

	<p>of the Borrower's obligations to the Lender, including, without limitation, the monthly payment obligations and the Debt Service Coverage requirement; and</p> <ol style="list-style-type: none"> <li>3. The Borrower undertakes not to incur any additional debt without the prior written consent of the Lenders, such consent not to be unreasonably withheld; and</li> <li>4. The Borrower undertakes not to amend its management or ownership structure without the prior written consent of the Lenders, such consent not to be unreasonably withheld.</li> </ol>
<b>Permitted Encumbrances:</b>	The title to the Real Property shall be subject only to Real Property estate taxes not yet due and payable, utility easements and other similar rights which, in the Lender's opinion, will not, in the aggregate materially and adversely impair the marketability of the Real Property or the use of the Real Property for the purpose for which it is held and minor irregularities and defects in title approved by the Lender (the " <b>Permitted Encumbrances</b> ").
<b>Solicitors:</b>	<p>The firm of solicitors selected by the Lender shall be used to draw the security documentation and any other documents related to this transaction and to disburse funds. All investigations and registrations shall be to the satisfaction of the Lender and our solicitors' prior to advance. The Borrower shall execute such documents, including the mortgage and other security agreements, in the form and to contain provisions protecting Lender's rights as our solicitors shall require. Notwithstanding the generality of the forgoing, our solicitors shall be furnished with any affidavits, financial statements, status certificates, acknowledgements, directions, and other information relating to the Real Property, including opinions of the solicitor for the Borrower indicating full compliance with all the representations and conditions as provided herein as either Lender or their solicitors shall request.</p> <p>Our solicitors for this transaction will be:</p> <p><b>Scarforne Hawkins LLP</b>  One James Street South,  14<sup>th</sup> Floor  Hamilton, ON L8N 3P9  Attention: Danielle Iampietro  T: 905-526-4384  F: 905-523-5878  E-Mail: <a href="mailto:iampietro@shlaw.ca">iampietro@shlaw.ca</a></p>
<b>Commitment Expiry:</b>	<p>The Commitment Letter will expire if not accepted and returned to this office with the Commitment Fee at close of business 24 September 2021 after which date the Lender is not obligated to advance.</p> <p><b>AND</b></p> <p>The Commitment Letter will expire if not advanced by the close of business 30 October 2021 after which date the Lender is not obligated to advance.</p>
<b>Events of Default:</b>	<p>The obligations of the Borrower shall become due and payable at the option of the Credit Union, if any one or more of the following Events of Default shall have occurred for any reason whatsoever:</p> <ol style="list-style-type: none"> <li>1. If default shall be made in the due and punctual payment to the Lender of any principal or any payment of interest therein and such default shall have continued for a period of four (4) days after a notice of such default from the Lender; or</li> <li>2. If any representation, warranty or statement of fact of the Borrower customarily found in the Lender's loan agreements and annexed as Schedule 1 and any additional representations and warranties appropriate</li> </ol>

	<p>in the context of the proposed transaction, shall prove to have been untrue or incorrect in any material respect on the date of which it was made and such default shall have continued for a period of seven (7) days after notice of such default from the Lender; or</p> <p>3. If the Borrower shall default in the performance or observance of any covenant in this commitment or in any other agreement, instrument or document delivered by the Borrower pursuant hereto or in connection herewith and such default shall have continued for a period of seven (7) days after notice from the Lender; or</p> <p>4. If the Borrower shall:</p> <ol style="list-style-type: none"> <li>Admit its inability to pay their debts generally as they become due or not pay their debts as they become due;</li> <li>File an assignment or petition in bankruptcy, as the case may be, or a petition to take advantage of insolvency statutes;</li> <li>Make an assignment for the benefit of or make a proposal to their creditors; and</li> <li>Consent to the appointment of a receiver of the whole or any substantial part of their assets; and</li> <li>Have been adjudged by a court having jurisdiction, a bankrupt or insolvent, or a decree or order of a court having jurisdiction shall have been entered for the appointment of a receiver or liquidator or trustee or assignee in the bankruptcy and such decree or order shall remain in force undischarged or unstayed for a period of fifteen (15) days.</li> </ol> <p>5. If there is an adverse change in the environmental condition of the Real Property, the equipment or the business activities of the Borrower in the sole opinion of the Lender.</p>
<b>Remedies:</b>	<p>After an event of default has occurred as provided for above, the security shall become immediately enforceable and the Lender shall have the rights, powers and remedies set forth in the security. The Lender shall have, in addition to the rights, powers and remedies given them by this commitment or any other agreement, instrument or document delivered by the Borrower pursuant hereto or in connection herewith and the security, all those rights, powers and remedies allowed by applicable laws.</p> <p>The Lender are authorized (but not obligated); at any time without notice to apply the credit balance (whether or not then due) to which any particular Borrower is then beneficially entitled on any amount in or towards the satisfaction of the obligation and liabilities of that Borrower due to the Lender under this Commitment Letter or loan agreements.</p>
<b>No Merger:</b>	<p>It is understood and agreed that the execution and delivery of the security documents shall in no way merge or extinguish this Commitment Letter or the terms and conditions hereof which shall continue in full force and effect while any or all of the security documents remain outstanding. In the event of any inconsistency or conflict between any provision or provisions of this Commitment Letter and the provision or provisions of the security documentation or any other documentation, such provision or provisions of the security documentation shall prevail.</p>

This letter is delivered to you with the understanding that neither it nor its substance shall be disclosed except to the members of the Board of Directors, Advisors, Employees, Counsel and Accountants of the Borrower who are involved in the consideration of this matter or as may be compelled to be disclosed in a judicial or administrative proceeding or as otherwise required by law.

The undersigned declare(s) that the statements made herein are for the purpose of obtaining financing in accordance with the terms and conditions set out in this Commitment Letter. To the  
Tandia Financial Credit Union Limited O/A Tandia

best of my/our knowledge all statements and representations made herein are true and correct. The undersigned confirms that Tandia Financial Credit Union Limited, operating as Tandia, is relying upon the truthfulness, correctness and accuracy of all statements and representations I/we are making herein. The applicant(s) unconditionally consent to Tandia making any inquiries it deems appropriate or necessary, in its sole discretion, in order to assist Tandia in reaching a decision on any credit application and in connection with any financial, or other, information provided to Tandia by the applicant(s) herein. Further, the applicant(s) hereby unconditionally and irrevocably consent(s) to the disclosure at any time, and in any event on an annual basis, of any credit information about me/us to any credit reporting agency or to anyone with whom I/we have financial relations and this shall be your absolute and sole authority for doing so.

Except as expressly provided in this commitment, please sign in the designated area and return the original Commitment Letter with the Commitment Fee to the attention of the undersigned. This Commitment Letter may be executed in separate counterparts, each of which when so executed and delivered shall be an original, but all such counter parts shall together constitute one and the same instrument. Facsimile signatures may execute this Commitment Letter.

Yours truly,

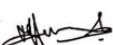
**TANDIA FINANCIAL CREDIT UNION LIMITED**

Per:



Rahul Malik  
Sr. Commercial Account Manager

Per:

  
Dawood Khan  
Vice President- Commercial Services

---

**Acknowledgment & Acceptance**

I/We hereby accept and acknowledge receipt of this Commitment Letter on this  
21 day of September, 2021

**Borrower: 9259929 Canada Inc.**



Per: Rahim Thawer  
Title: Director

*I/We have the authority to bind the Corporation*

**Guarantors:**



Per:

Rahim Thawer

Tandia Financial Credit Union Limited O/A Tandia

**SCHEDULE I**  
**REPRESENTATIONS AND WARRANTIES**

The Borrower(s) represent and warrant, acknowledging that the Lender has relied on each such representation and warranty in entering into this Agreement, that:

1. **Organization and Qualification.** Each of the Borrower(s) and their Subsidiaries are a corporation duly incorporated or amalgamated and organized, validly existing and in good standing under its jurisdiction of incorporation and each is duly qualified to carry on its business under the laws applicable to them in each jurisdiction where they carry on business. No authorization, consent, approval, license or exemption under any law applicable to foreign corporations is required by the Borrower(s) to enter into and perform their obligations under the loan or security documents.
2. **Corporate Power.** Each of the Borrower(s) and their Subsidiaries have full corporate right, power and authority to enter into and perform their obligations under each of the loan documents to which they are or will be a party and have full corporate power and authority to own and operate their properties and to carry on their business as now conducted and as presently proposed to be conducted.
3. **Conflict with Other Instruments.** Neither the execution and delivery by the Borrower(s) or any of their Subsidiaries of any of the loan documents nor the performance by the Borrower(s) or any of their Subsidiaries of their obligations thereunder, nor compliance with the terms, conditions and provisions thereof will:
  - a. conflict with or result in a breach of any of the terms, conditions or provisions of:
    - i. the charter documents or bylaws of the Borrower(s) or any of their Subsidiaries;
    - ii. any law, rule or regulation having the force of law;
    - iii. any contractual restriction binding on or affecting the Borrower(s) or any of their Subsidiaries or their properties; or
    - iv. any judgment, injunction, determination or award which is binding on the Borrower(s) or any of their Subsidiaries; or
  - b. result in, or require or permit:
    - i. the imposition of any security interest in or with respect to the properties now owned or hereafter acquired by the Borrower(s) or any of their Subsidiaries; or
    - ii. the acceleration of the maturity of any Debt of the Borrower(s) or any of their Subsidiaries, under any contractual provision binding on or affecting the Borrower(s) or any of their Subsidiaries;
    - iii. any third party to terminate or acquire rights under any contract.
4. **Authorization, Governmental Approvals, etc.** The execution and delivery of each of the loan documents by the Borrower(s) or any of their Subsidiaries and the performance by each of the Borrower(s) and their Subsidiaries which are a party hereto or thereto of their obligations hereunder and thereunder have been duly authorized by all necessary corporate action and no authorization, consent, approval, license or exemption under any applicable law, rule or regulation having the force of law, and no registration, qualification, designation, declaration or filing with any official body, is or was necessary therefore or to perfect the same, except as are in full force and effect, unamended, at the date hereof.
5. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Borrower(s), and this Agreement constitutes, and the other loan documents when duly executed by the Borrower(s) and their Subsidiaries which are party hereto pursuant to and in accordance with this Agreement and delivered for value will constitute, legal, valid and binding obligations of each of the Borrower(s) or any of their Subsidiaries enforceable against them in accordance with their respective terms, subject only to:

the effect of any applicable bankruptcy (other than fraudulent preference provisions) insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditor's rights generally;

the discretion that a court of competent jurisdiction may exercise in granting of equitable remedies; and

any legal limitation on the effectiveness of terms exculpating a party from a liability or duty otherwise owed by them to another party.

