBY LLP**

Barristers + Solicitors  
2600 - 120 Adelaide Street West  
Toronto, ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**

Tel: (416) 360-3795  
dmichaud@robapp.com

**Samuel Mosonyi LSO No.: 78085A**

Tel: (416) 360-3356  
Fax: (416) 868-0306  
smosonyi@robapp.com

Lawyers for the Plaintiff

**CENTURION MORTGAGE - and-  
CAPITAL CORPORATION**

**10268054 CANADA CORP. ET AL**

*Plaintiff*

*Defendants*

Court File No.: CV-20-00652174-00CL

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

PROCEEDING COMMENCED AT  
**TORONTO**

**AFFIDAVIT OF RYAN BUZZELL**

**ROBINS APPLEBY LLP**

Barristers+ Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**

dmichaud@robapp.com  
Tel: (416) 360-3795

**Samuel Mosonyi LSO No.: 78085A**

smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306

Lawyers for the Plaintiff



Court File No.: CV-20-00652174-00CL

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

B E T W E E N:

**CENTURION MORTGAGE CAPITAL CORPORATION**

Plaintiff

and

**10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND  
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE**

Defendants

**ORDER  
(Appointing Receiver and Approving Sale Process)**

**THIS MOTION**, made by the Plaintiff for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing BDO Canada Limited as receiver and manager ("**BDO**", and in such capacities, the "**Receiver**") over 10268054 Canada Corp. ("**102 Corp.**" or the "**Debtor**"), and of all of the assets, undertakings and properties of the Debtor, including the real property owned by 102 Corp. known municipally as 135 Mandrake Street, Ajax, Ontario (the "**Property**") with the legal description set out in Schedule "A", and all other property, assets and undertakings relating thereto, acquired for, or used in relation to a business carried on by the Debtor, and for other relief, was heard this day by way of video-conference as a result of the COVID-19 Pandemic.

**ON READING** the affidavit of Ryan Buzzell sworn December 3, 2020 and the Exhibits thereto, the Pre-Filing Report of the Receiver dated December , 2020 (the "**Pre-Filing Report**") wherein the Receiver will recommend the sale process for the sale of the Property and, and on hearing the submissions of counsel for the Plaintiff and such other parties as were present, no one else appearing although duly served, and on reading the consent of BDO to act as the Receiver,

**SERVICE**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, BDO is hereby appointed Receiver, without security, over the Debtor and all of the assets, undertakings, and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, and including the property set out in Schedule "A".

**RECEIVER'S POWERS**

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental assessments of the Property;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease, or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.
- (t) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service

provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all



material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless

otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "B" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

25. **THIS COURT ORDERS** that notwithstanding paragraphs 21-24 inclusive, and as alternate thereto, the Receiver is hereby authorized to borrow money to fund the exercise of its powers and duties hereunder by way of advances from the Plaintiff, which advances shall be secured by the Plaintiff's security on the Property (including without limitation the Mortgage as defined and attached as an exhibit to the Affidavit of Ryan Buzzell), with the same priority that may attach to such security.

#### **SERVICE AND NOTICE**

26. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.bdo.ca/en-ca/services/advisory/debt-and-financial-recovery-services/corporate-restructuring/>.

27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

### **SALE PROCESS**

28. **THIS COURT ORDERS** that the Sale Process as set out in the Pre-Filing Report is hereby approved and that the Receiver is authorized and directed to commence the Sale Process for the purpose of soliciting interest in and opportunities for the sale of the Property of the Debtor.

29. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

30. **THIS COURT ORDERS** that the Receiver and its respective affiliates, partners, employees, and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).

### **RETENTION OF LAWYERS**

31. **THIS COURT ORDERS** that the Receiver may retain lawyers, including the Plaintiff's lawyers, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such lawyers may be the lawyers for the Plaintiff herein, in respect of any aspect, where the Receiver is satisfied that there is no actual or potential conflict of interest.

**GENERAL**

32. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

35. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

36. **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

37. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

---

**SCHEDULE "A" THE PROPERTY**

<b>PIN</b>	<b>2645-0695 (LT)</b>
<b>DESCRIPTION</b>	<b>BLK 91 PL 40M1378, SAVE &amp; EXCEPT PTS 1 &amp; 2 PL 40R21864, AJAX, REGIONAL MUNICIPALITY OF DURHAM</b>
<b>ADDRESS</b>	<b>135 MANDRAKE STREET, AJAX, ONTARIO</b>

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver (the "**Receiver**") over 10268054 Canada Corp. (the "**Debtor**") and all of the assets, undertakings and properties of the Debtor municipally known as 135 Mandrake Street, Ajax, Ontario (the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated \_\_\_\_\_, 2020 (the "**Order**") made in an action having Court file number CV-20-006521714-00CL, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_, which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.



