

Court File No. CV-24-00731923-00CL

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

B E T W E E N:

EMPIRICAL CAPITAL CORP.

Applicant

-and-

TERRABONA 7115 YONGE LTD.

Respondent

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

**APPLICATION RECORD
(Appointment Hearing Returnable February 10, 2025)**

DATE: January 6, 2025

GARFINKLE BIDERMAN LLP

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

Wendy Greenspoon-Soer – LSO#: 34698L

Tel: 416-869-1234

Email: wgreenspoon@garfinkle.com

Lawyers for the Applicant,
Empirical Capital Corp.

TO: **MSI SPERGEL INC.**
120 Adelaide Street West, Suite #2500
Toronto, ON M5H 1T1

TREVOR PRINGLE
Tel: 416-498-4315
Email: tpringle@spergel.ca

Proposed Receiver

AND TO: **BLANEY MCMURTRY LLP**
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

DAVID ULLMANN – LSO#: 42357I
Tel: 416-746-4710
Email: dullmann@blaney.com

Lawyers for the Respondent

AND TO: **DEPARTMENT OF JUSTICE**
Ontario Regional Office
120 Adelaide Street West, Suite 400
Toronto, Ontario M2N 6P4

Diane Winters
Tel: 416-973-3172
Email: diane.winters@justice.gc.ca

AND TO: **MINISTER OF FINANCE**
Legal Services Branch
777 Bay Street, 11th Floor
Toronto, Ontario M5G 2C8

Steven Groeneveld
Tel: 905-433-5657
Email: Steven.Groeneveld@ontario.ca

AND TO: Bankruptcy Department
Insolvency Unit
Email: insolvency.unit@ontario.ca

INDEX

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**APPLICATION RECORD
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TAB 1



Court File No.

**ONTARIO
SUPERIOR COURT OF JUSTICE
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-and-

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NOTICE OF APPLICATION

TO THE RESPONDENT(S)

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

THIS APPLICATION will come on for a hearing

- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at the following location: Zoom coordinates to be provided.

(Courthouse address or telephone conference or video conference details, such as a dial-in number, access code, video link, etc. if applicable)

On December 3rd, 2024 at 9:45 a.m.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of*

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Civil Procedure, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

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

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

Date November 25, 2024

Issued by _____

Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto, Ontario, M5G 1R7

TO: **THIS HONOURABLE COURT**

AND TO: **MSI SPERGEL INC.**
120 Adelaide Street West, Suite #2500
Toronto, ON M5H 1T1

TREVOR PRINGLE
Tel: 416-498-4315
Email: tpringle@spergel.ca

Proposed Receiver

AND TO: **BLANEY MCMURTRY LLP**
2 Queen Street East, Suite 1500
Toronto, ON M5C 3G5

DAVID ULLMAN – LSO#: 42357I
Tel: 416-746-4710
Email: dullmann@blaney.com

-3-

Lawyers for the Respondent

AND TO: **DEPARTMENT OF JUSTICE**
Ontario Regional Office
120 Adelaide Street West, Suite 400
Toronto, Ontario M2N 6P4

Diane Winters
Tel: 416-973-3172
Email: diane.winters@justice.gc.ca

AND TO: **MINISTER OF FINANCE**
Legal Services Branch
777 Bay Street, 11th Floor
Toronto, Ontario M5G 2C8

Steven Groeneveld
Tel: 905-433-5657
Email: Steven.Groeneveld@ontario.ca

Bankruptcy Department
Insolvency Unit
Email: insolvency.unit@ontario.ca

APPLICATION

1. THE APPLICANT, Empirical Capital Corp. (the “**Lender**”) makes application for:
 - A. an Order substantially in the form included in the Application Record served herewith (the “**Receivership Order**”), seeking, *inter alia*, an Order:
 - (a) abridging the time for service and filing of this Notice of Application and the Application Record or, in the alternative, dispensing with same;
 - (b) appointing MSI Spergel Inc. (“**MSI**”), as the Receiver and Manager (in such capacity, the “**Receiver**”), without security, of all present and future property, assets and undertakings of TerraBona 7115 Yonge Ltd., (the “**Debtor**”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “**Property**”) which Property includes, without limitation, the real property described in Schedule “A” hereto (the “**Real Property**”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”);
 - (c) empowering the Receiver upon its appointment to, among other things:
 - (i) take possession and exercise control over the Property;
 - (ii) manage, operate and carry on the business of the Debtor;
 - (iii) market and sell any or all of the Property, including the Real Property;
 - (iv) settle, extend or compromise and indebtedness owing to the Debtor;

- (v) borrow funds on a priority basis under Receiver's certificates to fund the costs of the receivership;
- (vi) initiate, prosecute, and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property, or the Receiver, and to settle or compromise any such proceedings; and
- (vii) take any steps reasonably incidental to the exercise of the aforementioned powers or the performance of any statutory obligations;
- (d) awarding the Applicant its costs of this proceeding, including legal fees, disbursements, and HST thereon, on a full indemnity basis; and
- (e) such further and other relief as counsel may request and to this Honourable Court may seem just.

Background

2. THE GROUNDS FOR THE APPLICATION are:

- (a) The Respondent Debtor is a corporation that is incorporated pursuant to the laws of the Province of Ontario.
- (b) The Debtor is the registered owner of the property known municipally as 7115 Yonge Street and 8-14 Grandview Avenue, Markham, Ontario, more particularly described in Schedule "A" (the "**Real Property**"). The Real Property is a 0.95 acre parcel of land located on Yonge Street, north of Steeles Avenue East. It consists of vacant land and 4 residential detached dwellings and is the proposed development site for a high

density mixed use condominium building with a proposed gross floor area of up to 755,000 square feet (the “**Project**”).

- (c) The Borrower is indebted to the Empirical Capital Corp. (“**Empirical**”) with respect to a credit facility made available under the terms of a Commitment Letter dated October 17, 2022 (the “**Original Commitment**”) and amended by an Amendment of Commitment Letter dated July 25, 2024 (the “**Amending Agreement**”), which collectively, shall hereinafter be referred to as the “**Letter of Commitment**”.
- (d) The Letter of Commitment provided for a loan facility in the amount of \$31,000,000.00 (the “**Loan**”) to be used to repay existing mortgages and to fund a partner buy-out, interest, fees and soft cost reserves.
- (e) As security for its obligations to Empirical, the Debtor provided security in favour of Empirical, including, *inter alia*:
 - (i) A first ranking Charge/Mortgage registered on the 25th day of November 2022, as Instrument No. YR3501976 for the principal sum of \$31,000,000.00 against the title to the Real Property (the “**Empirical Charge**”);
 - (ii) A General Security Agreement dated November 24, 2022, (the “**Empirical GSA**”) which was registered by Empirical under the *Personal Property Security Act* (“PPSA”) on November 24, 2022, by means of a Financing Statement; and

- (iii) A General Assignment of Rents registered on the 25th day of November 2022, (the “**GAR**”) as Instrument No. YR3501977 against the Real Property.
- (f) The obligations of the Debtor to Empirical were also guaranteed by Majid Tavakoli, the principal of the Debtor, pursuant to a Guarantee dated November 24, 2022 (the “**Tavakoli Guarantee**”) and by Majid Tavakoli Holdings Ltd. (the “**Holdings Guarantee**” and collectively the “**Guarantees**”). Pursuant to the Guarantees, Majid Tavakoli and Makid Tavakoli Holdings Ltd. (collectively the “**Guarantors**”) agreed unconditionally to pay off all amounts owed by the Debtor to Empirical, together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment.
- (g) The Guarantees were also secured by, *inter alia*, General Security Agreements executed by the Guarantors and registered by Empirical under the *Personal Property Security Act* (“PPSA”) on November 24, 2022, by means of a Financing Statement (the “**Guarantor GSA’s**”).

The Default

- (h) The terms of the Original Commitment and the Empirical Charge provided that the Loan was to accrue interest at the rate equal to the greater of 10.25% per annum and the Royal Bank of Canada posted bank prime rate of interest then in effect from time to time plus 4.80% per annum. The maturity date was to be July 2, 2024.