6. **No Default** Neither the Borrower(s) nor any of their Subsidiaries are in violation of their charter documents or bylaws.

7. **No Violation of Agreements.** None of the Borrower(s) or any of their Subsidiaries are in default under any indenture, mortgage, deed of trust, agreement or other instrument to which they are a party or by which they or any of their property may be bound.

8. **Ownership of Property.** Each of the Borrower(s) and their Subsidiaries own their property and assets with a good and marketable title thereto, free and clear of all liens, mortgages, charges, security interests, adverse claims and other encumbrances except for Permitted Encumbrances.

9. **Consents.** No consent, approval, order, authorization or designation of any governmental authority is required in connection with the execution, delivery and performance by the Borrower(s) or any of their Subsidiaries of this Agreement or any of the loan documents.

10. **Environment.**  
None of the Borrower(s) or any of their Subsidiaries have any knowledge of any claim, received any notice of any claim, nor has any proceeding been instituted raising any claim, against the Borrower(s) or the Lands, alleging any damage to the environment or violation of any other federal, provincial or local laws relating in any way to the protection of the environment (collectively, the "environmental laws");  
none of the Borrower(s) or any of their Subsidiaries have knowledge of any facts which would give rise to any claim, public or private, of violation of the environmental laws by the Borrower(s) or any of their Subsidiaries, or violation of the environmental laws or damage to the environment emanating from, occurring on or in any way related to the Lands or their use;  
none of the Borrower(s) or any of their Subsidiaries have stored any hazardous materials or toxic chemicals on the Lands other than those that they uses in the ordinary course of its business, and have not disposed of any material amount of such materials or chemicals in a manner contrary to applicable law; and  
all buildings on the Lands are in compliance with applicable environmental laws.

11. **Trademarks, Patents, etc.** The Borrower(s) and each of their Subsidiaries possess the trademarks, trade names, copyrights, patents, licenses, or rights in any thereof, adequate for the conduct of their respective businesses as now conducted and presently proposed to be conducted, without material conflict with the rights or claimed rights of others.

12. **Permits, etc.** The Borrower(s) and each of their Subsidiaries possess all material licenses, approvals and consents of federal, provincial, state and local governments and regulatory authorities as required to conduct properly their respective businesses except to the extent that the failure to obtain any such rights, licenses, approvals or consents would not have a material adverse effect on the business or condition, financial or otherwise, of the Borrower(s) or any such Subsidiary, as the case may be.

13. **Financial Statements.** Each of the consolidated balance sheet of the Borrower(s) and their Subsidiaries and the related consolidated statements of earnings, retained earnings and changes in financial position of the Borrower(s) and their Subsidiaries for the one year period ended 31.12.2020 copies of each of which have been furnished to the Lender, fairly present the consolidated financial position of the Borrower(s) and their Subsidiaries as at such dates and the consolidated results of the operations and changes in financial position of the Borrower(s) and their

Subsidiaries for such periods, in accordance with generally accepted accounting principles. Since 31.12.2020 there has been no material adverse change in the financial position or operations of the Borrower(s) and their Subsidiaries.

The Borrower(s) and their Subsidiaries warrant that as of the date of acceptance of this Commitment Letter:

no act or event has occurred that constitutes a default, or that with the giving of notice or passage of time would constitute a default there under; and all representations and warranties made by the Borrower(s) and their Subsidiaries under such agreements remain true and complete in all material respects.

**PROMISSORY NOTE  
TERM LOAN – FIXED RATE**

10/4/2021

Principal Amount: Cdn. **\$1,600,000.00**      Dated: September \_\_\_\_\_, 2021

FOR VALUE RECEIVED, 9259929 Canada Inc. (hereinafter the “**Borrower**”), hereby acknowledges itself indebted to and promises to pay to or to the order of Tandia Financial Credit Union Limited (the “**Lender**”) in accordance with the provisions contained herein at the Lender’s office at 3455 North Service Road, Unit 100, Burlington, Ontario, or at such other place as the Lender may from time to time designate by notice in writing to the Borrower, the principal amount of One Million Six Hundred Thousand Dollars (\$1,600,000.00) in lawful money of Canada (the “**Principal Sum**”), together with interest as provided for in this Promissory Note.

**1. INTEREST RATE**

The Borrower shall pay interest on the Principal Sum, or such portion of the Principal Sum as may be outstanding from time to time, at four point two five per cent (4.25%) per annum (the “**Interest Rate**”) calculated semi-annually and payable monthly on the unpaid balance of the Principal Sum, before as well as after maturity, default and judgment with interest on overdue interest at the same rate as on the Principal Sum.

**2. BLENDED PRINCIPAL AND INTEREST PAYMENTS**

The Borrower shall make blended payments of principal and interest based on interest on the Principal Sum, calculated at the Interest Rate as aforesaid from and including the date of this Promissory Note amortized for a period of Twenty-Five (25) years, which shall be due and payable in arrears on the \_\_\_\_\_ day of each and every calendar month in equal monthly blended payments of \$8,634.56, with the first such monthly payment to be due on or before \_\_\_\_\_ and the balance of the Principal Sum due and payable on \_\_\_\_\_ (the “**Due Date**”).

**3. PREPAYMENT**

The Borrower shall have the privilege once during each year of the term of paying an additional amount on account of Principal Sum not in excess of ten percent (10%) of the original Principal Sum. Provided that when any prepayment is made, the prepayment will be applied against the Principal Sum but the obligation of the Borrower to pay the monthly instalments each and every month, as referred to above, shall continue until the amount secured by this Promissory Note has been repaid in full or until the maturity date. This right of prepayment is not cumulative such that if the Borrower does not use this privilege in a twelve month period, the Borrower cannot carry forward this right of prepayment for that period to any following twelve month period. At any time, the Borrower may prepay the whole of the Principal Sum then outstanding, whether by reason of payment after acceleration, upon occurrence of default or otherwise, upon payment of the greater of:

- (a) three (3) months interest at the Interest Rate upon the outstanding Principal Sum; or
- (b) the loss of interest (the interest rate differential) for the balance of the term hereof to the Due Date.

#### **4. COLLATERAL TO COMMITMENT LETTER**

This Promissory Note evidences borrowing under, and is collateral and subject to the terms of a commitment letter between, *inter alia*, the Borrower and the Lender dated September 20, 2021 as may be amended, replaced or superseded (the “**Commitment Letter**”). Default under the Commitment Letter shall constitute default under this Promissory Note and default under this Promissory Note shall constitute default under the Commitment Letter.

#### **5. DEFAULT**

The Principal Sum, together with accrued interest thereon at the Interest Rate, shall, at the option of the Lender, forthwith become due and payable in accordance with the terms and conditions of the Commitment Letter upon the occurrence of any event of default described in the Commitment Letter or any security granted to the Lender pursuant thereto.

#### **6. COLLECTION EXPENSES**

The Borrower promise to pay all reasonable costs and expenses incurred by the Lender in collecting any amount due under this Promissory Note and in enforcing its rights hereunder and under any security granted or issued to the Lender by the Borrower, including, without limitation, the fees and disbursements of counsel to the Lender on a solicitor and his own client basis (the “**Collection Costs**”). Any Collection Costs that are not paid immediately by the Borrower shall be added to the Principal Sum and shall bear interest at the Interest Rate.

#### **7. WAIVER OF PRESENTMENT FOR PAYMENT, ETC.**

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Promissory Note and waives any defences based upon indulgences which may be granted by the Lender to any party liable hereunder.

#### **8. GENERAL PROVISIONS**

The extension of the time for making any payment which is due and payable hereunder at any time or times or the failure, delay or omission on the part of the Lender to exercise or enforce any rights or remedies which it may have hereunder or under any instrument securing payment of the indebtedness hereunder shall not constitute a

waiver of the right of the Lender to enforce such rights and remedies. This Promissory Note shall be binding upon the successors and permitted assigns of the Borrower. Time is expressly made of the essence with respect to each and every term and provision of this Promissory Note. This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**9259929 CANADA INC.**

Per:

  
\_\_\_\_\_  
Rahim Thawer, President

We have authority to bind the Corporation

**PROMISSORY NOTE  
TERM LOAN – FIXED RATE**

Principal Amount: Cdn. **\$1,825,000.00**

Dated: 10/4/2021, 2021

FOR VALUE RECEIVED, 9259929 Canada Inc. (hereinafter the “**Borrower**”), hereby acknowledges itself indebted to and promises to pay to or to the order of Tandia Financial Credit Union Limited (the “**Lender**”) in accordance with the provisions contained herein at the Lender’s office at 3455 North Service Road, Unit 100, Burlington, Ontario, or at such other place as the Lender may from time to time designate by notice in writing to the Borrower, the principal amount of One Million Eight Hundred Twenty-Five Thousand Dollars (\$1,825,000.00) in lawful money of Canada (the “**Principal Sum**”), together with interest as provided for in this Promissory Note.