6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

BDO Canada Limited, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name: Josie Parisi

Title: Senior Vice-President

**CENTURION MORTGAGE - and-  
CAPITAL CORPORATION**

**10268054 CANADA CORP. ET AL**

*Plaintiff*

*Defendants*

Court File No.: CV-20-006521714-00CL

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

**PROCEEDING COMMENCED AT TORONTO**

**ORDER**

**ROBINS APPLEBY LLP**

Barristers+ Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**

dmichaud@robapp.com  
Tel: (416) 360-3795

**Samuel Mosonyi LSO No.: 78085A**

smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306

Lawyers for the Plaintiff

Revised: January 21, 2014  
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

Court File No. —: CV-20-00652174-00CL

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

THE HONOURABLE	)	WEEKDAY, THE #
	)	
JUSTICE	)	DAY OF MONTH, 20YR

**PLAINTIFF<sup>1</sup>**

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Plaintiff

~~—and—~~

**DEFENDANT**

~~Defendant~~

10268054 CANADA CORP., DREAM MAKER DEVELOPMENTS INC. AND  
TEMITOPE OLOWOLAFE a.k.a. ISAAC OLOWOLAFE

Defendants

**ORDER**

~~(~~**appointing**~~Appointing~~ Receiver and Approving Sale Process~~)~~

**THIS MOTION<sub>2</sub>** made by the Plaintiff<sup>2</sup> for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of

~~<sup>1</sup>The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

~~<sup>2</sup>Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".~~

the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing ~~[RECEIVER'S NAME]~~BDO Canada Limited as receiver ~~[and manager]~~ ("BDO", and in such capacities, the "Receiver") ~~without security over 10268054 Canada Corp. ("102 Corp." or the "Debtor"), and~~ of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME] (the "Debtor")~~the Debtor, including the real property owned by 102 Corp. known municipally as 135 Mandrake Street, Ajax, Ontario (the "Property") with the legal description set out in Schedule "A", and all other property, assets and undertakings relating thereto, acquired for, or used in relation to a business carried on by the Debtor, and for other relief, was heard this day ~~at 330 University Avenue, Toronto, Ontario~~by way of video-conference as a result of the COVID-19 Pandemic.

ON READING the affidavit of ~~[NAME]~~Ryan Buzzell sworn ~~[DATE]~~December 9, 2020 and the Exhibits thereto, the Pre-Filing Report of the Receiver dated December 9, 2020 (the "Pre-Filing Report") wherein the Receiver will recommend the sale process for the sale of the Property and, and on hearing the submissions of counsel for ~~[NAMES]~~the Plaintiff and such other parties as were present, no one else appearing ~~for [NAME]~~ although duly served ~~as appears from the affidavit of service of [NAME] sworn [DATE],~~ and on reading the consent of ~~[RECEIVER'S NAME]~~BDO to act as the Receiver,

## SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated<sup>3</sup> so that this ~~motion~~Motion is properly returnable today and hereby dispenses with further service thereof.

## APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, ~~[RECEIVER'S NAME]~~BDO is hereby appointed Receiver, without security, ~~of~~over the

<sup>3</sup>~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

Debtor and all of the assets, undertakings, and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, and including ~~(the~~ "Property set out in Schedule "A").

## RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental assessments of the Property;
- (j) ~~(j)~~ to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings.<sup>4</sup> The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) ~~(k)~~ to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) ~~(l)~~ to sell, convey, transfer, lease, or assign the Property or any part or parts thereof out of the ordinary course of business,
- (i) without the approval of this Court in respect of any transaction not exceeding \$~~\_\_\_\_\_~~50,000, provided that the aggregate

~~<sup>4</sup>This model order does not include specific authority permitting the Receiver to either file an assignment in bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

consideration for all such transactions does not exceed \$~~\_\_\_\_\_~~250,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause~~;~~;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the case may be,<sup>5</sup> shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~;

- (m) ~~(h)~~ to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) ~~(m)~~ to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) ~~(o)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) ~~(p)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability

~~<sup>5</sup> If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

to enter into occupation agreements for any property owned or leased by the Debtor;

(r) ~~(r)~~ to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(s) ~~(s)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

(t) and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records,



or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

**NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

#### **CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized

banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## PIPEDA

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## LIMITATION ON ENVIRONMENTAL LIABILITIES

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession

of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.<sup>6</sup>

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates

<sup>6</sup>~~Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

21. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "AB" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

24. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

25. THIS COURT ORDERS that notwithstanding paragraphs 21-24 inclusive, and as alternate thereto, the Receiver is hereby authorized to borrow money to fund the exercise of its

powers and duties hereunder by way of advances from the Plaintiff, which advances shall be secured by the Plaintiff's security on the Property (including without limitation the Mortgage as defined and attached as an exhibit to the Affidavit of Ryan Buzzell), with the same priority that may attach to such security.