- (i) The Debtor defaulted in making the monthly interest payment due under the Loan on May 2, 2024. Thereafter, the Debtor produced a Commitment Letter from a proposed Subordinate Lender, pursuant to which a proposed significant paydown was to be advanced to Empirical from a subordinate financing, on or before September 2, 2024. The terms of the Loan were thereafter amended by the Amending Agreement which extended the Loan maturity to August 2, 2025, conditional, *inter alia*, on the Debtor's payment of the Subordinate Commitment Fee to the Subordinate Lender.
- (j) The terms of the Letter of Commitment, as amended by the Amending Agreement, fell into further default when the Debtor failed to achieve the Subordinate financing on September 2, 2024, and when the Debtor continued to miss the monthly interest payments as and when due.
- (k) Further, the Debtor has allowed real property tax arrears to accrue on the Real Property, a further event of default under the terms of the Loan and the Empirical Charge.
- (l) On September 5, 2024, the Applicant caused written demand for payment to be made on the Debtor and the Guarantors under the Loan for \$32,233,057.73 and issued a Notice of Intention to Enforce Security pursuant to section 244 of the *BIA* (the "**Demands**" and "**NITES**").
- (m) Notwithstanding the demand and expiry of the ten-day statutory notice period, the Debtor has not repaid the Loan in whole or in part. As of November 15, 2024, the amount outstanding under the Loan, for principal, interest and fees, excluding legal

costs, was \$33,522,732.84. Interest continues to accrue at the greater of 10.25% per annum or Prime plus 4.80%.

(n) The appointment is urgent as:

- (i) The value of the security is eroding substantially on a daily basis;
- (ii) There are tax arrears owing in the amount of \$37,408.43 with interest and penalties accruing;
- (iii) Subway expansion through the lands is imminent and may interfere with and delay a sales process; and
- (iv) The Lender has lost all confidence in the ability of the Debtor to complete the Project and to protect the value of the Security.

It is Just and Convenient to Appoint a Receiver

- (o) The Debtor is unable to fulfill its obligations to Empirical and other creditors and is unable to complete the development of the Project.
- (p) The Debtor has been unable to refinance or complete a sale of the Project to pay the outstanding indebtedness.
- (q) Pursuant to the Loan and Security Documents, the Applicant has a contractual right to the appointment of a receiver upon the occurrence of a default or event of default, as applicable. In furtherance of its contractual rights, the Applicant is entitled to

commence these receivership proceedings to protect its investment and preserve and maximize the value of the property.

- (r) MSI Spergel Inc. is a licensed Insolvency Trustee.
- (s) MSI Spergel Inc. has consented to be appointed as Receiver and Manager, without security, of the Property of the Debtor, including the Yonge Property.
- (t) Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
- (u) Rules 1.04, 2.03, 3.02, 16.08 and 38 of the *Rules of Civil Procedure*, R.R.O. 1990. Reg. 194, as amended; and
- (v) Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) Affidavit of Abraham Strahl with attached Exhibits referred to therein;
- (b) The Consent of MSI Spergel Inc. to act as Receiver of the Property; and

Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: November 25, 2024

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario

M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

Tel: 416-869-1234

Email: wgreenspoon@garfinkle.com

Lawyers for the Applicant,
Empirical Capital Corp.

SCHEDULE “A”

- i. PIN: 03020-0534 (LT)
LT 17 PL 2446 MARKHAM; LT 18 PL 2446 MARKHAM; LT 19 PL 2446 MARKHAM;
- ii. PIN: 03020-0535 (LT)
PT 12 FOOT LANE PL 2446 MARKHAM CLOSED BY BYLAW R589113 PT 2, 65R15683; PT LT 321 PL 2446 MARKHAM PT 3, 65R15683 ; S/T R592477,R598392 ; MARKHAM;
- iii. PIN: 03020-0368 (LT)
PT LT 321 PL 2446 MARKHAM AS IN MA42926 ; MARKHAM;
- iv. PIN: 03020-0369 (LT)
LT 322 PL 2446 MARKHAM ; MARKHAM;
- v. PIN: 03020-0370 (LT)
LT 323 PL 2446 MARKHAM ; MARKHAM; and
- vi. PIN: 03020-0371 (LT)
LT 324 PL 2446 MARKHAM ; MARKHAM.

7115 Yonge Street and 8-14 Grandview Avenue, Markham, Ontario (collectively, the “**Yonge Property**”)

EMPIRICAL CAPITAL CORP.

TERRABONA 7115 YONGE LTD.

and

Applicant

Respondent

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
APPLICATION UNDER SUBSECTION 243(1) OF THE
***BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-**
3, AS AMENDED AND SECTION 101 OF THE
***COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS**
AMENDED
Proceeding commenced at Toronto

NOTICE OF APPLICATION

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

Tel: 416-869-1234

Email: wgreenspoon@garfinkle.com

Lawyers for the Applicant,
Empirical Capital Corp.

File Number: 11087-023

TAB 2

Court File No. CV-24-00731923-00CL

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

B E T W E E N:

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

AFFIDAVIT OF ABRAHAM STRAHL

I, ABRAHAM STRAHL, of the City of Richmond Hill, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the President of Empirical Capital Corp. (“Empirical” or the “Lender”), the Applicant in the within Application and, as such, have knowledge of the matters to which I hereinafter depose. Unless I indicate otherwise, the facts herein are within my own personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I have identified the sources, and I verily believe those facts to be true.

2. This Affidavit is sworn in support of an Application by Empirical for an Order appointing MSI Spergel Inc. (“MSI”), as the Receiver and Manager (in such capacity, the “**Receiver**”), without security, of all present and future property, assets and undertakings of TerraBona 7115 Yonge Ltd., (the “Debtor”) acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the “Property”) which Property includes, without limitation, the real property described municipally as 7115 Yonge Street and 8-14 Grandview Avenue, Markham, Ontario and more particularly described in the parcel abstracts appended hereto as Exhibit “A” to

this my Affidavit (the “Real Property”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “BIA”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “CJA”).

RESPONDENT

3. According to the records maintained by the Ministry of Government Services, the Debtor was incorporated under the laws of the Province of Ontario. Appended hereto as **Exhibit “B”** to this my Affidavit is a true copy of the Corporate Profile Report for the Respondent.

4. The Debtor is a single purpose entity incorporated as a holding company for a planned residential real estate development in Markham, Ontario. The Debtor is the registered titleholder of the Property.

5. The Property is a 0.95-acre parcel of land located on Yonge Street, north of Steeles Avenue East. It consists of vacant land and 4 residential detached dwellings and is the proposed development site for a high-density mixed-use condominium building with a proposed gross floor area of up to 755,000 square feet (the “Project”).

6. Majid Tavakoli is a director and shareholder of the Respondent.

THE LOAN TO THE DEBTOR

7. The Borrower is indebted to Empirical with respect to a credit facility made available under the terms of a Commitment Letter dated October 17, 2022 (the “Original Commitment”) and amended by an Amendment of Commitment Letter dated July 25, 2024 (the “Amending Agreement”) which collectively, shall hereinafter be referred to as the “Letter of Commitment”. Now shown to me and appended hereto as Exhibits “C” and “D” respectively are true copies of the Original Commitment and the Amending Agreement.

8. The Letter of Commitment provided for a loan facility in the amount of \$31,000,000.00 (the “**Loan**”) to be used to repay existing mortgages and to fund a partner buy-out, interest, fees and soft cost reserves.

9. As security for the Loan, the Debtor executed and delivered the following:

-3-

- (i) A first ranking Charge/Mortgage registered on the 25th day of November 2022, as Instrument No. YR3501976 for the principal sum of \$31,000,000.00 against the title to the Real Property (the “Empirical Charge”). A true copy of the Empirical Charge is appended hereto as Exhibit “E” hereto;
- (ii) A General Security Agreement dated November 24, 2022, (the “Empirical GSA”) which was registered by Empirical under the *Personal Property Security Act* (“PPSA”) on November 24, 2022, by means of a Financing Statement. A true copy of the Empirical GSA and the Financing Registration are appended hereto as Exhibit “F” hereto; and
- (iii) A General Assignment of Rents registered on the 25th day of November 2022, (the “GAR”) as Instrument No. YR3501977 against the Real Property. A true copy of the GAR is appended hereto as Exhibit “G” hereto.

