

- i) the Chargor shall deliver to the Chargee a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Mortgaged Premises or the Chargor now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Chargor's possession or control
- j) the Chargor shall at its expense, if reasonably requested by the Chargee in writing, retain an environmental consultant acceptable to the Chargee, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Mortgaged Premises and deliver same to the Chargee for its review

the Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including legal fees and disbursements on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report and the costs of any remediation arising from or relating to any breach of the foregoing covenants of this Section 15, any breach by the Chargor or any other person now or hereafter having an interest in the Mortgaged Premises which is asserted or claimed against the Chargee; the presence, in any form, of any Contaminant on or under the Mortgaged Premises, or the discharge, release, spill or disposal of any Contaminant by the Chargor which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts secured hereunder and the discharge of this Charge. The Charges shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Charge.

16. CONDOMINIUM

If the Mortgaged Premises or any part thereof is or becomes a unit or units in a condominium, the provisions of this section shall apply. The Chargor covenants with the Chargee that:

- a) the Chargor will promptly observe and perform all obligations imposed on the Chargor by the Condominium Act and by the Declaration, the By-laws and the Rules, as amended from time to time of the Condominium Corporation by virtue of the Chargor's ownership of the Mortgaged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under this Charge
- b) without limiting or restricting the generality of the foregoing:
 - (i) the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as an owner of the Mortgaged Premises
 - (ii) the Chargor will transmit to the Chargee forthwith upon the demand of the Chargee satisfactory proof that all common expenses assessed against or in respect of the Mortgaged Premises have been paid as assessed
 - (iii) the Chargee may pay out of and deduct from any advance of monies secured hereunder all contributions to the common expenses assessed against or in respect of the Mortgaged Premises which have become due and payable and are unpaid at the date of such advance
 - (iv) whenever and so long as the Chargee so requires, the Chargor shall on or before the date when any sum becomes payable by the Chargor in respect of common expenses pay such sum to the Chargee. The Chargee shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Chargor or as the Condominium Corporation may from time to time direct
- c) the Chargee is hereby irrevocably authorized and empowered to exercise the right of the Chargor as the owner of the Mortgaged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice, the Chargor may exercise the right to vote or consent. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter
 - (ii) the Chargee shall not by virtue of the assignment to the Chargee of the said right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Chargor

(iii) the exercise of the said right to vote or consent shall not constitute the Chargee as a mortgagee in possession

if the Mortgaged Premises or any part thereof shall become a unit or units in a condominium at any time after the execution and delivery of this Charge, the Chargor shall, whenever requested by the Chargee, execute and deliver any further and other charges, assurances or other instruments as the Chargee shall require in order to preserve, protect or perfect the security provided by this Charge and each of the provisions hereof, including without limitation a further charge covering all of the units in the said condominium and their appurtenant common interest.

17. WAIVERS

The Chargee may waive in writing any breach by the Chargor of any of the provisions contained in this Charge or any default by the Chargor in the observance or performance of any covenant or condition required to be observed or performed by the Chargor hereunder, provided that no such waiver by the Chargee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

18. PERFORMANCE OF COVENANTS

If the Chargor shall fail to perform any covenant on its part hereunder, the Chargee may in its absolute discretion perform any such covenant capable of being performed by it, but the Chargee shall be under no obligation to do so. If any such covenant requires the payment of money or if the Mortgaged Premises shall become subject to any encumbrance ranking in priority to the lien hereof other than a Permitted Encumbrance, the Chargee may in its absolute discretion make such payment and/or pay or discharge such encumbrance, but shall be under no obligation to do so. All sums so paid by the Chargee shall immediately be payable by the Chargor to the Chargee, shall bear interest at the Interest Rate until paid in full and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Chargor from any default hereunder or any consequences of such default.

19. APPOINTMENT OF MONITOR

If in the opinion of the Chargee, acting reasonably, a material adverse change has occurred in the financial condition of the Chargor, or if the Chargee in good faith believes that the ability of the Chargor to pay any of its obligations to the Chargee or to perform any other covenant contained herein has become impaired, or if an Event of Default has occurred, the Chargee may by written notice to the Chargor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Chargor or its business and affairs for the purpose of reporting to the Chargee. The Chargor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Chargor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Chargor nor shall it participate in the management of the Chargor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Chargor, its business and affairs or the Mortgaged Premises. The Monitor shall act solely on behalf of the Chargee and shall have no contractual relationship with the Chargor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Charge. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Chargor upon submission to it of a written invoice therefor. The Chargee, at its option upon the occurrence of an Event of Default, may appoint or seek to have appointed the Monitor or Receiver, receiver and Manager, liquidator, or trustee in bankruptcy of the Chargor or the Mortgaged Premises or any part thereof.

20. CONTINUING AND ADDITIONAL SECURITY

The security hereby constituted is continuing security for the payment of all Indebtedness and the fulfillment of all of the obligations of the Chargor hereunder and such security is in addition to any other security now or hereafter held by the Chargee. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the obligations of the Chargor hereunder.

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21. DEFAULT

Subject to the provisions of Section 244 of the Bankruptcy and Insolvency Act, R.S.C. 1985 as amended the security hereby created shall become enforceable in each of the following events (each event being an Event of Default herein):

- a) if the Chargee shall make an authorized and proper written demand for payment of indebtedness and payment in full has not been received by the Chargee forthwith after such demand has been made
- b) if the Chargor defaults in the performance of any of the terms and covenants contained in this Charge or any agreement between the Chargor and the Chargee including the commitment letter and Promissory Note
- c) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Chargor or any representative of the Chargor to the Chargee in connection with this Charge
- d) if the Chargor institutes any proceeding or takes any corporate action or executes any agreement or notice of intention to authorize its participation or commencement of any proceeding:
 - (i) seeking to adjudicate it a bankrupt or insolvent, or
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any Bankruptcy Legislation
- e) if the Chargor becomes bankrupt or insolvent or commits an act of bankruptcy or any proceeding is commenced against the Chargor:
 - (i) seeking to adjudicate it a bankrupt or insolvent
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its Mortgaged Premises or debt or making a proposal with respect to it under any Bankruptcy Legislation
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian, or other similar official for it or for any part of its properties and assets, including the Mortgaged Premises or any part thereof
- f) any order or judgment is issued by a court granting any of the relief referred to in Section 22(e).
- g) if an encumbrancer or secured creditor shall appoint a receiver or agent with respect to any part of the Mortgaged Premises or take any other similar proceedings over any part of the Mortgaged Premises, or take possession of any part of the Mortgaged Premises or if any execution, distress or other process of any court becomes enforceable against any of the Mortgaged Premises of the Chargor, or a distress or like process is levied upon any of such Mortgaged Premises
- h) if the Chargor takes any corporate proceedings for its dissolution, liquidation or amalgamation with any company or if the corporate existence of the Chargor shall be terminated by expiration, forfeiture or otherwise
- i) if any portion of the Mortgaged Premises is expropriated by any governmental body or authority which the Chargee in its absolute discretion considers material
- j) if any part of the Mortgaged Premises shall be sold, transferred or otherwise alienated or disposed of by the Chargor without the prior written consent of the Chargee, which consent shall not be unreasonably withheld or delayed.