**1. INTEREST RATE**

The Borrower shall pay interest on the Principal Sum, or such portion of the Principal Sum as may be outstanding from time to time, at four point two five per cent (4.25%) per annum (the “**Interest Rate**”) calculated semi-annually and payable monthly on the unpaid balance of the Principal Sum, before as well as after maturity, default and judgment with interest on overdue interest at the same rate as on the Principal Sum.

**2. BLENDED PRINCIPAL AND INTEREST PAYMENTS**

The Borrower shall make blended payments of principal and interest based on interest on the Principal Sum, calculated at the Interest Rate as aforesaid from and including the date of this Promissory Note amortized for a period of Twenty-Five (25) years, which shall be due and payable in arrears on the \_\_\_\_\_ day of each and every calendar month in equal monthly blended payments of \$9,848.00, with the first such monthly payment to be due on or before \_\_\_\_\_ and the balance of the Principal Sum due and payable on \_\_\_\_\_ (the “**Due Date**”).

**3. PREPAYMENT**

The Borrower shall have the privilege once during each year of the term of paying an additional amount on account of Principal Sum not in excess of ten percent (10%) of the original Principal Sum. Provided that when any prepayment is made, the prepayment will be applied against the Principal Sum but the obligation of the Borrower to pay the monthly instalments each and every month, as referred to above, shall continue until the amount secured by this Promissory Note has been repaid in full or until the maturity date. This right of prepayment is not cumulative such that if the Borrower does not use this privilege in a twelve month period, the Borrower cannot carry forward this right of prepayment for that period to any following twelve month period. At any time, the Borrower may prepay the whole of the Principal Sum then outstanding, whether by reason of payment after acceleration, upon occurrence of default or otherwise, upon payment of the greater of:

- (a) three (3) months interest at the Interest Rate upon the outstanding Principal Sum; or
- (b) the loss of interest (the interest rate differential) for the balance of the term hereof to the Due Date.

4. **COLLATERAL TO COMMITMENT LETTER**

This Promissory Note evidences borrowing under, and is collateral and subject to the terms of a commitment letter between, *inter alia*, the Borrower and the Lender dated September 20, 2021 as may be amended, replaced or superseded (the “**Commitment Letter**”). Default under the Commitment Letter shall constitute default under this Promissory Note and default under this Promissory Note shall constitute default under the Commitment Letter.

5. **DEFAULT**

The Principal Sum, together with accrued interest thereon at the Interest Rate, shall, at the option of the Lender, forthwith become due and payable in accordance with the terms and conditions of the Commitment Letter upon the occurrence of any event of default described in the Commitment Letter or any security granted to the Lender pursuant thereto.

6. **COLLECTION EXPENSES**

The Borrower promise to pay all reasonable costs and expenses incurred by the Lender in collecting any amount due under this Promissory Note and in enforcing its rights hereunder and under any security granted or issued to the Lender by the Borrower, including, without limitation, the fees and disbursements of counsel to the Lender on a solicitor and his own client basis (the “**Collection Costs**”). Any Collection Costs that are not paid immediately by the Borrower shall be added to the Principal Sum and shall bear interest at the Interest Rate.

7. **WAIVER OF PRESENTMENT FOR PAYMENT, ETC.**

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Promissory Note and waives any defences based upon indulgences which may be granted by the Lender to any party liable hereunder.

8. **GENERAL PROVISIONS**

The extension of the time for making any payment which is due and payable hereunder at any time or times or the failure, delay or omission on the part of the Lender to exercise or enforce any rights or remedies which it may have hereunder or under any instrument securing payment of the indebtedness hereunder shall not constitute a

waiver of the right of the Lender to enforce such rights and remedies. This Promissory Note shall be binding upon the successors and permitted assigns of the Borrower. Time is expressly made of the essence with respect to each and every term and provision of this Promissory Note. This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**9259929 CANADA INC.**

Per:

  
\_\_\_\_\_  
Rahim Thawer, President

We have authority to bind the Corporation

This is Exhibit "C" of  
the Affidavit of Dawood Khan  
Sworn before me this 4<sup>th</sup> day of June 2025

DocuSigned by:  
  
A Commissioner, etc.  
Matilda Lici

## GUARANTEE

TO: **TANDIA FINANCIAL CREDIT UNION LIMITED** (hereinafter the "Credit Union")

In Consideration of the Credit Union making or continuing to make advances or otherwise giving credit

To: **9259929 ONTARIO INC.** (hereinafter the "Borrower")

**RAHIM THAWER** (hereinafter the "Guarantor")

hereby guarantees the due payment and discharge of the indebtedness of the Borrower to the Credit Union pursuant to a Commitment Letter dated September 20, 2021 as may be amended or replaced, all promissory notes given in accordance with the aforesaid Commitment Letter including Promissory Notes in the aggregate principal sum of \$3,425,000.00 and also pursuant to two (2) collateral Charges/Mortgages of Land given in accordance with the aforesaid Commitment Letter in the aggregate principal sum of up to Three Million Four Hundred Twenty-Five Thousand Dollars (\$3,425,000.00) as against the properties municipally described as 1203-1215 Cannon St E, & 32 Barton St E, Hamilton, Ontario and more particularly described therein (collectively the "Loan") or arising from the Loan and all interest, costs, (including legal fees and disbursements), charges and expenses that may be incurred by the Credit Union in connection therewith and the Guarantor agrees to the following terms and conditions:

1. The liability of the Guarantor hereunder shall be limited to the sum of Three Million Four Hundred Twenty-Five Thousand Dollars (\$3,425,000.00), and shall bear interest from the date of demand for payment at the rate or rates payable by the Borrower to the Credit Union on the indebtedness of the Borrower to the Credit Union.

2. If more than one Guarantor executes this Guarantee the provisions hereof shall be read with all necessary grammatical changes, each reference to the Guarantor shall include each and every one of the undersigned severally, and this Guarantee and all covenants and agreements herein contained shall be deemed to have been made by the undersigned jointly and severally.

3. The Credit Union may compound with or grant extensions of time or other indulgence to the Borrower or with or to any person or persons liable to the Credit Union for the indebtedness and liability hereby guaranteed or any part thereof, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Borrower, with other parties and with security as the Credit Union may see fit. The Credit Union may apply all moneys received from the Borrower or others, or from security, upon such part of the Borrower's indebtedness and liability to the Credit Union as it may think best without prejudice to and without in any way limiting or lessening the liability of the Guarantor under this Guarantee.

4. Neither the failure of the Credit Union to take any security that the Guarantor contemplated it would take nor the failure of the Credit Union to perfect any security shall prejudice, or in any way limit or lessen the liability of the Guarantor under this Guarantee. The Guarantor expressly waives

A handwritten signature in black ink, enclosed in a rectangular box. The signature appears to read "Rahim Thawer". Above the signature, the letters "ds" are handwritten.

presentment, demand, notice of dishonour, protest and all other notices whatsoever as well as diligence in collection or protection of or realization upon all or any of the Borrower's indebtedness and liability to the Credit Union or any obligation hereunder or any security for any of the foregoing.

5. No loss of or in respect of security received by the Credit Union from the Borrower or any other person, whether occasioned through the fault of the Credit Union or otherwise, shall discharge pro tanto, limit or lessen the liability of the Guarantor under this Guarantee. Neither the Credit Union nor any of its directors, officers, employees or agents shall be responsible in negligence for any act taken or omitted to be taken by the Credit Union or any of them in connection with any such security.

6. The Guarantee shall be binding on the Guarantor as a continuing guarantee in that it shall remain operative and binding notwithstanding the settlement of the Borrower's indebtedness and liability to the Credit Union at any time or times or any payment from time to time made to the Credit Union respecting such indebtedness and liability and notwithstanding whether any other person or corporation now or hereafter liable to the Credit Union for the indebtedness and liability, in whole or in part, of the Borrower to the Credit Union shall cease to be so liable whether by release from such liability by the Credit Union or by operation of law. Provided that the Guarantor or the executors, administrators or successors of the Guarantor may determine further liability under this Guarantee (except for the indebtedness and liability of the Borrower to the Credit Union arising out of requirements of the Borrower based on agreements express or implied made before the receipt by the Credit Union of the written notice hereinafter mentioned) for moneys advanced to the Borrower or to others on the faith of the Borrower's paper after the Guarantor or the executors, administrators or successors of the Guarantor shall have given to the Credit Union written notice of such determination.

7. The Guarantee shall not be determined or affected or the Credit Union's rights prejudiced by the determination of this Guarantee as to one or more other Guarantors or by the death or loss or diminution of capacity of any other Guarantor or by any change in the name, business Borrowership, board of directors, powers, objects, organization or management of the Borrower, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change in the name or Borrowership of the Borrower if a partnership or, if a corporation, any change in the name of the Borrower or its re-organization or its amalgamation with another or others or the sale of disposal of its business in whole or in part to another or others.