10. The obligations of the Debtor to Empirical were also guaranteed by Majid Tavakoli, the principal of the Debtor, pursuant to a Guarantee dated November 24, 2022 (the “Tavakoli Guarantee”) pursuant to a Guarantee dated November 24, 2022 (the “Tavakoli Guarantee”) and by Majid Tavakoli Holdings Ltd. (the “Holdings Guarantee” and collectively the “Guarantees”), true copies of which are appended hereto as Exhibits “H” and “I”. Pursuant to the Guarantees, Majid Tavakoli and Makid Tavakoli Holdings Ltd. (collectively the “Guarantors”) agreed unconditionally to pay off all amounts owed by the Debtor to Empirical, together with interest thereon, and all costs, charges and expenses which may be incurred to enforce payment.

11. The Guarantees were also secured by, *inter alia*, General Security Agreements executed by the Guarantors and registered by Empirical under the PPSA on November 24, 2022, by means of a Financing Statement (the “Guarantor GSA’s”) True copies of the Guarantor GSA’s and Financing Statements are appended hereto as Exhibit “J”.

DEFAULT AND ISSUANCE OF NOTICE OF INTENTION TO ENFORCE SECURITY

12. The terms of the Original Commitment and the Empirical Charge provided that the Loan

was to accrue interest at the rate equal to the greater of 10.25% per annum and the Royal Bank of Canada posted bank prime rate of interest then in effect from time to time plus 4.80% per annum. The maturity date was to be July 2, 2024.

13. The Debtor defaulted in making the monthly interest payment due under the Loan on May 2, 2024. Thereafter, the Debtor produced a Commitment Letter from a proposed Subordinate Lender, pursuant to which a proposed significant paydown was to be advanced to Empirical from a subordinate financing, on or before September 2, 2024. The terms of the Loan were thereafter amended by the Amending Agreement which extended the Loan maturity to August 2, 2025, conditional, *inter alia*, on the Debtor's payment of the Subordinate Commitment Fee to the Subordinate Lender.

14. The terms of the Letter of Commitment, as amended by the Amending Agreement, fell into further default when the Debtor failed to achieve the Subordinate financing on September 2, 2024, and when the Debtor continued to miss the monthly interest payments as and when due.

15. Further, the Debtor has allowed real property tax arrears to accrue on the Property, a further event of default under the terms of the Loan and the Empirical Charge. Now shown to me and appended hereto as Exhibit "K" are true copies of Tax Certificates for the Property.

16. On September 5, 2024, the Applicant caused written demand for payment to be made on the Debtor and the Guarantors under the Loan and issued a Notice of Intention to Enforce Security pursuant to section 244 of the *BIA* (the "Demands" and "NITES").

17. Notwithstanding the demand and expiry of the ten-day statutory notice period, the Debtor has not repaid the Loan in whole or in part. As of January 1, 2025, the amount outstanding under the Loan, for principal, interest and fees, excluding legal costs, was \$33,419,371.06 Interest has continued to accrue at the greater of 10.25% per annum or Prime plus 4.80%. A Mortgage Statement as of January 1, 2025, is appended hereto as Exhibit "L".

18. The Debtor had ample time to either redeem or refinance the Loan. The NITES have expired, and the Lender wishes to enforce its rights and remedies against the Debtor, including the right to have the Property sold. Pursuant to the terms of the GSA, the Lender is entitled to seek

the appointment of a Receiver upon default.

THE NECESSITY FOR THE APPOINTMENT OF THE RECEIVER

19. I verily believe the Debtor is insolvent and unable to fulfil its obligations to the Lender and the other creditors. It does not appear to have the financial capability to proceed with the development. The Applicant's Mortgage has been in default since May of 2024 and the Debtor appears to be unable to make any payment on account of the Loan.

20. The Receiver, once appointed, will be in the best position to market and sell the Property.

21. MSI is a licensed insolvency trustee and has consented to act as Receiver of the Property. Now shown to me and appended hereto as **Exhibit "M"** to this my Affidavit is a true copy of the Consent.

22. I believe that the appointment of a Receiver of the Property is necessary and just and convenient in the circumstances as:

- (a) The Loan is in default and has not been repaid;
- (b) Interest and fees continue to accrue on the Loan;
- (c) All relevant notice periods have expired;
- (d) The Debtor is insolvent and unable to redeem or refinance the debts registered against the Property;
- (e) The appointment of a Receiver will bring efficiency to the sale of the Property and will maximize the value for the creditors;
- (f) The appointment of a Receiver is contractually provided for as a remedy of the creditor under the security; and
- (g) The Debtor is not in a position to continue with its development of the Property.

23. The draft proposed Order is appended at Tab 3 to the Application Record.

24. I swear this Affidavit in support of an Application by the Lender for the appointment of the Receiver and for no other or improper purpose.

SWORN REMOTELY by Abraham)
 Strahl stated as being in the Town of)
 Markham in the Province of Ontario,)
 Before me in the City of Hollywood, in)
 The State of Florida, in the United States)
 of America, this 6th day of January,)
 2025, in accordance with O. Reg 431/20)
 Administering Oath or Declaration)
 Remotely)



DocuSigned by:
 Abraham Strahl
 F4B805870193470...

 Commissioner, taking Affidavits, etc.

ABRAHAM STRAHL

This is Exhibit "A" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

PROPERTY DESCRIPTION: PT LT 321 PL 2446 MARKHAM AS IN MA42926 ; MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03020-0822

PIN CREATION DATE:

1999/08/20

OWNERS' NAMES

TERRABONA 7115 YONGE LTD.

CAPACITY SHARE

ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29</div><div>THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/01/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/20**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1999/08/23 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div></div>						
YR3218846	2021/03/04	TRANSFER	\$3,000,000	YU, HYUNREA	TERRABONA CACOELI 7115 YONGE LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
YR3501972	2022/11/25	APL CH NAME OWNER		TERRABONA CACOELI 7115 YONGE LTD.	TERRABONA 7115 YONGE LTD.	C
YR3501976	2022/11/25	CHARGE	\$31,000,000	TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
YR3501977	2022/11/25	NO ASSGN RENT GEN		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3501976.						
YR3501985	2022/11/25	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP.						
YR3731860	2024/10/24	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				REMARKS: NO TRANSFER OR CHARGE WITHOUT THE CONSENT OF TERRA BONA DEVELOPMENTS LTD.		

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LAND
REGISTRY
OFFICE #65

03020-0369 (LT)

PAGE 1 OF 1
PREPARED FOR WGreenspoon
ON 2024/11/19 AT 18:38:03

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 322 PL 2446 MARKHAM ; MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03020-0823

PIN CREATION DATE:

1999/08/20

OWNERS' NAMES

TERRABONA 7115 YONGE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/01/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/20**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1999/08/23 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div></div>						
YR3501973	2022/11/25	TRANSFER	\$2	SARKAR-TAVAKOLI, MAJID	TERRABONA 7115 YONGE LTD.	C
YR3501976	2022/11/25	CHARGE	\$31,000,000	TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
YR3501977	2022/11/25	NO ASSGN RENT GEN		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3501976.						
YR3501985	2022/11/25	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP.						
YR3731860	2024/10/24	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO TRANSFER OR CHARGE WITHOUT THE CONSENT OF TERRA BONA DEVELOPMENTS LTD.						

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LAND
REGISTRY
OFFICE #65

03020-0370 (LT)

PAGE 1 OF 2
PREPARED FOR WGreenspoon
ON 2024/11/19 AT 18:39:18

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION: LT 323 PL 2446 MARKHAM ; MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03020-0824

PIN CREATION DATE:

1999/08/20

OWNERS' NAMES

TERRABONA 7115 YONGE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29</div><div>THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/01/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/20**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1999/08/23 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div></div>						
YR3501974	2022/11/25	TRANSFER	\$2,724,656	LIU, JEDIDIAH KIT WAH WONG, KASEY HO-CHEUNG	TERRABONA 7115 YONGE LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
YR3501976	2022/11/25	CHARGE	\$31,000,000	TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
YR3501977	2022/11/25	NO ASSGN RENT GEN		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3501976.						
YR3501985	2022/11/25	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP.						
YR3731860	2024/10/24	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

03020-0370 (LT)

* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				REMARKS: NO TRANSFER OR CHARGE WITHOUT THE CONSENT OF TERRA BONA DEVELOPMENTS LTD.		