22. REMEDIES

Upon the happening of any Event of Default, in addition to any other rights or remedies available to it hereunder or at common law or equity or pursuant to any statute, the Chargee shall have the following rights and powers:

- a) to enter upon and possess all or any part of the Mortgaged Premises

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- b) to hold, use, repair, preserve, maintain, complete, construct and build all or any part of the Mortgaged Premises and make such replacements thereof and changes or additions thereto as the Chargee shall deem advisable
- c) in the occurrence of an Event of Default that has continued for at least 15 days, the Chargee or its agents or representatives may, on at least (35) day's notice, sell or lease the Mortgaged Premises. In the event that the giving of such notice shall not be required by law or to the extent that such requirements- shall not be applicable, it is agreed that notice may be effectually given by giving it in accordance with paragraph 39 hereof; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The Chargee may sell the Mortgaged Premises or any part thereof by public auction or private sale, for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence or commencement of title or otherwise, as it shall in its discretion deem proper, and in the event of any sale on credit or for part cash and part credit, the Chargee shall not be accountable for or charged with any moneys until actually received. The Chargee may rescind or vary any contract of sale and may buy in and resell the Mortgaged Premises or any part thereof without being answerable for loss occasioned thereby. No purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease Or be affected by notice of any irregularity or with propriety of any kind; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder. The Chargee may sell or lease without entering into actual possession of the Mortgaged Premises and when it desires to take possession it may break locks and bolts and while in possession or upon any sale or lease the Chargee shall be accountable only for moneys which are actually received by it. Sales may be made from time to time of parts of the Mortgaged Premises to satisfy any portion of the Indebtedness or other sums owing hereunder and leaving the Indebtedness or the residue thereof secured hereunder on the remaining Mortgaged Premises. The Chargor hereby appoints the Chargee its true and lawful attorney and agent to make application under the Planning Act and to do all things and execute all documents to effectually complete such sale. The Chargee may lease or take sale proceedings hereunder notwithstanding that other mortgage proceedings have been taken or are then pending.
- d) to appoint by instrument in writing any person or persons to be a Receiver of all or any portion of the undertaking, property and assets of the Chargor forming the Mortgaged Premises and all rents, issues, incomes and profits to be derived therefrom; to fix the Receivers remuneration and from time to time to remove any Receiver so appointed and appoint another or others in this stead
- e) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the undertaking, property and assets hereby charged
- f) those rights and powers of the Receiver as described in paragraph 23.

23. POWERS OF RECEIVER

- a) Any Receiver shall have all of the powers of the Chargee set forth in this Charge and, in addition, shall have the following powers:
 - (i) to carry on the business of the Chargor and to enter into any compromise or arrangement on behalf of the Chargor
 - (ii) with the prior written consent of the Chargee, to borrow money in his name or in the Chargor's name, for the purpose of carrying on the business of the Chargor and for the preservation and realization of the undertaking, property and assets of the Chargor including, without limitation, the right to pay persons having prior Charges or encumbrances on properties on which the Chargor may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Charge
 - (iii) to make such arrangements, at such time or times as the Receiver may deem necessary without the concurrence of any other persons, for the repairing, finishing, adding to, or putting in order the Mortgaged Premises including without restricting the generality of the foregoing to complete, with such variations,

additions and deletions as the Chargee may approve, the construction of the Mortgaged Premises, or award the same to others to complete, notwithstanding that the resulting cost exceeds the principal amount hereinbefore set forth and in either of such cases, shall have the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on the Lands) and property of every kind and description

(iv) to sell or lease or concur in the selling or leasing of the whole or any part of the Mortgaged Premises and in exercising the Receiver's foregoing power to sell or lease the Mortgaged Premises the Receiver may in his absolute discretion:

- (1) sell or lease the whole or any part of the Mortgaged Premises by public or private tender or by private contract
- (2) grant options to purchase or lease or both
- (3) grant rights of first refusal to purchase or lease or both
- (4) complete any contract for sale, lease, option or right of first refusal
- (5) enter into open, exclusive and multiple listing contracts for sale or lease, sign and file subdivision, condominium, strata, consolidation or other plans, plats or declarations
- (6) complete and file prospectuses, disclosure statements or affidavits in connection with any proposed disposition of the Mortgaged Premises or any portion or portions thereof
- (7) effect a sale or lease by conveying in the name of or on behalf of the Chargor or otherwise
- (8) make any stipulation as to title or conveyance or commencement of title
- (9) rescind or vary any contract of sale, lease, option or right of first refusal
- (10) resell or release without being answerable for any loss occasioned thereby
- (11) sell on terms as to credit as shall appear to be most advantageous to the Receiver and if a sale is on credit the Receiver shall not be accountable for any moneys until actually received
- (12) make any arrangements or compromises which the Receiver shall think expedient.

b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Chargor for the purpose of:

- (i) carrying on and managing the business and affairs of the Chargor
- (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions, provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.

24. ATTORNEY

The Chargor hereby irrevocably nominates, constitutes and appoints the Chargee and any person further designated by the Chargee as the true and lawful attorney of the Chargor for and in the name of the Chargor after an Event of Default has occurred and is continuing and this Charge or any other security held by the Chargee for the Indebtedness or other obligations of the Chargor has become enforceable, to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Chargor is obliged to sign, execute or do hereunder and to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Chargor in the exercise of all or any of the powers hereby conferred on the Chargor and on any Receiver appointed hereunder.

25. APPLICATION OF MONEYS

All moneys actually received by the Chargee or the Receiver pursuant to section 22 and 23 of this Charge shall be applied:

- a) first, in payment of claims, if any, of creditors of the Chargor (including any claim of the Receiver) ranking in priority to the charges created by this Charge as directed by the Chargee or the Receiver
- b) second, in or towards payment of all applicable Costs

- c) third, in or towards payment or satisfaction of any remaining indebtedness in such order as the Chargee in its sole discretion may determine
- d) fourth, in or towards the payment of the obligation of the Chargor to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of the Chargee
- e) fifth, subject to applicable law, any surplus shall be paid to the Chargor.

26. RELEASE, EXTENSIONS, etc.

The Chargee may in its sole discretion at all times release any part or parts of the Mortgaged Premises either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the Mortgaged Premises or any person from his obligations under this Charge, or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee, it being expressly agreed that every part of the Mortgaged Premises into which it is or may hereafter be divided does and shall stand charged with the whole of the amount hereby secured. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take additional securities may give any securities up, may abstain from taking securities or from perfecting securities, may accept compositions, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge

27. NO CHANGE IN RIGHTS

No sale or other dealing by the Chargor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or the amount or terms of any Indebtedness or of any commitment letter or offer of finance or note.

28. NO MERGER

The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Chargor to perform its obligations hereunder or to pay the moneys hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of the Charge & to interest at the Interest Rate in effect from time to time hereunder, and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Charge or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or Indebtedness of the Chargor to the Chargee.

29. ASSIGNMENT OF RENTS

Subject to the proviso for Defeasance, and as additional and separate continuing security for the Chargor's obligations hereunder, the Chargor hereby assigns to the Chargee subject to the rights of the holders of the Permitted Encumbrances all present and future leases of the Mortgaged Premises or any part thereof, and all rents, issues, incomes and profits ("Rents") now or hereafter derived from the leases or the Mortgaged Premises or any part thereof, together with the benefit of all covenants, agreements and provisos contained in such leases. The Chargor will execute and deliver to the Chargee, from time to time, upon the request of the Chargee and at the expense of the Chargor, assignments in registrable form in the Chargee's usual form of all leases and rents relating to the Mortgaged Premises and such other notices or documents as maybe required by the Chargee. Until an Event of Default occurs under the Charge the Chargor may demand, receive, collect and enjoy the rents only as the same fall due and payable and, except for the last month's rental, not in advance, but nothing shall permit or authorize the Chargor to collect or receive rents contrary to the covenants contained herein. Nothing in this Charge shall make the Chargee responsible for the collection of rents payable under any lease of the Mortgaged Premises or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease. The Chargee shall be liable to account only for such rents as actually come into its hands after the deductions of reasonable collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness and Costs. Notice to tenants by the Chargee with respect to the payment to it of Rents or the collection of Rents does not constitute the Chargee as being in possession of the Mortgaged Premises.

30. THREE MONTHS INTEREST ON DEFAULT

In the Event of Default in any of the agreements with the Chargee including security agreements and the terms and conditions of these Additional Provisions, regardless of the Chargee making a demand for payment of the entire amount of the Indebtedness owed to the Chargee or a portion thereof, and regardless of the Chargee having taken any steps or proceedings to realize on its security with respect to such Indebtedness including notice having been delivered pursuant to Section 244 of the Bankruptcy and Insolvency Act or Notice of Sale Under Charge/Mortgage having been issued, the Chargee shall be entitled to the greater of:

- a) three (3) months interest on the principal amount owing with respect to such Indebtedness, or
- b) the amount, if any, by which interest calculated at the Interest Rate on the outstanding principal amount of the Indebtedness exceeds the interest calculated at the "Prevailing Rate" as hereinafter defined on the outstanding principal amount of the Indebtedness for a term commencing when the Chargee receives payment of the outstanding principal amount of the Indebtedness to the date that the Indebtedness would be due and payable but for the Chargor's default (the "Indebtedness Due Date"). The Prevailing Rate means the rate at which the Chargee would then lend to the Chargor on the security of the Property for a term commencing on the date when the Chargor receives payment of the then outstanding principal amount of the Indebtedness to the Indebtedness Due Date

whether payment shall have been received through the redemption of the Charge or other security or payment having been obtained by the Chargee by realization upon this Charge or other security.