8. The Credit Union, where the Borrower is a corporation or a partnership, shall not be concerned to enquire into the powers of the Borrower or the authority of its directors, partners or agents acting or purporting to act in the exercise thereof, and moneys, advances, renewals or credits thereby borrowed or obtained from the Credit Union shall be deemed to form part of the indebtedness and liability hereby guaranteed even though such borrowing or obtaining was irregularly, fraudulently, defectively or without authority effected notwithstanding that the Credit Union has specific notice of the powers of the Borrower or of the authority of its directors, partners or agents. Any amount which may not be recoverable from the Guarantor on the basis of a guarantee by reason of any legal limitation, disability or incapacity on or of the Borrower shall nevertheless be recoverable from the Guarantor as principal debtor in respect thereof. For purposes of this Guarantee, the indebtedness and liability of the Borrower shall include every obligation of the Borrower to the Credit Union

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notwithstanding any right or power of the Borrower or anyone else to assert any claim or defense respecting the invalidity or unenforceability of any such obligation, and no such claim or defense shall impair or affect the liability hereunder of the Guarantor.

9. The statement to the Guarantor in writing of the indebtedness and liability of the Borrower to the Credit Union by the manager or acting manager at the time such statement is given at the branch where the Borrower's account is kept shall be binding and conclusive, absent manifest error, and all right to question in any way the Credit Union's present or future method of dealing with the Borrower or any dealing with any person or persons now or hereafter liable to the Credit Union for the indebtedness and liability hereby guaranteed or any part thereof or with any security now or hereafter held by the Credit Union or with any goods or property covered by such security are hereby waived. The Guarantor hereby renounces all benefits of discussion and division, and the Credit Union shall not be bound to exhaust its recourse against the Borrower or other person or persons or the security the Credit Union may hold nor to value such security before requiring or being entitled to payment from the Guarantor.

10. Should the Credit Union receive from the Guarantor any payment or payments either in full or on account of the Guarantor's liability under this Guarantee, the Guarantor shall not be entitled to any security, or a share therein, held by the Credit Union to secure payment of the Borrower's ultimate balance outstanding with the Credit Union nor to claim reimbursement against the Borrower until the Credit Union's claim against the Borrower has been paid in full. Notwithstanding payment of the Guarantor's liability under this Guarantee, the Guarantor will not call on the Credit Union to sue the Borrower respecting the indebtedness and liability guaranteed hereunder nor will the Guarantor sue the Borrower in the name of the Credit Union on account of such indebtedness and liability. In case of any liquidation, winding-up or bankruptcy of any other Guarantor or the Borrower, or in the event that the Borrower shall make a sale of any of the Borrower's assets within the bulk transfer provisions of any applicable legislation, or in the case of any composition with creditors or scheme of arrangement, the Credit Union shall have the right to rank for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full; any and all right to prove and rank for any Obligations (hereinafter defined) or any amount paid by the Guarantor under this Guarantee and to receive the full amount of all dividends or payments in respect thereto being hereby assigned and transferred to the Credit Union, and the Guarantor shall continue liable up to the amount guaranteed less any payments made by the Guarantor, for any balance which may be owing to the Credit Union by the Borrower. In the event of the valuation by the Credit Union of any of its security and/or the retention thereof by the Credit Union, such valuation and/or retention shall not, as between the Credit Union and the Guarantor, be considered as a purchase of such security, or as payment, satisfaction or reduction of the Borrower's and liability to the Credit Union.

11. The Guarantor shall be liable to make payment to the Credit Union on account of the indebtedness and liability of the Borrower to the Credit Union without prior demand therefor by the Credit Union from the Guarantor, and the Credit Union may without demand or notice of any kind at any time when any amount shall be due and payable hereunder by the Guarantor to the Credit Union appropriate and apply to the and liability hereby guaranteed (and in such order of application as the Credit Union may from time to time elect) any property, balances, credits, accounts or moneys of the Guarantor in the possession or control of the Credit Union for any purpose. A demand hereunder, if made, shall be deemed to have been made when personally delivered or when an envelope



containing the demand and addressed to the Guarantor at the last address of the Guarantor known to the Credit Union is deposited, postage prepaid and registered, in the Post Office. The liability hereunder of the Guarantor shall bear interest from the date of such demand at the rate or rates payable by the Borrower to the Credit Union on the indebtedness and liability of the Borrower to the Credit Union.

12. All debts and liabilities of the Borrower to the Guarantor, present and future (the "Obligations), are hereby postponed and subordinated to the indebtedness and liability of the Borrower to the Credit Union, and all moneys received by the Guarantor from the Borrower or for the account of the Borrower respecting the Obligations shall be received in trust for the Credit Union and forthwith upon such receipt paid over to the Credit Union until the Borrower's indebtedness and liability to the Credit Union are fully paid and satisfied; all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Credit Union under this Guarantee. Except with the written consent of the Credit Union, or until such indebtedness and liability are fully paid and satisfied, the Guarantor shall not release, discharge, assign, pledge or in any other manner whatsoever exercise any right respecting or deal with any or all of the Obligations and the Guarantor shall make, execute and deliver such further and other assurances and do all matter and things which the Credit Union deems necessary or advisable for the protection of its rights and by virtue of this postponement and subordination. And the Guarantor hereby declares that no security has been taken from the Borrower by the Guarantor of the giving of this Guarantee and agrees not to take any such security so long as the Guarantor's liability hereunder remains outstanding without first obtaining the written consent of the Credit Union, and, in the event that the Guarantor does take such security, the Guarantor further agrees that, if the Guarantor's liability is limited under this Guarantee, the amount to which such liability is limited shall be deemed to be increased by an amount equal to the value of such security up to what would be the amount of the Guarantor's liability hereunder but for the taking of such security.

13. This Guarantee is given in addition to and without prejudice to any security of any kind, including any guarantee, whether or not in the same form as this Guarantee, now or hereafter held by the Credit Union. The liability of the Guarantor under any other guarantee executed by the Guarantor and given to the Credit Union in connection with the indebtedness or liability of the Borrower to the Credit Union shall not affect or be affected by this Guarantee nor shall this Guarantee affect or be affected by the endorsement by the Guarantor of any note or notes of the Borrower, the intention being that the liability of the Guarantor under such other guarantee or endorsement and this Guarantee shall be cumulative and shall be and remain in full force and effect.

14. There are no representations, collateral agreements or conditions with respect to this Guarantee, or affecting the Guarantor's liability hereunder, other than those contained herein. No alteration or waiver of this Guarantee or of any of its terms or conditions shall be binding on the Credit Union unless made in writing over the signature of an officer of the Credit Union expressly authorized to make such alteration or give such waiver.

15. The Credit Union may without notice of any kind sell, assign or transfer to any third party all or any of the Borrower's indebtedness and liability to the Credit Union, and in such event each and every immediate and successive assignee, transferee or holder of all or any of such indebtedness and liability shall have the right to enforce this Guarantee by suit or otherwise for the benefit of such

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assignee, transferee or holder as fully as if such assignee, transferee or holder were herein by name specifically given such rights, powers and benefits, but the Credit Union shall have an unimpaired right, prior and superior to that of any such assignee, transferee or holder, to enforce this Guarantee as to so much of such indebtedness and liability as the Credit Union may not have sold, assigned or transferred.

16. No delay on the part of the Credit Union in the exercise of any right or remedy shall operate as a waiver thereof, and no partial exercise by the Credit Union of any right or remedy shall preclude the further exercise thereof or the exercise of any other right or remedy. An action permitted hereunder, but not taken by the Credit Union, shall not in any way impair or affect this Guarantee.

17. The Guarantor agrees to pay to the Credit Union upon demand all out of pocket costs and expenses (including without limitation, legal fees on a substantial indemnity basis) in connection with the enforcement by the Credit Union of any of its rights under this Agreement. Such obligation shall be notwithstanding and without regard to any limitation of liability set out in paragraph 1 above.

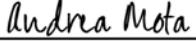
18. The terms and conditions set out in this Guarantee shall not merge with any judgment which may be obtained against the Guarantor or the Borrower.

19. This Guarantee shall be construed in accordance with the laws of the Province of Ontario. The Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this Guarantee may be instituted in the courts of Ontario, and the Guarantor hereby agrees to accept and submit to the jurisdiction of the said courts, to acknowledge their competence and to be bound by any judgment thereof. Nothing herein shall limit the Credit Union's right to bring proceedings against the Guarantor elsewhere.

20. This Guarantee shall extend to and enure to the benefit of the successors and assigns of the Credit Union, and shall be binding upon the Guarantor and the heirs, executors, and administrators or the successors and assigns of the Guarantor. For greater certainty, the successors and assigns of the Credit Union shall include an entity that is the product of an amalgamation of the Credit Union with another entity, and the Credit Union is hereby constituted the attorney of the Guarantor to transfer to such product (the "transferee") the benefit of this Guarantee respecting any indebtedness or liability to the transferee that may be incurred by the Borrower.

Signed, Sealed and delivered this \_\_\_\_\_ day of 10/4/2021, 2021.

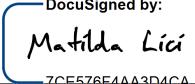
WITNESS:

DocuSigned by:  
  
Andria Mota  
06AF195532DC4EE...

)  
)  
)

DocuSigned by:  
  
Rahim Thawer  
06AF195532DC4EE...