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: LT 324 PL 2446 MARKHAM ; MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03020-0825

PIN CREATION DATE:

1999/08/20

OWNERS' NAMES

TERRABONA 7115 YONGE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/01/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/20**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1999/08/23 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div></div>						
YR3501975	2022/11/25	TRANSFER	\$2	2470877 ONTARIO INC.	TERRABONA 7115 YONGE LTD.	C
YR3501976	2022/11/25	CHARGE	\$31,000,000	TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
YR3501977	2022/11/25	NO ASSGN RENT GEN		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3501976.						
YR3501985	2022/11/25	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP.						
YR3731860	2024/10/24	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO TRANSFER OR CHARGE WITHOUT THE CONSENT OF TERRA BONA DEVELOPMENTS LTD.						

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NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

PROPERTY DESCRIPTION: LT 17 PL 2446 MARKHAM; LT 18 PL 2446 MARKHAM; LT 19 PL 2446 MARKHAM ; MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03020-0966

PIN CREATION DATE:

1999/08/20

OWNERS' NAMES

TERRABONA 7115 YONGE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/01/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/20**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1999/08/23 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div></div>						
64R3381	1974/01/10	PLAN REFERENCE				C
65R15683	1991/12/12	PLAN REFERENCE				C
R634408	1994/02/16	AGREEMENT			TOWN OF MARKHAM	C
YR3118597	2020/07/15	CERTIFICATE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT, CONSERVATION AND PARKS		C
REMARKS: CERTIFICATE OF REQUIREMENT						
YR3196678	2021/01/20	TRANSFER	\$8,000,000	SUNCOR ENERGY INC.	TERRABONA CACOELI 7115 YONGE LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
YR3196679	2021/01/20	APL ANNEX REST COV		TERRABONA CACOELI 7115 YONGE LTD.		C

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR3501972	2022/11/25	APL CH NAME OWNER	\$31,000,000	TERRABONA CACOELI 7115 YONGE LTD.	TERRABONA 7115 YONGE LTD.	C
YR3501976	2022/11/25	CHARGE		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
YR3501977	2022/11/25	NO ASSGN RENT GEN		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3501976.						
YR3501985	2022/11/25	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP.						
YR3525348	2023/02/16	NOTICE		TERRABONA 7115 YONGE LTD.		C
65R40753	2024/02/06	PLAN REFERENCE				C
REMARKS: YR3644144.						
65R41045	2024/08/16	PLAN REFERENCE				C
REMARKS: YR3708581.						
YR3731860	2024/10/24	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO TRANSFER OR CHARGE WITHOUT THE CONSENT OF TERRA BONA DEVELOPMENTS LTD.						

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* CERTIFIED IN ACCORDANCE WITH THE LAND TITLES ACT * SUBJECT TO RESERVATIONS IN CROWN GRANT *

PROPERTY DESCRIPTION:PT 12 FOOT LANE PL 2446 MARKHAM CLOSED BY BYLAW R589113 PT 2, 65R15683; PT LT 321 PL 2446 MARKHAM PT 3, 65R15683 ; S/T R592477,R598392 ; MARKHAM

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:

RE-ENTRY FROM 03020-0967

PIN CREATION DATE:

1999/08/20

OWNERS' NAMES

TERRABONA 7115 YONGE LTD.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
<div><div>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/01/27 ON THIS PIN**</div><div>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/20**</div><div>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</div><div>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</div><div>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</div><div>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</div><div>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</div><div>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</div><div>** CONVENTION.</div><div>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</div><div>**DATE OF CONVERSION TO LAND TITLES: 1999/08/23 **</div><div>NOTE: THE NO DEALINGS INDICATOR IS IN EFFECT ON THIS PROPERTY</div></div>						
65R15683	1991/12/12	PLAN REFERENCE				C
R589112	1992/02/24	BYLAW				C
R589113	1992/02/24	BYLAW				C
R592477	1992/04/10	TRANSFER EASEMENT			BELL CANADA	C
R598327	1992/07/03	BYLAW				C
R598391	1992/07/03	TRANSFER	\$36,894		PETRO-CANADA	C
R598392	1992/07/03	TRANSFER EASEMENT			THE CORPORATION OF THE TOWN OF MARKHAM	C
R598393	1992/07/03	TRANSFER	\$33,113		PETRO-CANADA	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
YR1589871	2010/12/16	APL CH NAME OWNER		PETRO-CANADA	SUNCOR ENERGY INC.	C
YR3118597	2020/07/15	CERTIFICATE		HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF THE ENVIRONMENT, CONSERVATION AND PARKS		C
REMARKS: CERTIFICATE OF REQUIREMENT						
YR3196678	2021/01/20	TRANSFER	\$8,000,000	SUNCOR ENERGY INC.	TERRABONA CACOELI 7115 YONGE LTD.	C
REMARKS: PLANNING ACT STATEMENTS.						
YR3196679	2021/01/20	APL ANNEX REST COV		TERRABONA CACOELI 7115 YONGE LTD.		C
YR3501972	2022/11/25	APL CH NAME OWNER	\$31,000,000	TERRABONA CACOELI 7115 YONGE LTD.	TERRABONA 7115 YONGE LTD.	C
YR3501976	2022/11/25	CHARGE		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
YR3501977	2022/11/25	NO ASSGN RENT GEN		TERRABONA 7115 YONGE LTD.	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3501976.						
YR3501985	2022/11/25	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO CHARGE SHALL BE REGISTERED WITHOUT THE CONSENT OF EMPIRICAL CAPITAL CORP.						
YR3525348	2023/02/16	NOTICE		TERRABONA 7115 YONGE LTD.		C
YR3731860	2024/10/24	RESTRICTION-LAND		TERRABONA 7115 YONGE LTD.		C
REMARKS: NO TRANSFER OR CHARGE WITHOUT THE CONSENT OF				TERRA BONA DEVELOPMENTS LTD.		

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This is Exhibit "B" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

Certificate of Amendment

Business Corporations Act

Certificat de modification

Loi sur les sociétés par actions

TERRABONA 7115 YONGE LTD.

Corporation Name / Dénomination sociale

2799940

Ontario Corporation Number / Numéro de société de l'Ontario

This is to certify that these articles are effective on

La présente vise à attester que ces statuts entreront en
vigueur le

November 21, 2022 / 21 novembre 2022

V. Quintanilla W.

Director / Directeur

Business Corporations Act / Loi sur les sociétés par actions

The Certificate of Amendment is not complete
without the Articles of Amendment

Certified a true copy of the record of the
Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar



Ce certificat de modification n'est pas complet s'il
ne contient pas les statuts de modification

Copie certifiée conforme du dossier du
ministère des Services gouvernementaux et des
Services aux consommateurs.

V. Quintanilla W.

Directeur ou registrateur



Ministry of Government and
Consumer Services

Articles of Amendment

Business Corporations Act

Corporation Name (Date of Incorporation/Amalgamation)

TERRABONA CACOELI 7115 YONGE LTD. (December 14, 2020)

1. The name of the corporation is changed to:

TERRABONA 7115 YONGE LTD.

2. The number of directors or the minimum/maximum number of directors are amended as follows:

Minimum/Maximum

Min 1 / Max 10

3. The articles are amended as follows:

A. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise. If none, enter "None":

Not amended

B. The classes and any maximum number of shares that the corporation is authorized to issue:

Not amended

C. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors' authority with respect to any class of shares which may be issued in series. If there is only one class of shares, enter "Not Applicable":

Not amended

The endorsed Articles of Amendment are not complete without the Certificate of Amendment.
Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar, Ministry of Government and Consumer Services

D. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows. If none, enter "None":

Not amended

E. Other provisions:

Not amended

4. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the Business Corporations Act.

5. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on:

November 17, 2022

The articles have been properly executed by the required person(s).

Supporting Information - Nuans Report Information

Nuans Report Reference #

121746920

Nuans Report Date

November 16, 2022

V. Quintanilla W.



Ministère des Services gouvernementaux et des
Services aux consommateurs

Statuts de modification

Loi sur les sociétés par actions

Dénomination sociale (Date de constitution ou de fusion)

TERRABONA CACOELI 7115 YONGE LTD. (14 décembre 2020)

1. La dénomination de la société a été modifié pour:

TERRABONA 7115 YONGE LTD.

2. Le nombre d'administrateurs ou le nombre minimal/maximal d'administrateurs sont modifiés comme suit:

Minimum ou maximum

Min. 1 / Max. 10

3. Les statuts sont modifiés comme suit:

A. Restrictions, le cas échéant, liées aux activités ou aux pouvoirs que peut exercer la société : S'il n'y en a aucune, inscrire « Aucune » :

Non modifié

B. Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre:

Non modifié

C. Droits, privilèges, restrictions et conditions, le cas échéant, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peuvent être émises en série : S'il n'y a qu'un seul type d'actions, inscrire « Ne s'applique pas ».