31. SUCCESSORS AND ASSIGNS

The Charge including these Additional Provisions and the benefits thereof are binding upon the Chargor and Chargee and their successors and assigns. Not to limit the Chargee's rights and entitlements at law, the Chargor acknowledges and agrees that the Indebtedness, Charge including these Additional Provisions are assignable by the Chargee.

32. INTERPRETATION

Unless the context otherwise requires, words reporting the singular include the plural and vice-versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally seemed to and exercisable by its successors and assigns; all covenants and liabilities entered into or imposed hereunder upon the Chargor shall be equally binding upon his heirs, executors, administrators and assigns or successors and assigns as the case may be; all such covenants, liabilities and obligations shall be joint and several; time shall be of the essence hereof; and all provisions hereof shall have effect notwithstanding any statute to the contrary.

33. HEADINGS

The division of this Charge into separate sections, paragraphs and clauses and the insertion of headings are included for convenience of reference only and are not intended to affect the construction or interpretation of the Charge nor are they intended to be full or accurate descriptions of the contents.

34. NO OBLIGATION TO ADVANCE

Neither the execution nor registration of this Charge, nor the advance of any moneys of any amounts secured hereby shall bind the Chargee to advance any of the Principal Amount secured hereby or any part thereof; but nevertheless the charges created hereby shall take effect upon execution hereof.

35. DISCLOSURE OF INFORMATION

The Chargor acknowledges that pursuant to the provisions of applicable construction lien legislation, the Personal Property Security Act and other similar legislation, the Chargee may be obliged to release information relating to this Charge and the Indebtedness and any amounts advanced thereunder or secured hereby. The Chargor hereby acknowledges that the Chargee may sell, assign or securitize the subject mortgage and with respect to same may be obliged or wish to release information relating to this Charge, the Indebtedness, amounts advanced

hereunder or secured hereby or incidental to the foregoing. The Chargor hereby authorizes the Chargee to release all such information and any other information it may, from time to time, be required to release by law or wish to release as aforesaid.

36. **SPOUSAL STATUS**

The Chargor shall forthwith notify the Chargee in writing of any change in the Chargor's spousal status and provide the Chargee with such further particulars as the Chargee may request.

37. **DATE OF CHARGE**

The Chargor and Chargee agree that the date of the Charge shall be deemed to be dated as of the date of delivery for registration of the Charge.

38. **PROPER LAW**

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

39. **NOTICE AND PAYMENTS**

Any payments not received by the Chargee by two o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any instrument supplemental or collateral hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Chargor or the Chargee at their addresses indicated in the Computer Fields of the Charge entitled Address for Service or to such other address or addresses or email or facsimile number or numbers as the Chargor or Chargee hereto may from time to time designate to the other in accordance with this provision. Any notice so delivered shall be conclusively deemed given when personally delivered, any notice sent by facsimile or other means or electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments may be changed by notice given pursuant hereto.

40. **CONFLICT**

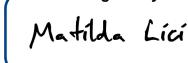
If there is conflict between the terms and conditions of the Commitment Letter or Promissory Note and the terms and conditions of these Additional Provisions then the terms and conditions of the Commitment Letter or Promissory Note shall govern.

41. **SEVERABILITY**

Any provisions of these Additional Provisions or a portion thereof which is determined to be void, prohibited or unenforceable, shall be severable to the extent of such avoidance, prohibition or unenforceability without invalidating or otherwise limiting or impairing the other provisions of these Additional Provisions.

A handwritten signature of the Chargor, enclosed in a rectangular box with a small 'ds' in the top right corner.

This is Exhibit "F" of
the Affidavit of Dawood Khan
Sworn before me this 4th day of June 2025

DocuSigned by:


A Commissioner, etc.
Matilda Lici

Properties

PIN 17246 - 0356 LT
 Description PT LTS 113 AND 114 PL 297, PART 2 ON 62R14146; CITY OF HAMILTON
 Address 1201 CANNON STREET EAST
 HAMILTON

Applicant(s)

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

Name 9259929 CANADA INC.
 Address for Service 570 Chaplin Crescent
 Toronto ON
 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.

Party To(s)**Capacity****Share**

Name TANDIA FINANCIAL CREDIT UNION LIMITED
 Address for Service 3455 North Service Road, Unit 100
 Burlington, ON
 L7N 3G2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, WE1551412 registered on 2021/10/05 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Denise Patricia Kocsis 1 James Street South, 14 th floor, acting for Signed 2021 10 05
 PO Box 926 Depo Applicant(s)
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

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

Denise Patricia Kocsis 1 James Street South, 14 th floor, acting for Signed 2021 10 05
 PO Box 926 Depo Party To(s)
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

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

Submitted By

SCARFONE HAWKINS LLP 1 James Street South, 14 th floor, PO 2021 10 05
 Box 926 Depo
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

Fees/Taxes/Payment

Statutory Registration Fee \$65.30
 Total Paid \$65.30

File Number

Party To Client File Number : 21R1672

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made the 4th day of September , 2021.

B E T W E E N:

9259929 CANADA INC.

(Hereinafter called the "Chargor")

of the **FIRST PART**

- and -

TANDIA FINANCIAL CREDIT UNION LIMITED

(Hereinafter called the "Chargee")

of the **SECOND PART**

WHEREAS the Chargee is advancing to the Chargor up to the sum of ONE MILLION EIGHT HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$1,825,000.00) upon the security of a Charge made by the Chargor in favour of the Chargee and covering the lands on the attached Schedule "A", which lands and all buildings at any time thereon during the existence of the Charge are herein referred to as the "Charged Premises".

AND WHEREAS, as a condition precedent to the making of the Charge and the advancing of the moneys secured to the Chargor, it was agreed between the parties hereto that subject to the terms and conditions herein set forth the Chargor would assign to the Chargee by way of additional security all of the Chargor's right, title and interest in any and all leases or agreements to lease ("Leases") and any and all rents, charges and other monies ("Rent") now due or accruing due or at any time hereafter to become due under all Leases, present and future, at any time made during the existence of the Charge in respect of the Charged Premises or any part thereof;

AND WHEREAS the parties hereto have mutually agreed that this Agreement will remain in full force and effect during the terms of any and all renewals of the said Charge without any further assignment or other document being executed by the Chargor.

NOW THEREFORE in consideration of the premises and the sum of TWO DOLLARS (\$2.00) now paid by the Chargee to the Chargor, (the receipt whereof is hereby acknowledged) the parties hereto mutually covenant, declare and agree as follows:

1. **THAT** the Chargor hereby assigns, transfers and sets over unto the Chargee all Leases and Rent and all benefits and advantages to be derived therefrom (including any guarantees given to the Chargor in respect of the Leases and Rent) due or accruing due or at any time hereafter to become due under all Leases, present and future and the benefit of all covenants of tenants and the Chargor, now existing or at any time hereafter made in respect of the Charged Premises or any part thereof, to have and to hold unto the Chargee, its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rent and to enforce payment of same in the name of the Chargor until all moneys owing and all obligations of the Chargor in respect of the Charge have been fully paid and fulfilled.

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2. **THAT** the Chargee shall not be entitled to exercise any rights or remedies herein given to it until the Chargor is in default under any of the provisions of the Charge or any commitment letter or offer of finance between the Chargor and the Chargee.

3. **THAT**, whenever the Chargor is in default under any of the provisions of the Charge, the Chargee shall be entitled at its option to enter into possession of the Charged Premises and/or collect the Rents and revenues thereof, and/or distrain in the name of the Chargor for the same, and/or appoint its agents to manage the Charged Premises and pay such agents reasonable charges for their services and charge the same to the account of the Chargor, and that any agents so appointed by the Chargee shall have the authority to do any or all of the foregoing:

- (a) to make any lease or leases of the Charged Premises or any part thereof, at such Rent and on such terms as the Chargee in its discretion may consider proper;
- (b) to manage generally the Charged Premises to the same extent as the Chargor could do; and
- (c) without derogating from the generality of the foregoing,
 - (i) to collect the Rent and give good and sufficient receipts and discharges therefore, and in their discretion distrain in the name of the Chargor for such Rent;
 - (ii) to pay all insurance premiums, taxes, necessary repairs, renovations, maintenance and upkeep, carrying charges, rental commissions, salary of janitor or caretaker, cost of heating and cooling, and any and all payments due on the Charge to the Chargee;
 - (iii) to accumulate the Rent in such agents' hands in a reasonable amount to make provision for maturing payments of interest and principal on the Charge, and for the payment of taxes, insurance, heating and cooling, repairs, renovations, maintenance and upkeep and other expenses or carrying charges connected with the Charged Premises.