This is Exhibit "D" of  
the Affidavit of Dawood Khan  
Sworn before me this 4<sup>th</sup> day of June 2025

DocuSigned by:  
  
Matilda Lici  
7CE576F4AA3D4CA...  
A Commissioner, etc.  
Matilda Lici

## GENERAL SECURITY AGREEMENT

THIS Agreement made in duplicate as of the \_\_\_\_\_ day of 10/4/2021, 2021.

### B E T W E E N:

**9259929 CANADA INC.**

hereinafter called the "**DEBTOR**"

- and -

**TANDIA FINANCIAL CREDIT UNION LIMITED**

hereinafter called the "**CREDITOR**"

### 1. **SECURITY INTEREST**

(a) For value received, the Debtor hereby grants to the Creditor by way of mortgage, charge, assignment and transfer, a continuing security interest (the "Security Interest") in all the property, assets and undertakings of the Debtor and in all Goods (including all parts, Accessories, Attachments, Special Tools, Additions and Accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by Debtor) and in all Proceeds and renewal thereof, accretions thereto and substitutions therefor (hereinafter collectively called "Collateral"), including, without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:

- (i) all inventory of whatever kind and wherever situate ("Inventory");
- (ii) all equipment (other than Inventory) or whatever kind and wherever situate, including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures, boats, motors, vehicles and other tangible personal property of whatsoever nature or kind (all of the foregoing being herein collectively called "Equipment");
- (iii) all book accounts and book debts and generally all accounts, debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including without limitation claims against the Crown and claims under insurance policies, letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may

hereafter become due, owing or accruing or growing due to or owned by Debtor (all of the foregoing being herein collectively called the "Debts");

- (iv) all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- (v) all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial and intellectual property;
- (vi) all monies other than trust monies lawfully belonging to others;
- (vii) all statutory licenses, quotas and other transferrable rights, including an equitable right in the Collateral assigned or charged under this Agreement which might otherwise at law be incapable of being Collateral creating a security interest;
- (viii) all property described in Schedule "C" or any schedule now or hereafter annexed hereto.

(b) The Security Interest granted hereby shall not extend or apply to and collateral shall not include the last day of the term of any lease or agreement therefor, but upon the enforcement of the Security Interest, Debtor shall stand possessed of such last day in trust to assign the same to any person acquiring such term.

(c) The terms "Goods", "Chattel Paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of Ontario (the "Act"), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "P.P.S.A.". Provided always that the term "Goods" when used herein shall not include "consumer goods" of Debtor as that term is defined in the P.P.S.A., and the term "Inventory" when used herein shall include livestock and the young thereof after conception and crops that become such within one year of execution of this Security Agreement. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The term "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

## **2. INDEBTEDNESS SECURED**

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

## **3. REPRESENTATIONS AND WARRANTIES OF DEBTOR**

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

(a) the Collateral is genuine and owned by Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances shown on Schedule "A" or hereafter approved in writing by the Creditor, prior to their creation or assumption;

(b) each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by Debtor to Creditor from time to time as owing by each Account Debtor or by all Account Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable, and no Account Debtor will have any defense, set off, claim or counterclaim against Debtor which can be asserted against the Creditor, whether in any proceeding to enforce Collateral or otherwise; and

(c) the locations specified in Schedule "B" as to business operations and records are accurate and complete and with respect to Goods (including Inventory) constituting Collateral, the locations specified in Schedule "B" are accurate and complete sale for Goods in transit to such locations and inventory on lease or consignment; and all fixtures or Goods about to become fixtures

and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situate at one of such locations.

#### 4. COVENANTS OF THE DEBTOR

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

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and those shown on Schedule "A" or hereafter approved in writing by the Creditor prior to their creation or assumption and not to sell, exchange, transfer, assign, lease or otherwise dispose of Collateral or any interest therein without the prior written consent of the Creditor; provided always that, until default, Debtor may, in the ordinary course of Debtor's business, sell or lease inventory, and subject to Clause 7 hereof, use monies available to Debtor.
- (b) to notify the Creditor promptly of:
  - (i) any change in the information contained herein or in the Schedules hereto relating to Debtor, Debtor's business or Collateral including, without limitation, any address change or establishment of an additional place of business;
  - (ii) the details of any significant acquisition of Collateral;
  - (iii) the details of any claims or litigation affecting Debtor or Collateral;
  - (iv) any loss or damage to Collateral;
  - (v) any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and,
  - (vi) the return to or repossession by Debtor of Collateral.
- (c) to keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) to do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Creditor of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of Debtor or Collateral as and when the same become due and payable;

(f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Creditor shall reasonably direct with loss payable to the Creditor and Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;

(g) to prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this Security Agreement;

(h) to carry on and conduct the business of Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such record and Collateral at the Creditor's request so as to indicate the Security Interest;

(i) to deliver to the Creditor from time to time promptly upon request:

(i) any Documents of title, Instrument, Securities and Chattel Paper constituting, representing or relating to Collateral;

(ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;

(iii) all financial statements prepared by or for Debtor regarding Debtor's business;

(iv) all policies and certificates of insurance relating to Collateral; and

(v) such information concerning Collateral, the Debtor and Debtor's business and Affairs as Creditor may reasonably request.

## 5. USE AND VERIFICATION OF COLLATERAL

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

## **6. SECURITIES**

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

## **7. COLLECTION OF DEBTS**

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

## **8. INCOME FROM AND INTEREST ON COLLATERAL**

(a) Until default, Debtor reserves the right to receive any monies constituting income from or interest on Collateral and if the Creditor receives any such monies prior to default, the Creditor shall either credit same to the account of Debtor or pay the same promptly to Debtor.

(b) After default, Debtor will not request or receive any monies constituting income from or interest on Collateral and if Debtor receives any such monies without any request by it, Debtor will pay the same promptly to the Creditor.

## **9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS**

(a) Whether or not default has occurred, Debtor authorizes Creditor:

- (i) to receive any increase in or profits of Collateral (other than money) and to hold the same as part of Collateral. Money so received shall be treated as income for the purposes of Clause B hereof and dealt with accordingly.
- (ii) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of Collateral.

(b) If Debtor receives any such increase or profits (other than money) or payments or distributions, Debtor will deliver the same promptly to the Creditor to be held by Creditor as herein provided.

## **10. DISPOSITION OF MONIES**

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

## **11. EVENTS OF DEFAULT**

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

- (a) the nonpayment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Security Agreement or any other agreement between Debtor and Creditor;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to Debtor, if an individual;
- (c) the bankruptcy or insolvency of Debtor; the filing against Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by Debtor; the appointment of a receiver or trustee by Debtor or for any assets of Debtor or the institution by or against Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;

(d) the institution by or against Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up or affairs of Debtor;

(e) if any Encumbrance affecting Collateral becomes enforceable against Collateral;

(f) if Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

(g) if any execution, sequestration, extent or other process of any court becomes enforceable against Debtor or if a distress or analogous process is levied upon the assets of Debtor or any part thereof;

(h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of Debtor pursuant to or in connection with this Security Agreement, or otherwise (including without limitation, the representations and warranties contained herein) or as an inducement to Creditor to extend any credit to or to enter into this or any other Agreement with Debtor, proves to have been false in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against Debtor; or if upon the date of execution of this Security Agreement, there shall have been any material adverse change in any of the facts disclosed by such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Creditor at or prior to the time of such execution.

## **12. ACCELERATION**

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

## **13. REMEDIES**

(a) Upon default, the Creditor may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Creditor or not, to be a receiver or receivers (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any such Receiver

shall, so far as concerns responsibility for his acts, be deemed the agent of Debtor and not the Creditor and the Creditor shall not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointment him, any such Receiver shall have power to take possession of Collateral, to preserve Collateral or its value, to carry on or concur in carrying on all or any part of the business of Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of Collateral. To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others, including Debtor, enter upon, use and occupy all premises owned or occupied by the Debtor wherein Collateral may be situate, maintain Collateral upon such premises, borrow money on a secured or unsecured basis and use Collateral directly in carrying on Debtor's business or as security for loans or advances to enable him to carry on Debtor's business or otherwise, as such Receiver shall, in his discretion, determine. Except as may be otherwise, directed by the Creditor, all monies received from time to time by such Receiver in carrying out his appointment shall be received in trust for and paid over to the Creditor. Every such Receiver may, in the discretion of the Creditor, be vested with all or any of the rights and powers of the Creditor.

(b) Upon default, the Creditor may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).

(c) The Creditor may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Creditor may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Creditor may seem reasonable.

(d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between Debtor and Creditor and in addition to any other rights the Creditor may have at law or in equity, the Creditor shall have both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Creditor shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Creditor shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or Proceeds and whether or not in the Creditor's possession and shall not be liable or accountable for failure to do so.

(e) Debtor acknowledges that the Creditor or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and Debtor agrees upon request from the Creditor or any such Receiver to assemble and deliver possessions of Collateral at such place or places as directed.

(f) Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Creditor or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration) in operating Debtor's accounts, in preparing or enforcing this Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Creditor or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.

(g) The Creditor will give debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of collateral is to be made, as may be required by the P.P.S.A.

#### **14. MISCELLANEOUS**

(a) Debtor hereby authorizes the Creditor to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting collateral or identifying the locations at which Debtor's business is carried on and Collateral and records relating thereto are situate) as the Creditor may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest and Debtor hereby irrevocably constitutes and appoints the Manager or Acting Manager from time to time of the above mentioned branch of the Creditor the true and lawful attorney of Debtor, with full power of substitution, to do any of the foregoing in the name of Debtor whenever and wherever it may be deemed necessary or expedient.