Non modifié

Les statuts de modification à l'égard desquels une inscription a été produite sont incomplets sans le certificat de modification.
Copie certifiée conforme du dossier du ministère des Services gouvernementaux et des Services aux consommateurs.

V. Quintanilla W.

Directeur ou registrateur, ministère des Services gouvernementaux et des Services aux consommateurs

D. Restrictions, le cas échéant, concernant l'émission, le transfert ou la propriété d'actions : S'il n'y en a aucune, inscrire « Aucune » :

Non modifié

E. Autres dispositions:

Non modifié

4. La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la Loi sur les sociétés par actions.

5. La résolution autorisant la modification a été approuvée par les actionnaires/administrateurs (selon le cas) de la société le:

17 novembre 2022

Les statuts ont été correctement signés par les personnes autorisées.

Informations à l'appui – Informations relatives au rapport NUANS

No de référence du rapport NUANS

121746920

Date du rapport NUANS

16 novembre 2022

V. Quintanilla W.

Terrabona 7115 Yonge Ltd.

Directors Register

Name	Residency	Address	Elected	Ceased	First director	Status
Majid Tavakoli	Canada	1899 Leslie Street Toronto Ontario M3B 2M3 Canada	2020-12-14		Yes	Current
Jedidiah Liu	Canada	Suite 249 - 4936 Yonge Street Toronto Ontario M2N 6S3 Canada	2020-12-14	2022-11-01	Yes	Ceased
Kasey Wong	Canada	Suite 249 - 4936 Yonge Street Toronto Ontario M2N 6S3 Canada	2020-12-14	2022-11-01	Yes	Ceased

Terrabona 7115 Yonge Ltd.

Officers Register

Name	Office	Residency	Address	Appointed	Ceased	Status
Majid Tavakoli	Treasurer	Canada	1899 Leslie Street Toronto Ontario M3B 2M3 Canada	2020-12-14		Current
Jedidiah Liu	President	Canada	Suite 249 - 4936 Yonge Street Toronto Ontario M2N 6S3 Canada	2020-12-14	2022-11-01	Ceased
Kasey Wong	Secretary	Canada	Suite 249 - 4936 Yonge Street Toronto Ontario M2N 6S3 Canada	2020-12-14	2022-11-01	Ceased
Majid Tavakoli	President	Canada	1899 Leslie Street Toronto Ontario M3B 2M3 Canada	2022-11-01		Current
Majid Tavakoli	Secretary	Canada	1899 Leslie Street Toronto Ontario M3B 2M3 Canada	2022-11-01		Current

Terrabona 7115 Yonge Ltd.

Shareholders Ledger

Name:

Address:

Class:

Cacoeli Asset Management Inc.
common shares (C)

Date (YYYY-MM-DD)	Type	To/From	Tr No.	Certificates	Acquired	Disposed	Balance	Consideration Per Share	Consideration Total
2020-12-14	Issuance	From: Treasury	-	C-1	50		50	CA\$1.00	CA\$50.00
2022-11-01	Transfer	To: Majid Tavakoli Holdings Ltd.	1	C-4		50	0		

Terrabona 7115 Yonge Ltd.

Shareholders Ledger

Name: Majid Tavakoli Holdings Ltd.

Address:

Class: common shares (C)

Date (YYYY-MM-DD)	Type	To/From	Tr No.	Certificates	Acquired	Disposed	Balance	Consideration Per Share	Consideration Total
2022-11-01	Transfer	From: Cacoeli Asset Management Inc.	1	Uncert	50		50		
2022-11-01	Transfer	From: Terra Bona Developments Ltd. consolidated share certificate C-3 issued to Majid Tavakoli Holdings Ltd. for 100 common shares	2	C-3	50		100		

Terrabona 7115 Yonge Ltd.

Shareholders Ledger

Name: Terra Bona Developments Ltd.

Address: common shares (C)

Class:

Date (YYYY-MM-DD)	Type	To/From	Tr No.	Certificates	Acquired	Disposed	Balance	Consideration Per Share	Consideration Total
2020-12-14	Issuance	From: Treasury	-	C-2	50		50	CA\$1.00	CA\$50.00
2022-11-01	Transfer	To: Majid Tavakoli Holdings Ltd. consolidated share certificate C-3 issued to Majid Tavakoli Holdings Ltd. for 100 common shares	2	C-2		50	0		

Terrabona 7115 Yonge Ltd.

Shareholder Register

Date (YYYY-MM-DD)	Name	Address	Held	Class	Certificates	Notes
2022-11-01	Majid Tavakoli Holdings Ltd.		100	common shares	C-3	consolidated share certificate C-3 issued to Majid Tavakoli Holdings Ltd. for 100 common shares

REPORT ON FILING**-----FILING REPORT-----**

Order Number: 23038305
Date of Order: November 21, 2022 11:16:09 AM
Client Reference: 2001652463/Terrabona 7115/AB/rp
Entity Type: Corporation
Jurisdiction: Ontario
Form Type: Notice of Change
Requester: Rosanna Principe
IMPORTANT NOTICE: The Ontario Business Registry does not provide back documentation for this type of filing. For verification of filing please order a Profile Report.

Corporate Name

Corporation Name: TERRABONA 7115 YONGE LTD.
Corporation Number: 2799940
Incorporation/Amalgamation Date: 2020/12/14

General Details

Business Activity: REAL ESTATE
Business Code: 531
Official Email: CA-FMTORCORPSERVICES@KPMG.CA

Address

Registered Office Address: 1899 LESLIE STREET
TORONTO, ON, CA, M3B 2M3

Directors/Officers:**Director/Officer 1**

Full Name: JEDIDIAH KIT WAH LIU
Resident Canadian?: Yes
Full Address: 4936 YONGE STREET 249, TORONTO,
ON, CA, M2N 6S3
Position (Duration): DIRECTOR: 2020/12/14 - 2022/11/01

Director/Officer 2

Full Name: MAJID SARKAR TAVAKOLI
Resident Canadian?: Yes
Full Address: 1899 LESLIE STREET, TORONTO, ON,
CA, M3B 2M3
Position (Duration): DIRECTOR: 2020/12/14 -

Director/Officer 3

Full Name: KASEY HO-CHEUNG WONG
Resident Canadian?: Yes
Full Address: 4936 YONGE STREET 249, TORONTO,
ON, CA, M2N 6S3
Position (Duration): DIRECTOR: 2020/12/14 - 2022/11/01

Director/Officer 4

Full Name: JEDIDIAH KIT WAH LIU
Full Address: 4936 YONGE STREET 249, TORONTO,
ON, CA, M2N 6S3
Position (Duration): PRESIDENT: 2020/12/14 - 2022/11/01

Director/Officer 5

Full Name: MAJID SARKAR TAVAKOLI
Full Address: 1899 LESLIE STREET, TORONTO, ON,
CA, M3B 2M3
Position (Duration): TREASURER: 2020/12/14 -

Director/Officer 6

Full Name: KASEY HO-CHEUNG WONG
Full Address: 4936 YONGE STREET 249, TORONTO,
ON, CA, M2N 6S3
Position (Duration): SECRETARY: 2020/12/14 - 2022/11/01

Director/Officer 7

Full Name: MAJID SARKAR TAVAKOLI
Full Address: 1899 LESLIE STREET, TORONTO, ON,
CA, M3B 2M3
Position (Duration): PRESIDENT: 2022/11/01 -

Director/Officer 8

Full Name: MAJID SARKAR TAVAKOLI
Full Address: 1899 LESLIE STREET, TORONTO, ON,
CA, M3B 2M3
Position (Duration): SECRETARY: 2022/11/01 -

Certification

Certified By:	Director or Officer
Selected from Directors or Officers:	Majid SARKAR TAVAKOLI (DIRECTOR)
Full Name:	Majid SARKAR TAVAKOLI
Position:	DIRECTOR
Address for Service:	1899 Leslie Street, Toronto, ON, CA, M3B 2M3

Terms and Conditions**Terms and Conditions**

The following are the Terms and Conditions for filing with the Ministry of Government and Consumer Services ("Ministry") under Corporations Act, Business Names Act, Corporations Act, Corporations Information Act, Extra-Provincial Corporations Act, Limited Partnerships Act and Not-for-Profit Corporations Act, 2010.