4. **THAT** where any discretionary powers hereunder are vested in the Chargee or its agents, the same may be exercised by any officer, authorized representative or manager of the Chargee or its appointed agents, as the case may be.

5. **THAT** the Chargee shall under no circumstances become Chargee in possession or liable to account to the Chargor or credit the Chargor with any moneys on account of the Charge except those which shall come into its hands or into the hands of any agents appointed by it pursuant hereto, and then subject to all deductions and payments made out of the Rent received from the Charged Premises as herein provided.

6. **THAT** whenever any and all default under the Charge has been cured, and all taxes and insurance on the Charged Premises have been paid to date, and all moneys which the Chargee or its agents may have expended or become liable for in connection with the Charged Premises have been fully repaid, the Chargor shall resume collection of the Rent on the Charged Premises until


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further default has occurred as aforesaid, and shall also be entitled to receive any remaining balance of the Rent realized from the Charged Premises.

7. **THAT** the Chargor shall not at any time during the existence of the Charge assign, pledge or hypothecate any Lease or Leases now or hereafter existing in respect of the Charged Premises or the Rent and revenues due or to become due thereunder, or any part thereof, other than to the Chargee; and the Chargor shall not at any time during the existence of the Charge terminate, accept a surrender of, or amend in any manner any Lease or Leases now or hereafter existing in respect of the Charged Premises, or receive or permit the payment of any Rent by anticipation in respect thereof, without the consent in writing of the Chargee.

8. **THAT** the Chargor has good right, full power and authority to assign the Leases according to the true intent and meaning under this indenture.

9. **THAT** this assignment is taken by way of additional security only, and neither the taking of this assignment nor anything done in pursuance hereof shall make the Chargee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations or liabilities under the said leases or any of them.

10. **THAT** the rights or remedies given to the Chargee hereunder shall be cumulative of and not substituted for any rights or remedies to which the Chargee may be entitled under the Charge or at law.

11. **THAT** the terms and conditions hereof shall be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

12. **THAT** the Chargor covenants that it will not accept payment of any Rent in advance beyond one month without obtaining the prior written approval of the Chargee.

13. **THAT** the Chargor covenants that it will upon the request of the Chargee arrange for the subordination of all Leases (both presently existing and at any time made in the future during the term of the Charge or any renewal thereof) to the Charge, and at the request of the Chargor, the Chargee covenants that it will execute a non-disturbance agreement in respect to any such lease provided the form thereof is satisfactory to the Chargee.

14. **THAT** the assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Charge or any extension of time for payment or otherwise but shall remain in full force and effect until the Chargor shall have performed all of its obligations under the Charge. A discharge of the Charge shall operate as a re-assignment of the Leases and Rent without the need for a further conveyance.

15. **THAT** this Agreement and all the provisions herein contained shall remain in full force and effect during the terms of all renewals of the said Charge without any further Agreement or other documents being executed by the Chargor.

16. **AND** it is hereby agreed and understood that wherever throughout this Agreement the words Chargor or Chargee or any word or words referring thereto are used, it shall be deemed to extend to and include the executors, administrators, successors and assigns of the Chargor and of the Chargee respectively and wherever the singular, plural, feminine, masculine or neuter are used

A handwritten signature in black ink, enclosed in a rectangular border. The signature appears to read 'ds' at the top and 'jl' below it, likely representing initials.

throughout this Agreement the same shall be so construed as if the singular, plural, feminine, masculine or the neuter has been used where the context or the party or parties hereto so require, and the rest of the sentence shall be construed as if the grammatical and terminological changes thereby rendered necessary had been made.

IN WITNESS WHEREOF the party hereto has executed these presents.

DATED as of the date first set forth above.

9259929 CANADA INC.

Per:  DocuSigned by:
Robin Thawer, President

"I have authority to bind the Corporation"

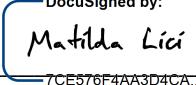
SCHEDULE "A"

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

This is Exhibit "G" of
the Affidavit of Dawood Khan
Sworn before me this 4th day of June 2025

DocuSigned by:

A Commissioner, etc.
Matilda Lici

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.
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
Address for Service 3455 North Service Road, Unit 100,
 Burlington, Ontario
 L7N 3G2

Statements

Schedule: See Schedules

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

Signed By

Denise Patricia Kocsis 1 James Street South, 14 th floor, acting for
 PO Box 926 Depo Chargor(s)
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

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

Submitted By

SCARFONE HAWKINS LLP 1 James Street South, 14 th floor, PO
 Box 926 Depo
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

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,

payrolls, or other records, receipts, certificates and declarations as the Chargee may deem necessary to satisfy itself that such Claims have been paid as soon as the same are due.

14. QUIET POSSESSION

Until default of payment or default in performance of its obligations under any commitment letter or offer of finance or hereunder, the Chargor shall have quiet possession of the Mortgaged Premises.

15. COMPLIANCE WITH ENVIRONMENTAL LAWS

The Chargor covenants, represents and warrants to the Chargee that:

- a) the Chargor shall conduct and maintain its business operations and the Mortgaged Premises so as to comply in all respects with all applicable Environmental Laws including obtaining all necessary licenses, permits, consents and approvals required to own or operate the Mortgaged Premises and the businesses carried on at or from the Mortgaged Premises
- b) except as specifically permitted by the Chargee in writing, the Chargor shall not permit or suffer to exist Contaminants or dangerous or potentially dangerous conditions on or affecting the Mortgaged Premise whether on or below the surface of the Lands or located in any Fixtures including, without limitation, any materials containing gasoline, polychlorinated biphenyls or radio-active substances, underground storage tanks, asbestos or urea formaldehyde insulation
- c) the Chargor has no knowledge of the existence of Contaminants or dangerous or potentially dangerous conditions at, on or under the Mortgaged Premises or any properties in the vicinity of the Lands which could affect the Mortgaged Premises or the market value thereof or in levels that exceed the standards in Environmental Laws
- d) the Chargor has no knowledge of the Mortgaged Premises or any portion thereof having been used for the disposal of waste
- e) the Chargor has not given or received, nor does it have an obligation to give, any notice, claim, communication or information regarding any past, present, planned or threatened treatment, storage, disposal, presence, release or spill of any Contaminant at, on, under or from the Mortgaged Premises or any property adjacent or proximate thereto, including any notice pursuant to any Environmental Laws or any environmental report or audit. The Chargor shall notify the Chargee promptly and in reasonable detail upon receipt of any such claim, notice, communication or information or if the Chargor becomes aware of any violation or potential violation of the Chargor of any Environmental Laws and setting forth the action which the Chargor intends to take with respect to such matter
- f) there is no, and the Chargor has not received notice of and has no knowledge or information of any pending, contemplated or threatened litigation or claim for judicial or administrative action which would adversely affect the Mortgaged Premises or its use or market value including, without limitation, any action pending or threatened by any adjacent or affected land owner relating to the use of the Mortgaged Premises or the existence on the Mortgaged Premises of, or leakage from the Mortgaged Premises of noxious, dangerous, potentially dangerous or toxic substances
- g) the Chargor shall promptly advise the Chargee in writing of any material adverse change in the environmental or other legal requirements affecting the Chargor or the Mortgaged Premises upon the Chargor becoming aware of any such change and the Chargor shall provide the Chargee with a copy of any of the orders, by-laws, agreements or other documents pursuant to which any such change is effected or documented
- h) the Chargor shall, at its own expense, promptly take or cause to be taken any and all necessary remedial or clean-up action in response to the presence, storage, use, disposal, transportation, release or discharge of any Contaminant in, on, under or about any of the Mortgaged Premises, or used by the Chargor, in compliance with all material laws including, without limitation, Environmental Laws, and in accordance with the orders and directions of all applicable federal, state, provincial, municipal and local governmental authorities