(b) Without limiting any other right of the Creditor, whenever indebtedness is immediately due and payable or the Creditor has the right to declare indebtedness to be immediately due and payable (whether or not it has so declared), the Creditor may, in its sole discretion, set off against indebtedness any and all monies then owed to Debtor by the Creditor in any capacity, whether or not due, and the Creditor shall be deemed to have exercised such right to set off immediately at the time

of making its decision to do so even though any charge therefor is made or entered on the Creditor's records subsequent thereto.

(c) Upon Debtor's failure to perform any of its duties hereunder, the Creditor may, but shall not be obligated to, perform any or all of such duties, and Debtor shall pay to the Creditor, forthwith upon written demand therefor, an amount equal to the expenses incurred by the Creditor in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 8% per annum.

(d) The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with Debtor, debtors of Debtor, sureties and others and with Collateral and other security as the Creditor may see fit without prejudice to the liability of Debtor or the Creditor's right to hold and realize the Security Interest. Furthermore, the Creditor may demand, collect and sue on Collateral in either Debtor's or Creditor's name, at the Creditor's option, and may endorse Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting Collateral.

(e) No delay or omission by the Creditor in exercising any right or remedy hereunder or with respect to any indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Creditor may remedy any default by Debtor hereunder or with respect to any indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by Debtor. All rights and remedies of the Creditor granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

(f) Debtor waives protest of any instrument constituting Collateral at any time held by the Creditor on which Debtor is in any way liable and, subject to Clause 13(g) hereof, notice of any other action taken by the Creditor.

(g) This Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns, in any action brought by an assignee of this Security Agreement and the Security Interest or any part thereof to enforce any rights hereunder. Debtor shall not assert against the assignee any claim or defence which Debtor now has or hereafter may have against the Creditor. If more than one Debtor executes this Security Agreement the obligations of such Debtors hereunder shall be joint and several.

(h) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.

(i) Subject to the requirements of Clauses 13(g) and 14(j) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purposes hereof.

(j) This Security Agreement and the security afforded hereby is in addition to and not in substitution for any other security now or hereafter held by the Creditor and is, and is intended to be a continuing Security Agreement and shall remain in full force and effect until the Creditor shall actually receive written notice of its discontinuance; and, notwithstanding such notice, shall remain in full force and effect thereafter until all indebtedness contracted for or created before the receipt of such notice by the Creditor or any extensions or renewals thereof (whether made before or after receipt of such notice) together with interest accruing thereon after such notice, shall be paid in full.

(k) The headings used in this Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this Security Agreement.

(l) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependant upon the person referred to being a male, female, firm or corporation.

(m) In the event any provisions of this Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court or competent jurisdiction, the remaining terms and provisions of this Security Agreement shall remain in full force and effect.

(n) Nothing herein contained shall in any way obligate the Creditor to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute indebtedness.

(o) The Security Interest created hereby is intended to attach when this Security Interest is signed by Debtor and delivered to the Creditor.

(p) In the event that the debtor is a body corporate it is hereby agreed that the limitation of Civil Rights of the Province of Saskatchewan, or any provision thereof, shall have no application to this Security Agreement or any agreement or instrument renewing or extending or collateral to this Security Agreement.

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

**15. COPY OF AGREEMENT**

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

IN WITNESS WHEREOF Debtor has executed this Security Agreement, as of the date first set out above.

**9259929 CANADA INC.**

Per:   
Rahim Thawer, President

"I have authority to bind the Corporation"

**SCHEDULE "A"**

**Permitted Prior Encumbrances**

Nil

**SCHEDULE "B"**

**Location of Business Operations and Records**

1203-1215 Cannon St E, Hamilton, Ontario

PIN: 17246-0356 (LT)

DESCRIPTION: PT LTS 113 AND 114 PL 297, PART 2 ON 62R14146; CITY OF HAMILTON

**SCHEDULE "C"**

### **ACKNOWLEDGEMENT AND DIRECTION**

**TO:** **ALL LAWYERS AT SCARFONE HAWKINS LLP**

**RE:** **Charge/Mortgage of Land over 32 Barton St E, Hamilton, Ontario**

**This will confirm that:**

- I/We have reviewed the information set out in this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate.
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached.
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them.
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- You are authorized to make amendments to the documents attached hereto which are minor in nature and/or required to effect registration, including by inserting, without limitation, any dates, rates, amounts and registration numbers necessary to complete such documents in accordance with any agreement between the parties. Any amendments which affect the substance of the documents must first be approved in writing by the undersigned.
- A signed copy of this Acknowledgement and Direction sent by facsimile or scanned and attached to an email shall be deemed to be an original signed copy of this Acknowledgement and Direction by the undersigned and may be relied upon in such form. This document may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same document.

### **DESCRIPTION OF ELECTRONIC DOCUMENTS**

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

A transfer of the land described above.

A Charge of the land described above.

Other document attached hereto:

10/4/2021

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**WITNESS**

(As to all signatures, if required)

**9259929 CANADA INC.**

DocuSigned by:  
Per:   
Name: Rahim Thawer  
Title: President

*I have authority to bind the Corporation*

**Properties**

*PIN* 17161 - 0044 *LT* *Interest/Estate* Fee Simple  
*Description* PT LT 11-12 PL 181 AS IN VM150755, T/W VM277618, T/W INTEREST IN VM277618;  
*CITY OF HAMILTON*  
*Address* 32 BARTON STREET EAST  
*HAMILTON*

**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* 9259929 CANADA INC.

Acting as a company

*Address for Service* 570 Chaplin Crescent  
 Toronto, Ontario  
 M5N 1E5

I, Rahim Thawer, 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* TANDIA FINANCIAL CREDIT UNION LIMITED  
 Acting as a company  
*Address for Service* 3455 North Service Road, Unit 100,  
 Burlington, Ontario  
 L7N 3G2

**Statements**

Schedule:

**Provisions**

*Principal* \$1,600,000.00 *Currency* CDN

*Calculation Period*

*Balance Due Date* ON DEMAND

*Interest Rate* SEE SCHEDULE

*Payments*

*Interest Adjustment Date*

*Payment Date* ON DEMAND

*First Payment Date*

*Last Payment Date*

*Standard Charge Terms*

*Insurance Amount* Full insurable value

*Guarantor*

**File Number**

Chargee Client File Number : 21R1672

## ADDITIONAL PROVISIONS

### 1. COLLATERAL SECURITY

The Charge/Mortgage of Land (the "Charge") is continuing collateral security for and shall secure all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed at any time owing by the Chargor to the Chargee or remaining unpaid by the Chargor to the Chargee heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Chargee and the Chargor including by reason of the terms and conditions of this Charge, 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 anywhere within or outside Canada and whether the Chargor be bound alone or with another or with 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 (such obligations, debts and liabilities being hereinafter called the "Liabilities") but it being agreed that this Charge at any one time will secure only that portion of the aggregate principal component of the Liabilities outstanding at such time which does not exceed the sum of ONE MILLION, SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) together with any interest or compounded interest accrued on the principal at the Interest Rate together with any other charges provided for herein or other amounts payable hereunder.

Without limiting the foregoing, the Chargor acknowledges that this Charge shall secure the payment of the Liabilities and shall include all sums advanced by the Chargee pursuant to a Commitment Letter dated September 20, 2021 executed by the Chargee and the Chargor as may be amended, restated and renewed from time to time (the "Commitment Letter").

Without limiting the foregoing, the Chargor acknowledges that this Charge shall secure the Liabilities which shall include all sums advanced by the Chargee pursuant to a Promissory Note issued by the Chargor in favour of the Chargee in the principal sum of ONE MILLION, SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) including interest at the rate provided for in the promissory note (the "Promissory Note").

### 2. SALE/TRANSFER

The Chargor shall not sell, transfer or encumber the Mortgaged Premises without the Chargee's prior written consent. If the Chargor does sell, transfer or encumber the Mortgaged Premises without such consent, then at the Chargee's option this Charge shall be in default and the full amount then owing hereunder shall become due and owing.

### 3. FINANCIAL STATEMENTS

Subject to any lengthier reporting requirement timeframes contained in the Commitment Letter, financial statements of the Chargor are to be delivered to the Chargee annually within 90 days of the Chargor's fiscal year end.

### 4. REALTY TAXES

Municipal property taxes with respect to the Mortgaged Premises shall be paid by the Chargor on or before the due date for payment with proof of such payment to be provided to the Chargee within 30 days of the due date. Not to derogate from the Chargor's obligation to provide the aforesaid proof, the Chargor hereby authorizes and directs any municipality in which the Mortgaged Premises is located to provide to the Chargee all and any information that it has in its possession respecting the Mortgaged Premises including the status of municipal property taxes.

### 5. DISCHARGE

The Chargee shall provide a discharge of this Charge once all Liabilities owing to the Chargee have been paid in full and any other liabilities or obligations provided herein. The Chargor shall be responsible for the reasonable administrative and legal costs of the Chargee in connection with such discharge.

Provided the Chargor makes a written request to the Chargee for discharge of the Charge, the Chargee will discharge the Charge by electronic registration when the Liabilities and all other indebtedness and obligations provided herein have been paid in full. The Chargor will pay to

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the Chargee in advance, its current administration fee and disbursements for the preparation and registration of the discharge. The Chargor will provide the Chargee with a reasonable time after payment to register the discharge.