Agreement to these Terms and Conditions by the following persons and entities is a mandatory condition of filing: (i) the person otherwise authorizing the filing and any person(s) acting on their behalf (collectively, the "authorizers"); and (ii) the corporation or entity that is the subject of the filing (the "entity") and any person(s) acting on behalf of the entity

These Terms and Conditions are made under the authority of the requirements established by the Director or Registrar appointed under the applicable Act. These Terms and Conditions are in addition to and subject to the applicable Acts, regulations and requirements or Registrar.

By proceeding with this filing under any of the above-named Acts, the authorizer(s), the entity and any person(s) acting on behalf of the entity accept and agree to be bound by these Terms and Conditions.

1. The sole responsibility for correctness and completeness of the filing, and for compliance with the applicable Act and all regulations, the Director's or Registrar's requirements made under it, lies with the authorizer(s) and the entity. The authorizer(s), the entity and any person(s) acting on behalf of the entity agree that any information provided by the Ministry in or related to the making of a filing is not legal advice and that they have obtained their own legal or other advice as appropriate.

2. All filings must meet any signature or authorization requirements established by the Director or Registrar under the applicable Act. If the applicable Act requires signatures, signatures are required for electronic filing, the applicable articles, application, declaration, other approved form or other document saved or printed and signed in accordance with the instructions provided. The entity must keep a properly executed version of the document in paper or electronic format, together with any records that may exist related to an electronic signature, if signed by electronic signature, as follows: If the subject of a filing is a corporation, the corporation must keep these documents and records at its registered office. If the subject of the filing is an Ontario limited partnership, the limited partnership must keep these documents and records at its principal place of business in Ontario. If the subject of the filing is an extra-provincial limited partnership that does not have its principal place of business in Ontario, the extra-provincial limited partnership must keep these documents and records at the address of the limited partnership's attorney and representative in Ontario set out in the declaration filed under the Limited Partnerships Act or the power of attorney executed under the Act. If required by notice from the Director or Registrar, the corporation, limited partnership, attorney and representative in Ontario or other person as applicable must provide a copy of the properly executed version of the document to the Director or Registrar within the time period set out in the notice, together with any records that may exist related to an electronic signature, if signed by electronic signature.

3. In addition to retaining and filing supporting documents in accordance with the applicable Act and regulations, the entity must maintain a list of all filed supporting documents and provide a copy in accordance with any written notice from the Director or Registrar. In the case of consent from a Minister or the Public Guardian and Trustee (PGT) that is required to support a filing made by a corporation, the entity agrees that the Ministry may contact that Minister or the PGT, as applicable, to confirm that the necessary consent has been obtained and record this in the electronic business registration system maintained by the Ministry.

4. The entity assumes full responsibility for any risk of confusion or legal action, including the risk of a lawsuit or name hearing under the applicable Act, resulting from a filing that sets out a name that is the same or similar to that of an existing corporation, business name, trademark, or that is otherwise contrary to the applicable Act or regulations.

5. Filings must be made in the required form and format, and must meet the technical requirements or other specifications and standards established by the Director or Registrar.

6. Valid email address(es) must be provided as specified in the transaction for administrative purposes, and all mandatory fields must be completed.

7. The business information provided in this filing may be shared with other government bodies. The business information that is shared may be used and disclosed for the purpose of administering their programs.

8. Payment of the required fee must be made at the time of submission, and any certificate or other documentation issued by the Registrar is subject to compliance action and cancellation if payment is disputed or fraudulent. Payment of fees for electronic filings must be made electronically using the payment options provided.

9. If an application is for a corrected certificate, and the application is approved under the applicable Act, the corporation or limited partnership as applicable will be notified when the certificate has been issued. The corporation or limited partnership, as applicable, must review the issued corrected certificate in the records maintained by the Ministry forthwith and to confirm that the issued certificate corresponds with the final approved application for correction. The corporation or limited partnership, as applicable, agrees to maintain and assume all liability for any discrepancies between the issued corrected certificate and the final approved application if these are immediately brought to the attention of the Ministry.

10. If this is a new filing, a company key consisting of a unique series of digits will be provided electronically by the Ministry to the entity at the time of completion of the transaction, together with the final documentation for the transaction. If this is not a new filing, the entity must have received a company key. The company key provides authority over the entity; by proceeding with this transaction, any person(s) acting on behalf of the entity is confirming that they are duly authorized by the entity.

11. The company key will be required for any subsequent paper or online filings regarding the entity. The entity is responsible for the control of the company key. The entity is responsible for treating this key as confidential information and not sharing it unless in the course of providing delegated authority to a trusted service provider or trusted intermediary to make filings on their behalf. The entity agrees to notify the Ministry as soon as they become aware that the key has been lost, stolen or misused to request a replacement key. The entity agrees to be responsible and assume all liability for all filings authorized by the key in respect of the unauthorized use of the company key or delegated authority may result in suspension of access to the electronic business registration system.

12. The Ministry may take appropriate compliance action at any time if it comes to the attention of the Ministry that a filing does not comply with the applicable Act, regulations or the requirements of the Director or Registrar.

13. The Acts set out penalties, including fines, for submitting false or misleading information.

14. The corporation agrees to file restated articles at any time required by the Director under the Business Corporations Act or the Corporations Act, 2010.

15. Where a filing under the Business Corporations Act, Extra-Provincial Corporations Act or Not-for-Profit Corporations Act, 2009 is supported by an Ontario biased or weighted Nuans search report, and the identifying information is provided, the authorizer(s) of the report, the Director appointed under the Act or other person delegated by the Director to retrieve the Nuans report directly from the appropriate department of the Government of Canada. The corporation agrees to keep a copy of the Nuans report in electronic or paper form at the corporation's registered office.

16. A corporation under the Business Corporations Act or Not-for-Profit Corporations Act, 2010 that continues out of Ontario agrees to provide with the Ministry a copy of the instrument of continuance issued to it by the other jurisdiction within 60 days after the date of issuance.

17. If this is a filing made in respect of an arrangement under the Business Corporations Act or Not-for-Profit Corporations Act, 2009, the corporation acknowledges that it must give the Director notice of the application to the court and that the Director is entitled to appear and be heard in person or by counsel. The corporation agrees to submit the required notice and a draft copy of the Plan of Arrangement under the applicable Act for review through the electronic system maintained by the Ministry at least seven business days before the interim and/or final order with the court. The corporation agrees to make changes required by the Director to ensure that the Plan of Arrangement complies with the applicable Act and Ministry requirements, and is capable of being implemented in the electronic system maintained by the Ministry under the applicable Act. The corporation agrees that if the Ministry does not receive a draft of the application or sufficient notice of the application, additional time may be required for review. The corporation acknowledges that the Ministry may seek an adjournment if the corporation fails to provide a draft of the application or sufficient notice of the application. The corporation agrees that if it obtains a court order without providing the required notice of the application to the Ministry, revisions may be required to any Plan of Arrangement and a further court order may be required before the articles of arrangement are endorsed.

I, MAJID SARKAR TAVAKOLI, have reviewed and accepted these Terms and Conditions set herein and the accuracy of the information submitted.

CAUTION - The Act sets out penalties, including fines, for submitting false or misleading information.

----- END OF REPORT -----



Ministry of Government and
Consumer Services

Profile Report

TERRABONA CACOELI 7115 YONGE LTD. as of November 14, 2022

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	TERRABONA CACOELI 7115 YONGE LTD.
Ontario Corporation Number (OCN)	2799940
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 14, 2020
Registered or Head Office Address	1899 Leslie Street, Toronto, Ontario, Canada, M3B 2M3

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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

Active Director(s)

Minimum Number of Directors 3
Maximum Number of Directors 10

Name Jedidiah Kit Wah LIU
Address for Service 4936 Yonge Street, 249, Toronto, Ontario, Canada, M2N 6S3
Resident Canadian Yes
Date Began December 14, 2020

Name Majid SARKAR TAVAKOLI
Address for Service 1899 Leslie Street, Toronto, Ontario, Canada, M3B 2M3
Resident Canadian Yes
Date Began December 14, 2020

Name Kasey Ho-Cheung WONG
Address for Service 4936 Yonge Street, 249, Toronto, Ontario, Canada, M2N 6S3
Resident Canadian Yes
Date Began December 14, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

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Active Officer(s)

Name	Jedidiah Kit Wah LIU
Position	President
Address for Service	4936 Yonge Street, 249, Toronto, Ontario, Canada, M2N 6S3
Date Began	December 14, 2020

Name	Majid SARKAR TAVAKOLI
Position	Treasurer
Address for Service	1899 Leslie Street, Toronto, Ontario, Canada, M3B 2M3
Date Began	December 14, 2020

Name	Kasey Ho-Cheung WONG
Position	Secretary
Address for Service	4936 Yonge Street, 249, Toronto, Ontario, Canada, M2N 6S3
Date Began	December 14, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Corporate Name History

Name

Effective Date

TERRABONA CACOELI 7115 YONGE LTD.