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- i) the Chargor shall deliver to the Chargee a true and complete copy of all environmental audits, evaluations, assessments, studies or tests relating to the Mortgaged Premises or the Chargor now in its possession or control or forthwith after the completion thereof, or upon such materials coming into the Chargor's possession or control
- j) the Chargor shall at its expense, if reasonably requested by the Chargee in writing, retain an environmental consultant acceptable to the Chargee, acting reasonably, to undertake environmental tests and to prepare a report or audit with respect to the Mortgaged Premises and deliver same to the Chargee for its review

the Chargor shall indemnify and save harmless the Chargee, its officers, directors, employees, agents and shareholders from and against all losses, liabilities, damages or costs (including legal fees and disbursements on a solicitor and own client basis) suffered including, without limitation, the cost or expense of any environmental investigation, the preparation of any environmental or similar report and the costs of any remediation arising from or relating to any breach of the foregoing covenants of this Section 15, any breach by the Chargor or any other person now or hereafter having an interest in the Mortgaged Premises which is asserted or claimed against the Chargee; the presence, in any form, of any Contaminant on or under the Mortgaged Premises, or the discharge, release, spill or disposal of any Contaminant by the Chargor which is asserted or claimed against any of these indemnified persons. This indemnity shall survive the payment in full of all amounts secured hereunder and the discharge of this Charge. The Charges shall hold the benefit of this indemnity in trust for those indemnified persons who are not parties to this Charge.

16. CONDOMINIUM

If the Mortgaged Premises or any part thereof is or becomes a unit or units in a condominium, the provisions of this section shall apply. The Chargor covenants with the Chargee that:

- a) the Chargor will promptly observe and perform all obligations imposed on the Chargor by the Condominium Act and by the Declaration, the By-laws and the Rules, as amended from time to time of the Condominium Corporation by virtue of the Chargor's ownership of the Mortgaged Premises. Any breach of the said duties and obligations shall constitute a breach of covenant under this Charge
- b) without limiting or restricting the generality of the foregoing:
 - (i) the Chargor will pay promptly when due any contributions to common expenses required of the Chargor as an owner of the Mortgaged Premises
 - (ii) the Chargor will transmit to the Chargee forthwith upon the demand of the Chargee satisfactory proof that all common expenses assessed against or in respect of the Mortgaged Premises have been paid as assessed
 - (iii) the Chargee may pay out of and deduct from any advance of monies secured hereunder all contributions to the common expenses assessed against or in respect of the Mortgaged Premises which have become due and payable and are unpaid at the date of such advance
 - (iv) whenever and so long as the Chargee so requires, the Chargor shall on or before the date when any sum becomes payable by the Chargor in respect of common expenses pay such sum to the Chargee. The Chargee shall forthwith on receipt thereof remit all such sums to the Condominium Corporation on behalf of the Chargor or as the Condominium Corporation may from time to time direct
- c) the Chargee is hereby irrevocably authorized and empowered to exercise the right of the Chargor as the owner of the Mortgaged Premises to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) the Chargee may at any time or from time to time give notice in writing to the Chargor and the Condominium Corporation that the Chargee does not intend to exercise the said right to vote or consent and in that event until the Chargee revokes the said notice, the Chargor may exercise the right to vote or consent. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter
 - (ii) the Chargee shall not by virtue of the assignment to the Chargee of the said right to vote or consent, be under any obligation to vote or consent or to protect the interests of the Chargor

(iii) the exercise of the said right to vote or consent shall not constitute the Chargee as a mortgagee in possession

if the Mortgaged Premises or any part thereof shall become a unit or units in a condominium at any time after the execution and delivery of this Charge, the Chargor shall, whenever requested by the Chargee, execute and deliver any further and other charges, assurances or other instruments as the Chargee shall require in order to preserve, protect or perfect the security provided by this Charge and each of the provisions hereof, including without limitation a further charge covering all of the units in the said condominium and their appurtenant common interest.

17. WAIVERS

The Chargee may waive in writing any breach by the Chargor of any of the provisions contained in this Charge or any default by the Chargor in the observance or performance of any covenant or condition required to be observed or performed by the Chargor hereunder, provided that no such waiver by the Chargee shall extend to or be taken in any manner to affect any subsequent breach or default or the rights resulting therefrom.

18. PERFORMANCE OF COVENANTS

If the Chargor shall fail to perform any covenant on its part hereunder, the Chargee may in its absolute discretion perform any such covenant capable of being performed by it, but the Chargee shall be under no obligation to do so. If any such covenant requires the payment of money or if the Mortgaged Premises shall become subject to any encumbrance ranking in priority to the lien hereof other than a Permitted Encumbrance, the Chargee may in its absolute discretion make such payment and/or pay or discharge such encumbrance, but shall be under no obligation to do so. All sums so paid by the Chargee shall immediately be payable by the Chargor to the Chargee, shall bear interest at the Interest Rate until paid in full and shall constitute a charge upon the Mortgaged Premises. No such performance or payment shall relieve the Chargor from any default hereunder or any consequences of such default.

19. APPOINTMENT OF MONITOR

If in the opinion of the Chargee, acting reasonably, a material adverse change has occurred in the financial condition of the Chargor, or if the Chargee in good faith believes that the ability of the Chargor to pay any of its obligations to the Chargee or to perform any other covenant contained herein has become impaired, or if an Event of Default has occurred, the Chargee may by written notice to the Chargor, appoint a monitor (the "Monitor") to investigate any or a particular aspect of the Chargor or its business and affairs for the purpose of reporting to the Chargee. The Chargor shall give the Monitor its full co-operation, including full access to facilities, assets and records of the Chargor and to its creditors, customers, contractors, officers, directors, employees, auditors, legal counsel and agents. The Monitor shall have no responsibility for the affairs of the Chargor nor shall it participate in the management of the Chargor's affairs and shall incur no liability in respect thereof or otherwise in connection with the Chargor, its business and affairs or the Mortgaged Premises. The Monitor shall act solely on behalf of the Chargee and shall have no contractual relationship with the Chargor as a consultant or otherwise. The appointment of a Monitor shall not be regarded as an act of enforcement of this Charge. All reasonable fees and expenses of the Monitor (including legal fees and disbursements on a solicitor and own client basis) shall be paid by the Chargor upon submission to it of a written invoice therefor. The Chargee, at its option upon the occurrence of an Event of Default, may appoint or seek to have appointed the Monitor or Receiver, receiver and Manager, liquidator, or trustee in bankruptcy of the Chargor or the Mortgaged Premises or any part thereof.

20. CONTINUING AND ADDITIONAL SECURITY

The security hereby constituted is continuing security for the payment of all Indebtedness and the fulfillment of all of the obligations of the Chargor hereunder and such security is in addition to any other security now or hereafter held by the Chargee. The taking of any action or proceedings or refraining from so doing, or any other dealings with any other security for the moneys secured hereby, shall not release or affect the obligations of the Chargor hereunder.

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21. **DEFAULT**

Subject to the provisions of Section 244 of the Bankruptcy and Insolvency Act, R.S.C. 1985 as amended the security hereby created shall become enforceable in each of the following events (each event being an Event of Default herein):

- a) if the Chargee shall make an authorized and proper written demand for payment of indebtedness and payment in full has not been received by the Chargee forthwith after such demand has been made
- b) if the Chargor defaults in the performance of any of the terms and covenants contained in this Charge or any agreement between the Chargor and the Chargee including the commitment letter and Promissory Note
- c) if there is any material misrepresentation or misstatement contained in any certificate or document delivered by the Chargor or any representative of the Chargor to the Chargee in connection with this Charge
- d) if the Chargor institutes any proceeding or takes any corporate action or executes any agreement or notice of intention to authorize its participation or commencement of any proceeding:
 - (i) seeking to adjudicate it a bankrupt or insolvent, or
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any Bankruptcy Legislation
- e) if the Chargor becomes bankrupt or insolvent or commits an act of bankruptcy or any proceeding is commenced against the Chargor:
 - (i) seeking to adjudicate it a bankrupt or insolvent
 - (ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its Mortgaged Premises or debt or making a proposal with respect to it under any Bankruptcy Legislation
 - (iii) seeking appointment of a receiver, receiver and manager, liquidator, trustee, agent, custodian, or other similar official for it or for any part of its properties and assets, including the Mortgaged Premises or any part thereof
- f) any order or judgment is issued by a court granting any of the relief referred to in Section 22(e).
- g) if an encumbrancer or secured creditor shall appoint a receiver or agent with respect to any part of the Mortgaged Premises or take any other similar proceedings over any part of the Mortgaged Premises, or take possession of any part of the Mortgaged Premises or if any execution, distress or other process of any court becomes enforceable against any of the Mortgaged Premises of the Chargor, or a distress or like process is levied upon any of such Mortgaged Premises
- h) if the Chargor takes any corporate proceedings for its dissolution, liquidation or amalgamation with any company or if the corporate existence of the Chargor shall be terminated by expiration, forfeiture or otherwise
- i) if any portion of the Mortgaged Premises is expropriated by any governmental body or authority which the Chargee in its absolute discretion considers material
- j) if any part of the Mortgaged Premises shall be sold, transferred or otherwise alienated or disposed of by the Chargor without the prior written consent of the Chargee, which consent shall not be unreasonably withheld or delayed.