In the event that the property is not located in a Land Registry Office where electronic registration (Ereg) is operative, then the Chargor will prepare a discharge of Charge and deliver it to the Chargee for execution. The Chargor will give the Chargee a reasonable time to execute the discharge and to return it to the Chargor for registration. The Chargor will pay to the Chargee in advance, its current administration fee with respect to the discharge of the Charge.

## 6. INSPECTIONS

The Chargor will permit the Chargee and persons authorized by the Chargee at all reasonable times to inspect the Mortgaged Premises from time to time.

## 7. DEFINITIONS

The following terms shall have the following meaning and be deemed to be included in the Charge.

- a) "Bankruptcy Legislation" means any present or future laws relating to bankruptcy or insolvency, reorganization or compromise of debts or other similar laws, including without limitation the Companies Creditors Arrangement Act.
- b) "Business Day" means any date except Saturday, Sunday or a statutory holiday.
- c) "Charge" means this Charge/Mortgage of the Lands made pursuant to the Land Registration Reform Act to which the Chargor and the Chargee are parties, which Charge consists of the electronic charge and any amendments contained therein and Schedule of Additional Provisions and any amendments from time to time made hereafter by the Chargor and Chargee in writing in accordance with the provisions hereof.
- d) "Chattel" has the meaning ascribed to it in clause (y) of Section 14 of this Charge.
- e) "Chargee" means TANDIA FINANCIAL CREDIT UNION LIMITED, its successors and assigns and where applicable, includes those from whom it acts as nominee or agent.
- f) "Chargor" means the person (including corporation) indicated in the Computer Field of the Charge entitled "Chargor" and each person for whom it executes as agent or attorney.
- g) "Computer Field" means a computer data entry field in a charge registered pursuant to Part III of the Land Registration Reform Act into which the terms and conditions of the Charge may be inserted.
- h) "Contaminant" means any solid, liquid, gas, odour, heat, sound, smoke, waste, vibration, radiation or combination of any of them resulting directly or indirectly from human activities that may cause:
  - i) impairment of the quality of the natural environment for any use that can be made of it
  - ii) injury or damage to Mortgaged Premises or to plant or animal life
  - iii) harm or material discomfort to any person
  - iv) an adverse affect on the health of any person
  - v) impairment of the safety of any person
  - vi) rendering any Mortgaged Premises or plant or animal life unfit for use by man
  - vii) loss of enjoyment of normal use of Mortgaged Premises, or
  - viii) interference with the normal conduct of business and includes any pollutant or contaminant as defined in any Environmental Laws and any biological chemical or physical agent which is regulated, prohibited, restricted or controlled.
- i) "Costs" means all reasonable fees, costs, charges and expenses of the Chargee of and incidental to:



- (i) the negotiation, preparation, execution, subordination, postponement and registration of the Charge and any other instruments connected herewith and every renewal or discharge thereof;
- (ii) the collection of any amounts payable hereunder, enforcement of any covenants contained herein and the realization of the security herein contained;
- (iii) procuring or attempting to procure payment of any indebtedness or any other amounts due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party;
- (iv) any inspection required to be made of the Mortgaged Premises, or review of plans, specifications and other documentation which may require the approval or consent of the Chargee;
- (v) all repairs and replacements required to be made to the Mortgaged Premises;
- (vi) the Chargee having to go into possession of the Mortgaged Premises and secure, complete and equip the building or Improvements in any way in connection herewith;
- (vii) the Chargee's renewal of any leasehold interest;
- (viii) the exercise of any of the powers of a Receiver contained herein;
- (ix) any necessary examination of title to the Mortgaged Premises; and
- (x) the failure of the Chargor to comply with or fulfil any of the terms and conditions of this Charge or any agreement that the Chargor has with the Chargee including an Event of Default.

For greater certainty, Costs shall:

- (xi) extend to and include all reasonable legal expense incurred by the Chargee on a full indemnity basis;
- (xii) the Chargee's standard administrative charges or fees and late charges;
- (xiii) be payable forthwith by the Chargor;
- (xiv) bear interest at the Interest Rate; and
- (xv) be a charge on the Mortgaged Premises.

j) "Environmental Laws" means the common law and all applicable federal, provincial, local, municipal, governmental or quasi-governmental laws, rules regulations, licenses, orders, permits, decisions or requirements concerning Contaminants, occupations or public health and safety or the environmental and any other order, injunction, judgment, declaration, notice or demand issued thereunder.

k) "Event of Default" has the meaning ascribed to it in Section 21 of this Charge.

l) "Fixtures" includes all attires, buildings, erections, appurtenances, plants and Improvements, fixed or otherwise, now or hereafter put on the Lands including without limitation all fences, elevators, furnaces, boilers, oil burners, water heaters, electric light fixtures, window blinds, screen and storm doors and windows and all air-conditioning, plumbing, cooling, ventilating, cooking, refrigeration and heating equipment and all other apparatus and equipment appurtenant to the Mortgaged Premises.

m) "Improvement" includes any construction, installation, alteration, addition, repair or demolition to any part of the Mortgaged Premises now existing or hereafter constructed or to be constructed on the Lands.

n) "Indebtedness" means all Liabilities.

o) "Interest Rate" means the applicable rate of interest that is set out respectively in any agreement between the Chargor and the Chargee including, if applicable, the Commitment Letter and Promissory Note.

p) "Lands" means the lands and premises indicated in the Computer Field of the Charge entitled "Properties".

q) "Mortgaged Premises" means the Lands and all Fixtures.

r) "Permitted Encumbrances" means:

- i) liens for Taxes not at the time due
- ii) any other liens or encumbrances specifically consented to by the Chargee in writing providing the same are maintained in good standing.

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- s) "Prime Rate" shall mean the annual rate of interest which the Chargee establishes as the reference rate of interest to determine interest rates it will charge at such time for demand loans in Canadian dollars and which it refers to as its special rate of interest, such rate to be adjusted automatically and without the necessity of any notice to the Chargor upon each change to such rate.
- t) "Principal Amount" means the principal amount in lawful money of Canada indicated in the Computer Field of the Charge entitled "Principal".
- u) "Receiver" shall include one or more of a Receiver and a Receiver and Manager of all or any portion of the Mortgaged Premises appointed by the Chargee pursuant to the Charge.
- v) "Taxes" means all taxes, rates and other impositions whatsoever which are now or may hereafter be imposed, charged or levied by any authority creating a lien or charge on the Mortgaged Premises or any part thereof.

#### 8. IMPLIED COVENANTS

The implied covenants deemed to be included in the Charge by clauses 7(1) 1 iii, and 7 (1) 2 of the Land Registration Reform Act are hereby varied by deleting therefrom the words "except as the records of the land registry office disclose" and substituting therefore "except Permitted Encumbrances". The implied covenant deemed to be included in the Charge by clause 7(1) 1.vii of the Land Registration Reform Act is hereby varied to provide that the Chargor or the Chargor's successors will, before and after default, execute and deliver such further assurances of the Mortgaged Premises and do such other acts, at the Chargor's expense, as may be required by the Chargee. The implied covenants deemed to be included in a charge under subsection 7(1) of the Land Registration Reform Act, as amended hereby are in addition to and shall not be interpreted to supersede or replace any of the covenants contained in this Charge which are covenants by the Chargor, for the Chargor and the Chargor's successors and assigns with the Chargee and the Chargee's successors and assigns. If any of the forms or words contained herein or any variation thereof are also contained in Column One of Schedule B of the Short Forms of Mortgages Act, R.S.O. 1980 c.474 and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if it contained the form of words in Column Two of Schedule B of the said Act distinguished by the same number together with such variation, if any, and this Charge shall be interpreted in the same manner and to the same effect as if the said Act were applicable to this Charge. In the event of any conflict between any of the covenants implied by the Land Registration Reform Act and any other covenant or provision contained herein, such covenant or provision contained herein shall prevail.

#### 9. SUCCESSORS

Notwithstanding the definition of the word "successor" in the Land Registration Reform Act, the word successor as used in this Charge shall include an heir, executor, administrator, personal representative or successor.

#### 10. CHARGE

In consideration of the Principal Amount and other good and valuable consideration (the receipt and sufficiency whereof are hereby acknowledged by the Chargor) and as continuing security for the payment to the Chargee of the Indebtedness and to secure the performance of all of the obligations of the Chargor under this Charge or any other instrument given, issued or executed pursuant to it, the Chargor hereby charges the Mortgaged Premises with payment to the Chargee of any ultimate outstanding balance of the Indebtedness due and remaining unpaid and the performance of the Chargor's obligation hereunder, provided that such security shall be limited to the aggregate of the Principal Amount, Costs and any other charges provided for herein other amounts payable hereunder, together with interest thereon at the Interest Rate payable upon demand as herein provided and with the powers of sale hereinafter expressed.

#### 11. DEFEASANCE

Provided this Charge to be void upon payment in full on demand of all Indebtedness and the performance in full of all obligations of the Chargor hereunder up to a maximum amount of the aggregate of the Principal Amount, Costs and any other amounts payable hereunder, together with interest at the Interest Rate, which interest shall be payable, not in advance, both before

and after maturity, default and judgment, from the date of demand by the Chargee for payment and Taxes and performance of statute labour and observance and performance of all covenants, provisos and conditions herein contained.

12. DEMAND

In the event that the Chargor is called upon to pay any Indebtedness in accordance with the terms under which the same is or becomes payable or in the event of the default which is continuing by the Chargor in the performance of any of the covenants of the Chargor under this Charge or any other instrument given, issued or executed pursuant to it the Chargor shall be obligated to pay and the Chargee shall be entitled to forthwith make demand for payment of all such Indebtedness and any other monies secured hereby.