December 14, 2020

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Active Business Names

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

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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Expired or Cancelled Business Names

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

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
CIA - Initial Return PAF: ALI BANIASADI - OTHER	January 20, 2021
BCA - Articles of Incorporation	December 14, 2020

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

Certified a true copy of the record of the Ministry of Government and Consumer Services.

V. Quintanilla W.

Director/Registrar

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This is Exhibit "C" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

COMMITMENT LETTER

October 17, 2022

Terrabona Developments Ltd
c/o Majid Tavakoli
1899 Leslie Street, Toronto, ON, M3B2M3

Dear Majid

Re: 7115 Yonge Street & 8-14 Grandview Avenue, Thornhill, Ontario (0.95 acres)
Our Ref: 22-45

We are pleased to submit our agreement to provide mortgage financing for the Property (as defined below), subject to receipt and satisfactory review by Empirical Capital Corp. (the “**Lender**”) of all deliverables and information required herein and subject to the terms and conditions set out in this commitment letter (this “**Commitment**”).

TerraBona 7115 Yonge Ltd. (the “**Borrower**”), along with **Majid Tavakoli Holdings Ltd.** and **Majid Tavakoli** (collectively, the “**Guarantors**”) acknowledge and agree that the provisions of this Commitment shall constitute a binding and enforceable agreement among the Lender, the Borrower and the Guarantors (collectively, the “**Parties**”) made for valuable consideration, the receipt of which is hereby acknowledged by the Parties and shall be enforceable in accordance with terms hereinafter set out.

1. BORROWER

TerraBona 7115 Yonge Ltd.

2. GUARANTORS

The unlimited joint and several guarantee of **Majid Tavakoli Holdings Ltd.** and **Majid Tavakoli** for **100% of the Borrower’s indebtedness** to the Lender additionally secured by a priority-ranking General Security Agreement over each Guarantor’s assets.

3. SYNDICATOR & BROKERAGE

Empirical Capital Corp., a Licensed Brokerage, License #12903 through Empirical Capital Corp. Administrator License #12904 (the “**Brokerage**”)

4. LENDER

Empirical Capital Corp.

5. LOAN AMOUNT

\$31,000,000 (the “**Loan**”)

Brokerage License #12903 ~ Admin License #12904
4950 Yonge Street, Suite 1706, Toronto, ON M2N 6K1
T 416-840-6896

6. PROPERTY**7115 Yonge Street & 8-14 Grandview Avenue, Thornhill, Ontario (the “Property”)**

- The Property is 0.95 acres and is located on Yonge Street, north of Steeles Avenue East.
- The Property currently consists of vacant land and four detached homes.
- The proposed development is a 36-storey condominium with 443 units and 421,000 SF of GFA (the “Project”).
- An Official Plan Amendment (OPA) and Zoning By-law Amendment (ZBA) will be required to permit the Project.

7. PURPOSE OF THE LOAN & REPAYMENT

The Borrower shall use the Loan to refinance the Property in accordance with the Sources and Uses table below.

<u>Sources of Funds</u>		<u>Uses of Funds</u>	
The Loan	\$31,000,000	Repay Existing Mortgages ¹	\$20,088,261
Additional Cash Equity	3,318,807	Partner Buyout	7,361,468
		Interest Reserve ²	5,231,250
		Lender Fee	542,500
		Broker Fee	280,000
		Soft Cost Reserve ³	300,000
		Land Transfer Tax	475,328
		Legal Costs and Due Diligence	40,000
Total	\$34,318,807	Total	\$34,318,807

Note 1: \$15,777,261 is owing to Forgestone Capital (net of the remaining interest reserve) and \$4,311,000 is owing to MarshallZehr Group. Subject to change upon receipt of discharge statements.

Note 2: Representing 18 months of interest payments at 11.25%. The interest rate represents a 1.00% ‘buffer’ as compared to today’s indicative all-in rate. There may be a further deduction of interest from the Loan advance on closing to cover the period between the Closing Date and the Lender’s interest adjustment date of the 2nd of the month.

Note 3: To be deposited into ECC’s Trust account exclusively for site-specific costs, to be released in accordance with the conditions as outlined in Section 26. (d).

The Loan will be repaid from the proceeds of the sale or refinancing of the Property.

8. COMMITMENT EXPIRY

October 31, 2022. At the option of the Lender, this Commitment and the Loan may be cancelled if the representations of the Borrower and/or the Guarantors (collectively, the “Obligors”) are found to be materially inaccurate, and/or if title to the Property is not satisfactory to the Lender, in its sole discretion.

9. LOAN PRIORITY

Except as otherwise expressly provided herein, the Security (as defined below) shall rank in *1st* priority to or in respect of the interests of the Obligors, as against all other mortgagees and all other persons who have an interest in the Property.

10. CLOSING DATE

The date of the initial advance of the Loan to the Borrower shall be no later than **November 21st, 2022** (the “**Closing Date**”), as confirmed by the Borrower and/or its solicitors or as such date may be extended by the Lender, from time to time, in its sole discretion. The Borrower hereby acknowledges and agrees that interest on the Loan shall begin to accrue at the Interest Rate (as defined below) as of the Closing Date, notwithstanding whether or not funds have been advanced to the Borrower on such date through no fault of the Lender.

11. TERM & MATURITY

The term of the Loan (the “**Term**”) shall be for a period of **19 months** immediately following the interest adjustment date (the “**IAD**”). The IAD shall be the second (2nd) day of the month immediately following the Closing Date. The Loan and all the applicable outstanding interest and fees due thereon shall become due in full on **July 2nd, 2024** (the “**Maturity Date**”).

12. INTEREST

During the first 18 months of the Term, the interest rate (the “**Interest Rate**”) shall be payable at a rate equal to the greater of:

- (a) **10.25%** per annum; and
- (b) the Royal Bank of Canada posted bank prime rate of interest then effect from time to time (the “**RBC Prime Rate**”) plus **4.80%** per annum.

The Interest Rate shall increase during the 19th month of the Term (the “**Wrap Up Rate**”) and shall be payable at a rate equal to the greater of:

- (a) **14.75%** per annum; and
- (b) the RBC Prime Rate plus **9.30%** per annum.

13. AMORTIZATION

Nil. Interest only payments.

14. LOAN FEES AND DISBURSEMENTS

- (a) The Borrower shall pay to the Lender a fee of **1.75% or \$542,500** (the “**Commitment Fee**”), which will be paid by the Borrower to the Lender as follows:
 - (i) **\$75,000** (the “**Earnest Fee**”) (the Lender acknowledges being in receipt of **\$25,000 of the Earnest Fee**) payable upon acceptance by the Borrower of this Commitment), subject to subparagraphs (b) to (d) below; and
 - (ii) the balance of the Commitment Fee, deducted from the loan advance on the Closing Date.
- (b) If the Loan is not completed through no fault of the Lender, the Borrower shall pay all legal fees and disbursements of the Lender’s solicitors in respect thereof. The Lender’s legal fees are estimated to be **\$25,000**, exclusive of HST and disbursements.
- (c) The Borrower shall pay, in addition to all other fees and costs described in this Commitment, the reasonable typical incidental fees that the Lender may charge from time to time during the term of the Loan in accordance with Schedule “A” attached hereto.
- (d) If the Loan is not repaid in full on or before the Maturity Date or not extended or renewed by the Lender, the Borrower shall pay to the Lender, in addition to all other rates, fees and costs, an overholding fee of 0.25% per month calculated on the principal amount then outstanding on the first business day of each month falling after the Maturity Date (the “**Overholding Fee**”). Such Overholding Fee will not constitute an extension or renewal of the Loan and the Lender may exercise all its rights and remedies notwithstanding the Overholding Fee.