22. **REMEDIES**

Upon the happening of any Event of Default, in addition to any other rights or remedies available to it hereunder or at common law or equity or pursuant to any statute, the Chargee shall have the following rights and powers:

- a) to enter upon and possess all or any part of the Mortgaged Premises

- b) to hold, use, repair, preserve, maintain, complete, construct and build all or any part of the Mortgaged Premises and make such replacements thereof and changes or additions thereto as the Chargee shall deem advisable
- c) in the occurrence of an Event of Default that has continued for at least 15 days, the Chargee or its agents or representatives may, on at least (35) day's notice, sell or lease the Mortgaged Premises. In the event that the giving of such notice shall not be required by law or to the extent that such requirements- shall not be applicable, it is agreed that notice may be effectually given by giving it in accordance with paragraph 39 hereof; and such notice shall be sufficient although not addressed to any person or persons by name or designation and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. The Chargee may sell the Mortgaged Premises or any part thereof by public auction or private sale, for such price as can reasonably be obtained therefor, and on such terms as to credit and otherwise, and with such conditions of sale and stipulations as to title or evidence or commencement of title or other-wise, as it shall in its discretion deem proper, and in the event of any sale on credit or for part cash and part credit, the Chargee shall not be accountable for or charged with any moneys until actually received. The Chargee may rescind or vary any contract of sale and may buy in and resell the Mortgaged Premises or any part thereof without being answerable for loss occasioned thereby. No purchaser or lessee shall be bound to enquire into the legality, regularity or propriety of any sale or lease Or be affected by notice of any irregularity or with propriety of any kind; and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale or lease hereunder. The Chargee may sell or lease without entering into actual possession of the Mortgaged Premises and when it desires to take possession it may break locks and bolts and while in possession or upon any sale or lease the Chargee shall be accountable only for moneys which are actually received by it. Sales may be made from time to time of parts of the Mortgaged Premises to satisfy any portion of the Indebtedness or other sums owing hereunder and leaving the Indebtedness or the residue thereof secured hereunder on the remaining Mortgaged Premises. The Chargor hereby appoints the Chargee its true and lawful attorney and agent to make application under the Planning Act and to do all things and execute all documents to effectually complete such sale. The Chargee may lease or take sale proceedings hereunder notwithstanding that other mortgage proceedings have been taken or are then pending.
- d) to appoint by instrument in writing any person or persons to be a Receiver of all or any portion of the undertaking, property and assets of the Chargor forming the Mortgaged Premises and all rents, issues, incomes and profits to be derived therefrom; to fix the Receivers remuneration and from time to time to remove any Receiver so appointed and appoint another or others in this stead
- e) to apply to any court of competent jurisdiction for the appointment of a Receiver of all or any portion of the undertaking, property and assets hereby charged
- f) those rights and powers of the Receiver as described in paragraph 23.

23. POWERS OF RECEIVER

- a) Any Receiver shall have all of the powers of the Chargee set forth in this Charge and, in addition, shall have the following powers:
 - (i) to carry on the business of the Chargor and to enter into any compromise or arrangement on behalf of the Chargor
 - (ii) with the prior written consent of the Chargee, to borrow money in his name or in the Chargor's name, for the purpose of carrying on the business of the Chargor and for the preservation and realization of the undertaking, property and assets of the Chargor including, without limitation, the right to pay persons having prior Charges or encumbrances on properties on which the Chargor may hold charges or encumbrances, with any amount so borrowed and any interest thereon to be a charge upon the Mortgaged Premises in priority to this Charge
 - (iii) to make such arrangements, at such time or times as the Receiver may deem necessary without the concurrence of any other persons, for the repairing, finishing, adding to, or putting in order the Mortgaged Premises including without restricting the generality of the foregoing to complete, with such variations,

additions and deletions as the Chargee may approve, the construction of the Mortgaged Premises, or award the same to others to complete, notwithstanding that the resulting cost exceeds the principal amount hereinbefore set forth and in either of such cases, shall have the right to take possession of and use or permit others to use all or any part of the Chargor's materials, supplies, plans, tools, equipment (including appliances on the Lands) and property of every kind and description

(iv) to sell or lease or concur in the selling or leasing of the whole or any part of the Mortgaged Premises and in exercising the Receiver's foregoing power to sell or lease the Mortgaged Premises the Receiver may in his absolute discretion:

- (1) sell or lease the whole or any part of the Mortgaged Premises by public or private tender or by private contract
- (2) grant options to purchase or lease or both
- (3) grant rights of first refusal to purchase or lease or both
- (4) complete any contract for sale, lease, option or right of first refusal
- (5) enter into open, exclusive and multiple listing contracts for sale or lease, sign and file subdivision, condominium, strata, consolidation or other plans, plats or declarations
- (6) complete and file prospectuses, disclosure statements or affidavits in connection with any proposed disposition of the Mortgaged Premises or any portion or portions thereof
- (7) effect a sale or lease by conveying in the name of or on behalf of the Chargor or otherwise
- (8) make any stipulation as to title or conveyance or commencement of title
- (9) rescind or vary any contract of sale, lease, option or right of first refusal
- (10) resell or release without being answerable for any loss occasioned thereby
- (11) sell on terms as to credit as shall appear to be most advantageous to the Receiver and if a sale is on credit the Receiver shall not be accountable for any moneys until actually received
- (12) make any arrangements or compromises which the Receiver shall think expedient.

b) Any Receiver appointed pursuant to the provisions hereof shall be deemed to be an agent of the Chargor for the purpose of:

- (i) carrying on and managing the business and affairs of the Chargor
- (ii) establishing liability for all of the acts or omissions of the Receiver while acting in any capacity hereunder and the Chargee shall not be liable for such acts or omissions, provided that, without restricting the generality of the foregoing, the Chargor irrevocably authorizes the Chargee to give instructions to the Receiver relating to the performance of its duties as set out herein.

24. ATTORNEY

The Chargor hereby irrevocably nominates, constitutes and appoints the Chargee and any person further designated by the Chargee as the true and lawful attorney of the Chargor for and in the name of the Chargor after an Event of Default has occurred and is continuing and this Charge or any other security held by the Chargee for the Indebtedness or other obligations of the Chargor has become enforceable, to execute and do any deeds, documents, transfers, demands, assignments, assurances, consents and things which the Chargor is obliged to sign, execute or do hereunder and to commence, continue and defend any proceedings authorized to be taken hereunder and generally to use the name of the Chargor in the exercise of all or any of the powers hereby conferred on the Chargor and on any Receiver appointed hereunder.

25. APPLICATION OF MONEYS

All moneys actually received by the Chargee or the Receiver pursuant to section 22 and 23 of this Charge shall be applied:

- a) first, in payment of claims, if any, of creditors of the Chargor (including any claim of the Receiver) ranking in priority to the charges created by this Charge as directed by the Chargee or the Receiver
- b) second, in or towards payment of all applicable Costs



- c) third, in or towards payment or satisfaction of any remaining indebtedness in such order as the Chargee in its sole discretion may determine
- d) fourth, in or towards the payment of the obligation of the Chargor to persons, if any, with charges or security interests against the Mortgaged Premises ranking subsequent to those in favour of the Chargee
- e) fifth, subject to applicable law, any surplus shall be paid to the Chargor.