13. COVENANTS OF CHARGOR

The Chargor hereby covenants, agrees and declares as follows:

- a) the Chargor shall pay to the Chargee the Indebtedness at the time or times and in the manner provided in any agreement or dealings between the Chargee and the Chargor including in this Charge, or any other instrument given, issued or executed pursuant hereto
- b) the Chargor is the sole legal and beneficial owner of and has good title in fee simple to the Mortgaged Premises free of all encumbrances other than the Permitted Encumbrances
- c) the Chargor has the right to charge the Mortgaged Premises to the Chargee and to give this Charge to the Chargee upon the covenants contained herein
- d) on default, the Chargee shall have quiet possession of the Mortgaged Premises free from all encumbrances other than the Permitted Encumbrances
- e) the Chargor will execute at the Chargor's expense such further assurances of the Mortgaged Premises as may be requisite
- f) the Chargor has done no act to encumber the Mortgaged Premises except the Permitted Encumbrances
- g) the Chargor shall pay as they fall due all Permitted Encumbrances and Taxes and shall not suffer any construction, statutory or other liens or rights of retention, other than Permitted Encumbrances, to remain outstanding upon any of the Mortgaged Premises
- h) the Chargor shall not remove, destroy, lease, sell or otherwise dispose of any of the Mortgaged Premises or portion thereof or any interest therein. In the event the Mortgaged Premises or any part thereof is sold or disposed of prior to the full discharge of this Charge in any manner not authorized by this Charge, then all proceeds of such sale or disposition received by the Chargor shall be held by the Chargor as trustee for the Chargee until the Chargor has been fully released from this Charge by the Chargee
- i) without limiting the requirement to place and keep in force insurance pursuant to the provisions of a commitment letter or loan agreement between the Chargor and the Chargee, the Chargor shall place or cause to be placed and keep in force the following insurance in respect of the said Lands, Improvements and Fixtures with a company or companies satisfactory to the Chargee and the Chargee shall receive the original policies signed by the insurer or insurers and such policies are to be in form and content satisfactory to the Chargee.
  - (i) All risk insurance policy covering the Mortgaged Premises for its full insurable value including replacement cost, stated amount, earthquake and flood coverages. The loss payable clause must be in favour of the Chargee subject to I.B.C. standard mortgage clause.
  - (ii) Boiler insurance coverage for an amount satisfactory to the Chargee with a loss payable clause in favour of the Chargee, if applicable.
  - (iii) Comprehensive general liability insurance in an amount satisfactory to the Chargee. The named insured must include the Chargee.



All cancellation clauses in the above-mentioned policies, including those contained in the mortgage clause insurance endorsements, are to provide for not less than thirty (30) days notice to the Chargee of cancellation and/or material alteration of the policies.

The Chargee shall be entitled to require coverage of such other risks and perils as the Chargee may from time to time consider advisable or desirable and in respect of which insurance coverage may be available.

The Chargor shall forthwith on the happening of any loss or damage furnish at its expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurances moneys.

- j) The Chargor shall allow any employees or authorized agents of the Chargee at any reasonable time to enter the premises of the Chargor to inspect the Mortgaged Premises including without limitation the right to undertake soil, ground water, environmental or other tests, measurements or surveys in on or below the Mortgaged Premises and to inspect the books and records of the Chargor and make extracts therefrom and shall permit the Chargee prompt access to such other persons as the Chargee may deem necessary or desirable for the purposes of inspecting or verifying any matters relating to any part of the Mortgaged Premises or the books and records of the Chargor, provided that any information so obtained shall be kept confidential, save as requested by the Chargee in exercising its rights hereunder. If an Event of Default shall have occurred and be continuing under this clause, the Chargor shall pay all costs and expenses of agents retained by the Chargee for purposes of inspection under this clause (j).
- k) The Chargor shall deliver to the Chargee such financial statements as may be provided in any commitment letter or loan agreement entered into between the Chargee and the Chargor. At a minimum and without limiting the financial reporting required under such commitment letter or loan agreement, the Chargor shall deliver to the Chargee within 90 days of the close of each financial year of the Chargor as long as any money is owing under the Charge one copy of the financial statements for that year, such financial statements to be prepared by a firm of chartered accountants. Provided however that this paragraph is subject to the provisions regarding the delivery of financing statements set out in any commitment letter or offer of finance between the Chargor and the Chargee, in which case the provisions in such commitment letter or offer to finance shall prevail.
- l) Without the prior written consent of the Chargee, the Chargor shall not create or suffer to exist any charge or encumbrance over all or any portion of the Mortgaged Premises ranking or purporting to rank prior to, pari passu with or subordinate to the charges hereof, other than Permitted Encumbrances.
- m) The Chargor shall not grant, create, assume or permit to exist any conditional sale agreement, mortgage, pledge, charge, assignment, lease or other security, except Permitted Encumbrances, whether fixed or floating upon the whole or any part of the Mortgaged Premises. This covenant shall be a restrictive covenant for the benefit of the Chargee's interest as Chargee of the Mortgaged Premises and the burden shall run with the interest of the Chargor as owner of the Mortgaged Premises.
- n) All Fixtures are and shall, immediately on being placed upon the Mortgaged Premises, become Fixtures and a part of the Mortgaged Premises and form a part of this security and the Chargor hereby grants and releases to the Chargee all its claims upon the Mortgaged Premises subject to the proviso for Defeasance in Section 11 above.
- o) The Chargee may distrain for arrears of interest and for overdue principal and any other sum payable hereunder. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.
- p) The Chargee may make any payment or cure any default under any Permitted Encumbrance and may pay and satisfy the whole or any part of any liens, Taxes, charges or encumbrances now or hereafter existing in respect of the Mortgaged Premises in the event of the Chargee making any such payment or curing a default or satisfying any such liens, Taxes, charges or encumbrances it shall be entitled to all the equities and securities of the person or persons so paid and is hereby authorized to retain any discharge thereto without registration for so long as it may think fit so to do.

- q) The Chargor will keep the Mortgaged Premises in good condition and repair and shall not permit any act of waste to be committed upon the Mortgaged Premises. If the Chargor neglects to keep the Mortgaged Premises in good condition and repair or commits or permits any act of waste on the Mortgaged Premises (as to which the Chargee shall be sole judge) the Chargee may make such repairs and replacements as it deems necessary.
- r) The Chargor shall diligently and continuously maintain, develop and construct the Improvements or cause the Improvements to be maintained, developed and constructed in accordance with plans and specifications previously approved by the Chargee, all in a good and workmanlike manner as first class buildings or Improvements and in the event that the Chargor shall fail to proceed diligently with any required work for a period of ten (10) consecutive days, the Chargee or its representatives may enter into the Mortgaged Premises and do any or all work which they may consider necessary or desirable to complete such Improvements or to protect the same from deterioration.
- s) The Chargor shall not make any material improvement, whether financed by the Chargee or otherwise, without the prior written consent of the Chargee which consent will not be unreasonably withheld or delayed and except in accordance with contracts, plans and specifications approved by the Chargee in writing prior to the commencement of work on the Improvements.
- t) The Chargor shall at all times comply with all applicable laws relating to the Mortgaged Premises, including all applicable zoning by-laws, rent control legislation and construction lien legislation.
- u) Where any portion of the Improvements are to be constructed, they shall be constructed in a good and workmanlike manner using first class quality materials in accordance with the plans and specifications approved by the Chargee and shall comply with all restrictions, conditions, ordinances, codes, regulations and laws, regulations and the requirements of governmental departments and agencies having direction over, or an interest in the Lands or the Improvements.
- v) All utility services necessary for the operation and use of the Mortgaged Premises for their intended purpose, including but not limited to water supply, storm and sanitary sewer facilities, gas, electric and telephone facilities are available to the boundaries of the Lands.
- w) The Lands are contiguous to publicly dedicated streets or roads or highways and vehicular and pedestrian access thereto is permitted or, if not, are the dominant tenement of a casement or easements creating the perpetual right of such access to any such publicly dedicated streets or roads or highways.
- x) Any defects in the construction or variation in the construction of any of the Improvements shall be promptly corrected by the Chargor to the satisfaction of the Chargee.
- y) Any and all of the personal Mortgaged Premises, elevators, furnaces, refrigerators, ranges, hot water tanks, dishwashers, carpeting, furniture, furnishings, fixtures, attachments and equipment (collectively the "Chattels") delivered upon or attached to the Mortgaged Premises or intended to become a part thereof, will be kept free and clear of all chattel mortgages, conditional vendors liens and all liens, encumbrances and security interests other than as may be granted to the Chargee and the Chargor will be the absolute owner of the Chattels and will, from time to time, furnish the Chargee with satisfactory evidence of such ownership, including searches of applicable public records. Upon the Chargee's request, the Chargor will forthwith execute and deliver a supplemental debenture or other security instrument upon the Chattels and such other supporting documents as the Chargee may require in connection therewith, including financing statements and searches or records under any applicable legislation.
- z) The Chargor will pay or cause to be paid as soon as the same are due all claims and demands of contractors and material men and all wages, salaries, holiday pay, workers compensation assessments or other charges or any nature or kind (the "Claims") which could in any circumstances constitute a lien or charge on the Mortgaged Premises and the Chargor will from time to time on demand provide the Chargee with such books,