## **SERVICE AND NOTICE**

26. ~~25.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: ~~https://www.bdo.ca/en-ca/services/advisory/debt-and-financial-recovery-services/corporate-restructuring/~~ <https://www.bdo.ca/en-ca/services/advisory/debt-and-financial-recovery-services/corporate-restructuring/>.

27. ~~26.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **SALE PROCESS**

28. **THIS COURT ORDERS** that the Sale Process as set out in the Pre-Filing Report is hereby approved and that the Receiver is authorized and directed to commence the Sale Process for the purpose of soliciting interest in and opportunities for the sale of the Property of the Debtor.

29. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to perform its obligations under the Sale Process, and to do all things reasonably necessary to do so.

30. **THIS COURT ORDERS** that the Receiver and its respective affiliates, partners, employees, and agents shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the Sale Process, except to the extent such losses, claims, damages or liabilities result from gross negligence or wilful misconduct of the Receiver in performing its obligations under the Sale Process (as determined by this Court).

#### **RETENTION OF LAWYERS**

31. **THIS COURT ORDERS** that the Receiver may retain lawyers, including the Plaintiff's lawyers, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such lawyers may be the lawyers for the Plaintiff herein, in respect of any aspect, where the Receiver is satisfied that there is no actual or potential conflict of interest.

#### **GENERAL**

32. ~~27.~~ **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

33. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

34. ~~29.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of



this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

35. ~~30.~~ **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

36. ~~31.~~ **THIS COURT ORDERS** that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

37. ~~32.~~ **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

---

DOCSTOR: 17717428

**SCHEDULE "A" THE PROPERTY**

PIN 2645-0695 (LT)

DESCRIPTION BLK 91 PL 40M1378, SAVE & EXCEPT PTS 1 & 2 PL 40R21864,  
AJAX, REGIONAL MUNICIPALITY OF DURHAM

ADDRESS 135 MANDRAKE STREET, AJAX, ONTARIO

SCHEDULE "B"

## RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ BDO Canada Limited, the receiver (the "**Receiver**") over 10268054 Canada Corp. (the "**Debtor**") and all of the assets, undertakings and properties ~~[DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, of the Debtor municipally known as 135 Mandrake Street, Ajax, Ontario~~ (the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated ~~the \_\_\_ day of \_\_\_\_\_, 20\_\_2020~~ (the "**Order**") made in an action having Court file number ~~\_\_CV-20-006521714-00CL\_\_~~, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ \_\_\_\_\_, being part of the total principal sum of \$ \_\_\_\_\_, which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

~~[RECEIVER'S NAME]~~ BDO Canada Limited,  
solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name: Josie Parisi

Title: Senior Vice-President

robapp\6283615.1\6284392.1

CENTURION MORTGAGE - and- 10268054 CANADA CORP. ET AL  
CAPITAL CORPORATION

Plaintiff

Defendants

Court File No.: CV-20-00652174-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO

ORDER  
(Appointing Receiver and Approving Sale Process)

ROBINS APPLEBY LLP  
Barristers + Solicitors  
2600 - 120 Adelaide Street West  
Toronto, ON M5H 1T1

Dominique Michaud LSO No.: 56871V  
Tel: (416) 360-3795  
dmichaud@robapp.com

Samuel Mosonyi LSO No.: 78085A  
smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306  
Lawyers for the Plaintiff

Document comparison by Workshare Compare on Thursday, December 03, 2020 3:49:20 PM

<b>Input:</b>	
Document 1 ID	iManage://ROBAPP-WSS/Active/6283615/1
Description	#6283615v1<Active> - Receivership Order Template - December 2, 2020
Document 2 ID	iManage://ROBAPP-WSS/Active/6284392/1
Description	#6284392v1<Active> - Draft Receivership Order - Mandrake
Rendering set	Standard

<b>Legend:</b>	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

<b>Statistics:</b>	
	Count
Insertions	131
Deletions	93
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	224

**CENTURION MORTGAGE - and-  
CAPITAL CORPORATION**

**10268054 CANADA CORP. ET AL**

*Plaintiff*

*Defendants*

Court File No.: CV-20-006521714-00CL

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

**PROCEEDING COMMENCED AT TORONTO**

**MOTION RECORD OF THE PLAINTIFF,  
CENTURION MORTGAGE CAPITAL  
CORPORATION**

**ROBINS APPLEBY LLP**

Barristers+ Solicitors  
2600 - 120 Adelaide Street West  
Toronto ON M5H 1T1

**Dominique Michaud LSO No.: 56871V**

dmichaud@robapp.com  
Tel: (416) 360-3795

**Samuel Mosonyi LSO No.: 78085A**

smosonyi@robapp.com  
Tel: (416) 360-3356  
Fax: (416) 868-0306

Lawyers for the Plaintiff