26. RELEASE, EXTENSIONS, etc.

The Chargee may in its sole discretion at all times release any part or parts of the Mortgaged Premises either with or without any consideration therefor, without responsibility therefor and without thereby releasing any other part of the Mortgaged Premises or any person from his obligations under this Charge, or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee, it being expressly agreed that every part of the Mortgaged Premises into which it is or may hereafter be divided does and shall stand charged with the whole of the amount hereby secured. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take additional securities may give any securities up, may abstain from taking securities or from perfecting securities, may accept compositions, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge

27. NO CHANGE IN RIGHTS

No sale or other dealing by the Chargor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or the amount or terms of any Indebtedness or of any commitment letter or offer of finance or note.

28. NO MERGER

The taking of any judgment or the exercise of any power of seizure or sale shall not operate to extinguish the liability of the Chargor to perform its obligations hereunder or to pay the moneys hereby secured, shall not operate as a merger of any covenant herein contained or affect the right of the Charge & to interest at the Interest Rate in effect from time to time hereunder, and the acceptance of any payment or other security shall not constitute or create any novation. The execution and delivery of this Charge or of any instruments or documents supplemental hereto shall not operate as a merger of any representation, warranty, term, condition or other provision contained in any other obligation or Indebtedness of the Chargor to the Chargee.

29. ASSIGNMENT OF RENTS

Subject to the proviso for Defeasance, and as additional and separate continuing security for the Chargor's obligations hereunder, the Chargor hereby assigns to the Chargee subject to the rights of the holders of the Permitted Encumbrances all present and future leases of the Mortgaged Premises or any part thereof, and all rents, issues, incomes and profits ("Rents") now or hereafter derived from the leases or the Mortgaged Premises or any part thereof, together with the benefit of all covenants, agreements and provisos contained in such leases. The Chargor will execute and deliver to the Chargee, from time to time, upon the request of the Chargee and at the expense of the Chargor, assignments in registrable form in the Chargee's usual form of all leases and rents relating to the Mortgaged Premises and such other notices or documents as maybe required by the Chargee. Until an Event of Default occurs under the Charge the Chargor may demand, receive, collect and enjoy the rents only as the same fall due and payable and, except for the last month's rental, not in advance, but nothing shall permit or authorize the Chargor to collect or receive rents contrary to the covenants contained herein. Nothing in this Charge shall make the Chargee responsible for the collection of rents payable under any lease of the Mortgaged Premises or any part thereof or for the performance of any covenants, terms or conditions contained in any such lease. The Chargee shall be liable to account only for such rents as actually come into its hands after the deductions of reasonable collection charges in respect thereof and may apply such rents to the repayment of the Indebtedness and Costs. Notice to tenants by the Chargee with respect to the payment to it of Rents or the collection of Rents does not constitute the Chargee as being in possession of the Mortgaged Premises.

30. THREE MONTHS INTEREST ON DEFAULT

In the Event of Default in any of the agreements with the Chargee including security agreements and the terms and conditions of these Additional Provisions, regardless of the Chargee making a demand for payment of the entire amount of the Indebtedness owed to the Chargee or a portion thereof, and regardless of the Chargee having taken any steps or proceedings to realize on its security with respect to such Indebtedness including notice having been delivered pursuant to Section 244 of the Bankruptcy and Insolvency Act or Notice of Sale Under Charge/Mortgage having been issued, the Chargee shall be entitled to the greater of:

- a) three (3) months interest on the principal amount owing with respect to such Indebtedness, or
- b) the amount, if any, by which interest calculated at the Interest Rate on the outstanding principal amount of the Indebtedness exceeds the interest calculated at the "Prevailing Rate" as hereinafter defined on the outstanding principal amount of the Indebtedness for a term commencing when the Chargee receives payment of the outstanding principal amount of the Indebtedness to the date that the Indebtedness would be due and payable but for the Chargor's default (the "Indebtedness Due Date"). The Prevailing Rate means the rate at which the Chargee would then lend to the Chargor on the security of the Property for a term commencing on the date when the Chargor receives payment of the then outstanding principal amount of the Indebtedness to the Indebtedness Due Date

whether payment shall have been received through the redemption of the Charge or other security or payment having been obtained by the Chargee by realization upon this Charge or other security.

31. SUCCESSORS AND ASSIGNS

The Charge including these Additional Provisions and the benefits thereof are binding upon the Chargor and Chargee and their successors and assigns. Not to limit the Chargee's rights and entitlements at law, the Chargor acknowledges and agrees that the Indebtedness, Charge including these Additional Provisions are assignable by the Chargee.

32. INTERPRETATION

Unless the context otherwise requires, words reporting the singular include the plural and vice-versa and words importing gender include all genders; all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally seemed to and exercisable by its successors and assigns; all covenants and liabilities entered into or imposed hereunder upon the Chargor shall be equally binding upon his heirs, executors, administrators and assigns or successors and assigns as the case may be; all such covenants, liabilities and obligations shall be joint and several; time shall be of the essence hereof; and all provisions hereof shall have effect notwithstanding any statute to the contrary.

33. HEADINGS

The division of this Charge into separate sections, paragraphs and clauses and the insertion of headings are included for convenience of reference only and are not intended to affect the construction or interpretation of the Charge nor are they intended to be full or accurate descriptions of the contents.

34. NO OBLIGATION TO ADVANCE

Neither the execution nor registration of this Charge, nor the advance of any moneys of any amounts secured hereby shall bind the Chargee to advance any of the Principal Amount secured hereby or any part thereof; but nevertheless the charges created hereby shall take effect upon execution hereof.

35. DISCLOSURE OF INFORMATION

The Chargor acknowledges that pursuant to the provisions of applicable construction lien legislation, the Personal Property Security Act and other similar legislation, the Chargee may be obliged to release information relating to this Charge and the Indebtedness and any amounts advanced thereunder or secured hereby. The Chargor hereby acknowledges that the Chargee may sell, assign or securitize the subject mortgage and with respect to same may be obliged or wish to release information relating to this Charge, the Indebtedness, amounts advanced

hereunder or secured hereby or incidental to the foregoing. The Chargor hereby authorizes the Chargee to release all such information and any other information it may, from time to time, be required to release by law or wish to release as aforesaid.

36. **SPOUSAL STATUS**

The Chargor shall forthwith notify the Chargee in writing of any change in the Chargor's spousal status and provide the Chargee with such further particulars as the Chargee may request.

37. **DATE OF CHARGE**

The Chargor and Chargee agree that the date of the Charge shall be deemed to be dated as of the date of delivery for registration of the Charge.

38. **PROPER LAW**

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

39. **NOTICE AND PAYMENTS**

Any payments not received by the Chargee by two o'clock p.m. on a Business Day shall be deemed to have been received on the next Business Day. Any notice required or desired to be given hereunder or under any instrument supplemental or collateral hereto shall be in writing and may be given by personal delivery, by facsimile or other means of electronic communication or by sending the same by registered mail, postage prepaid, to the Chargor or the Chargee at their addresses indicated in the Computer Fields of the Charge entitled Address for Service or to such other address or addresses or email or facsimile number or numbers as the Chargor or Chargee hereto may from time to time designate to the other in accordance with this provision. Any notice so delivered shall be conclusively deemed given when personally delivered, any notice sent by facsimile or other means or electronic transmission shall be deemed to have been delivered on the Business Day following the sending of the notice and any notice so mailed shall be conclusively deemed given on the third Business Day following the day of mailing, provided that in the event of a known disruption of postal service, notice shall not be given by mail. Any address for notice or payments may be changed by notice given pursuant hereto.

40. **CONFLICT**

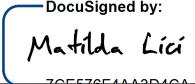
If there is conflict between the terms and conditions of the Commitment Letter or Promissory Note and the terms and conditions of these Additional Provisions then the terms and conditions of the Commitment Letter or Promissory Note shall govern.

41. **SEVERABILITY**

Any provisions of these Additional Provisions or a portion thereof which is determined to be void, prohibited or unenforceable, shall be severable to the extent of such avoidance, prohibition or unenforceability without invalidating or otherwise limiting or impairing the other provisions of these Additional Provisions.

ds


This is Exhibit "H" of
the Affidavit of Dawood Khan
Sworn before me this 4th day of June 2025

DocuSigned by:

Matilda Lici
70E576F4AA3D46A...
A Commissioner, etc.
Matilda Lici

Properties

PIN 17161 - 0044 LT
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

Applicant(s)

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

Name 9259929 CANADA INC.
Address for Service 570 Chaplin Crescent
 Toronto ON
 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.

Party To(s)**Capacity****Share**

Name TANDIA FINANCIAL CREDIT UNION LIMITED
Address for Service 3455 North Service Road, Unit 100
 Burlington, ON
 L7N 3G2

Statements

The applicant applies for the entry of a notice of general assignment of rents.

This notice may be deleted by the Land Registrar when the registered instrument, WE1551414 registered on 2021/10/05 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Denise Patricia Kocsis 1 James Street South, 14 th floor, acting for Signed 2021 10 05
 PO Box 926 Depo Applicant(s)
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

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

Denise Patricia Kocsis 1 James Street South, 14 th floor, acting for Signed 2021 10 05
 PO Box 926 Depo Party To(s)
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

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

Submitted By

SCARFONE HAWKINS LLP 1 James Street South, 14 th floor, PO 2021 10 05
 Box 926 Depo
 Hamilton
 L8N 3P9

Tel 905-523-1333

Fax 905-523-5878

Fees/Taxes/Payment

Statutory Registration Fee	\$65.30
Total Paid	\$65.30

File Number

Party To Client File Number : 21R1672

GENERAL ASSIGNMENT OF LEASES AND RENTS

THIS AGREEMENT made the 4th day of September , 2021.

B E T W E E N:

9259929 CANADA INC.

(Hereinafter called the "Chargor")

of the **FIRST PART**

- and -

TANDIA FINANCIAL CREDIT UNION LIMITED

(Hereinafter called the "Chargee")

of the **SECOND PART**

WHEREAS the Chargee is advancing to the Chargor up to the sum of ONE MILLION SIX HUNDRED THOUSAND DOLLARS (\$1,600,000.00) upon the security of a Charge made by the Chargor in favour of the Chargee and covering the lands on the attached Schedule "A", which lands and all buildings at any time thereon during the existence of the Charge are herein referred to as the "Charged Premises".

AND WHEREAS, as a condition precedent to the making of the Charge and the advancing of the moneys secured to the Chargor, it was agreed between the parties hereto that subject to the terms and conditions herein set forth the Chargor would assign to the Chargee by way of additional security all of the Chargor's right, title and interest in any and all leases or agreements to lease ("Leases") and any and all rents, charges and other monies ("Rent") now due or accruing due or at any time hereafter to become due under all Leases, present and future, at any time made during the existence of the Charge in respect of the Charged Premises or any part thereof;

AND WHEREAS the parties hereto have mutually agreed that this Agreement will remain in full force and effect during the terms of any and all renewals of the said Charge without any further assignment or other document being executed by the Chargor.

NOW THEREFORE in consideration of the premises and the sum of TWO DOLLARS (\$2.00) now paid by the Chargee to the Chargor, (the receipt whereof is hereby acknowledged) the parties hereto mutually covenant, declare and agree as follows:

1. **THAT** the Chargor hereby assigns, transfers and sets over unto the Chargee all Leases and Rent and all benefits and advantages to be derived therefrom (including any guarantees given to the Chargor in respect of the Leases and Rent) due or accruing due or at any time hereafter to become due under all Leases, present and future and the benefit of all covenants of tenants and the Chargor, now existing or at any time hereafter made in respect of the Charged Premises or any part thereof, to have and to hold unto the Chargee, its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rent and to enforce payment of same in the name of the Chargor until all moneys owing and all obligations of the Chargor in respect of the Charge have been fully paid and fulfilled.

2. **THAT** the Chargee shall not be entitled to exercise any rights or remedies herein given to it until the Chargor is in default under any of the provisions of the Charge or any commitment letter or offer of finance between the Chargor and the Chargee.

3. **THAT**, whenever the Chargor is in default under any of the provisions of the Charge, the Chargee shall be entitled at its option to enter into possession of the Charged Premises and/or collect the Rents and revenues thereof, and/or distrain in the name of the Chargor for the same, and/or appoint its agents to manage the Charged Premises and pay such agents reasonable charges for their services and charge the same to the account of the Chargor, and that any agents so appointed by the Chargee shall have the authority to do any or all of the foregoing:

- (a) to make any lease or leases of the Charged Premises or any part thereof, at such Rent and on such terms as the Chargee in its discretion may consider proper;
- (b) to manage generally the Charged Premises to the same extent as the Chargor could do; and
- (c) without derogating from the generality of the foregoing,
 - (i) to collect the Rent and give good and sufficient receipts and discharges therefore, and in their discretion distrain in the name of the Chargor for such Rent;
 - (ii) to pay all insurance premiums, taxes, necessary repairs, renovations, maintenance and upkeep, carrying charges, rental commissions, salary of janitor or caretaker, cost of heating and cooling, and any and all payments due on the Charge to the Chargee;
 - (iii) to accumulate the Rent in such agents' hands in a reasonable amount to make provision for maturing payments of interest and principal on the Charge, and for the payment of taxes, insurance, heating and cooling, repairs, renovations, maintenance and upkeep and other expenses or carrying charges connected with the Charged Premises.

4. **THAT** where any discretionary powers hereunder are vested in the Chargee or its agents, the same may be exercised by any officer, authorized representative or manager of the Chargee or its appointed agents, as the case may be.

5. **THAT** the Chargee shall under no circumstances become Chargee in possession or liable to account to the Chargor or credit the Chargor with any moneys on account of the Charge except those which shall come into its hands or into the hands of any agents appointed by it pursuant hereto, and then subject to all deductions and payments made out of the Rent received from the Charged Premises as herein provided.

6. **THAT** whenever any and all default under the Charge has been cured, and all taxes and insurance on the Charged Premises have been paid to date, and all moneys which the Chargee or its agents may have expended or become liable for in connection with the Charged Premises have been fully repaid, the Chargor shall resume collection of the Rent on the Charged Premises until

further default has occurred as aforesaid, and shall also be entitled to receive any remaining balance of the Rent realized from the Charged Premises.

7. **THAT** the Chargor shall not at any time during the existence of the Charge assign, pledge or hypothecate any Lease or Leases now or hereafter existing in respect of the Charged Premises or the Rent and revenues due or to become due thereunder, or any part thereof, other than to the Chargee; and the Chargor shall not at any time during the existence of the Charge terminate, accept a surrender of, or amend in any manner any Lease or Leases now or hereafter existing in respect of the Charged Premises, or receive or permit the payment of any Rent by anticipation in respect thereof, without the consent in writing of the Chargee.

8. **THAT** the Chargor has good right, full power and authority to assign the Leases according to the true intent and meaning under this indenture.

9. **THAT** this assignment is taken by way of additional security only, and neither the taking of this assignment nor anything done in pursuance hereof shall make the Chargee liable in any way, as landlord or otherwise, for the performance of any covenants, obligations or liabilities under the said leases or any of them.

10. **THAT** the rights or remedies given to the Chargee hereunder shall be cumulative of and not substituted for any rights or remedies to which the Chargee may be entitled under the Charge or at law.

11. **THAT** the terms and conditions hereof shall be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

12. **THAT** the Chargor covenants that it will not accept payment of any Rent in advance beyond one month without obtaining the prior written approval of the Chargee.

13. **THAT** the Chargor covenants that it will upon the request of the Chargee arrange for the subordination of all Leases (both presently existing and at any time made in the future during the term of the Charge or any renewal thereof) to the Charge, and at the request of the Chargor, the Chargee covenants that it will execute a non-disturbance agreement in respect to any such lease provided the form thereof is satisfactory to the Chargee.

14. **THAT** the assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Charge or any extension of time for payment or otherwise but shall remain in full force and effect until the Chargor shall have performed all of its obligations under the Charge. A discharge of the Charge shall operate as a re-assignment of the Leases and Rent without the need for a further conveyance.

15. **THAT** this Agreement and all the provisions herein contained shall remain in full force and effect during the terms of all renewals of the said Charge without any further Agreement or other documents being executed by the Chargor.

16. **AND** it is hereby agreed and understood that wherever throughout this Agreement the words Chargor or Chargee or any word or words referring thereto are used, it shall be deemed to extend to and include the executors, administrators, successors and assigns of the Chargor and of the Chargee respectively and wherever the singular, plural, feminine, masculine or neuter are used