15. COMMITMENT FEE DEEMED EARNED

The Borrower hereby acknowledges and agrees that the Commitment Fee is non-refundable and deemed to be earned by the Lender as compensation for the time, effort and expense incurred by the Lender in performing the due diligence required to prepare and approve this Commitment and the Loan. Provided that notwithstanding the foregoing and/or anything contained herein to the contrary, in the event that upon the Lender’s initial review of the information submitted by the Borrower to the Lender (the “**Initial Deliveries**”), the Lender determines, in its sole discretion, that the Initial Deliveries are materially different than that originally represented to the Lender by the Borrower, the Lender shall return the Earnest Fee to the Borrower less any disbursements incurred by the Lender in connection with such review aforesaid and: (i) the Borrower shall have no obligation to pay the balance of the Commitment Fee to the Lender; and (ii) this Commitment shall be deemed to be terminated and of no further force or effect on the Parties.

16. ADVANCES

On the Closing Date, the Loan will be advanced to the Borrower as follows:

- (a) The balance of the Commitment Fee shall be paid to the Lender.

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- (b) An estimated amount of **\$15,000** shall be paid to the Lender in respect of due diligence expenses incurred in connection with the Loan.
- (c) An amount equal to **\$300,000** shall be retained by the Lender on account of a soft cost reserve exclusively for site specific costs (the “**Soft Cost Reserve**”):

The Borrower acknowledges that the Soft Cost Reserve will be advanced on the Closing Date as principal and will bear interest at the Interest Rate. The Soft Cost Reserve, together with any interest earned, as applicable, will be pledged by the Borrower to the Lender as security for the Loan. In the event of default, the Lender may utilize and apply, in its sole discretion, all or any part of the Soft Cost Reserve for payment of any principal, interest, fees, costs or other amounts payable under the Loan Documents (as defined below).

- (d) An amount equal to the interest owed from the Closing Date to Lender’s IAD being the 2nd of the month following closing shall be deducted from the proceeds.
- (e) An amount equal to **\$5,231,250** shall be retained by the Lender on account of an interest reserve that will be used to fund monthly interest payments for the **first 18 months** of the Term (the “**Interest Reserve**”):

The Borrower acknowledges that the Interest Reserve will be advanced on the Closing Date as principal and will bear interest at the Interest Rate. The Interest Reserve, together with any interest earned, as applicable, will be pledged by the Borrower to the Lender as security for the Loan. In the event of default, the Lender may utilize and apply, in its sole discretion, all or any part of the Interest Reserve for payment of any principal, interest, fees, costs or other amounts payable under the Loan Documents (as defined below).

- (f) Partner Buyout to be paid on Closing. Borrower’s legal counsel to hold proceeds in escrow, not to be released until all conditions as outlined in the respective Agreements of Purchase and Sale for each of the parcels that comprise the Property, dated September 28, 2022, have been satisfied.
- (g) The Lender’s legal fees and disbursements to the Lender’s solicitors.
- (h) The balance of the Loan shall be payable to the Borrower’s solicitors’ trust account subject to and in accordance with the provisions of this Commitment.

17. PREPAYMENT

The Loan is closed for prepayment for the first 6 months of the Term and open thereafter on payment of 1 month’s interest payment as a bonus.

If the Borrower elects to prepay the Loan prior to the Maturity Date subject to and in accordance with the provisions of this section, the Borrower must indicate the date of repayment with 30 days’ notice to the Lender (the “**New Maturity Date**”). If the Borrower fails to repay the Loan on the New Maturity Date, then the Loan shall be due and payable immediately and the Interest Rate charged thereon shall be set at the Wrap Up Rate with three (3) months’ interest immediately due and payable by the Borrower to the Lender pursuant to the Mortgages Act (Ontario).

18. PARTIAL DISCHARGES

There will be no Partial Discharges under the Loan.

19. SECURITY

The Loan and all amounts owing under and in connection with the Loan shall be secured by the following security (the “**Security**”), together with any documents in form and substance satisfactory to the Lender and its solicitors (collectively, the “**Loan Documents**”):

- (a) a first mortgage on the land and buildings municipally known as 7115 Yonge Street and 8, 10, 12, and 14 Grandview Avenue, Thornhill, Ontario in the principal amount of **\$31,000,000** at a face interest rate being the **greater of 10.25% or the Royal Bank of Canada posted bank prime rate of interest then in effect from time to time (the “RBC Prime Rate”) plus 4.80% per annum;**
- (b) a 1st in priority general assignment of rents agreement granted by the Borrower in favour of the Lender, notice of which shall be registered against title to the Property;
- (c) a general security agreement granted by the Borrower in favour of the Lender providing a 1st ranking security interest registered under the PPSA against all of the Borrower’s present and future assets, property and undertaking;
- (d) an unlimited guarantee and postponement of claim granted by the Guarantors of all debts, liabilities and obligations owing by the Borrower to the Lender under this Commitment, the Security and the Loan Documents. This guarantee and postponement of claim is in addition to the Guarantors obligation’s under the environmental indemnity;
- (e) a 1st in priority general security agreement granted by Majid Tavakoli Holdings Ltd. in favour of the Lender providing a security interest registered under the PPSA against the Guarantor’s respective present and future assets, property and undertaking;
- (f) a 1st in priority general security agreement granted by Majid Tavakoli in favour of the Lender providing a security interest registered under the PPSA against the Guarantor’s respective present and future assets, property and undertaking;
- (g) a postponement of all loans including all shareholder, related party and affiliated entity loans to the Borrower;
- (h) a covenant by the Obligors not to permit any withdrawal of shareholder equity or make any distributions of any kind (including but not limited to dividends, loans, interest on shareholders loans if any, or development management fees payable to or from the Borrower, the Guarantors or any affiliated entities);
- (i) an assignment of all municipal approvals & agreements, construction contracts, letters of credit, and architectural & mechanical drawings of the Property and the Project;
- (j) an assignment of all municipal deposits, levies, and fees, from time to time, in connection with the Project;

- (k) an assignment of all letters of credit and other deposits made with the governmental authorities, from time to time, in connection with the Project;
- (l) an assignment of the Interest Reserve;
- (m) an assignment of the Soft Cost Reserve;
- (n) an undertaking from the Borrower that the Interest Reserve will be topped up to cover any Interest Reserve shortfalls, as determined and directed by the Lender in its sole discretion;
- (o) an assignment of third-party liability insurance policy in an amount not less than \$5,000,000, per occurrence, naming the Lender as additional insured;
- (p) an environmental indemnity, provided by the Obligors;
- (q) a trustee and beneficial owner agreement and charge of interest from the Borrower, as nominee and bare trustee, and Majid Tavakoli Holdings Ltd., as beneficial owner of the Property;
- (r) the Borrower's solicitors' corporate letter of opinion in respect of the Obligors, including without limitation, an opinion as to the enforceability of the Security and the Loan Documents;
- (s) a title insurance policy satisfactory to the Lender and its solicitors;
- (t) a notice, registered on title to the Property pursuant to Section 118 of the Land Titles Act (Ontario), restricting the Borrower from further charging the Property without the prior written consent of the Lender; and
- (u) any other security documents, assignments, acknowledgements, directions, undertakings or assurances relating to the Property, the Borrower and/or the Guarantor as the Lender, or its solicitors, may require from time to time.

20. PRE-FUNDING DELIVERABLES

The obligation of the Lender to advance the Loan on the Closing Date is subject to the prior fulfilment, in form and substance satisfactory to the Lender, or waiver at the Lender's sole discretion, whether in whole or in part and whether subject to conditions or unconditional, of the following conditions precedent, each of which must be delivered or fulfilled at least three (3) business days prior to the Closing Date:

- (a) a duly executed copy of this Commitment;
- (b) duly executed copies of the Loan Documents, registered where required;
- (c) receipt and satisfactory review by the Lender, of the current and previous year's accountant's reviewed financial statements of the Borrower;

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- (d) receipt and satisfactory review, by the Lender, of a current, signed and dated personal net-worth statement of Majid Tavakoli including documentation to support all significant asset and liability carrying values; **(the Lender acknowledges that this condition has been satisfied)**
 - (e) receipt and satisfactory review by the Lender, of the current and previous year's accountant's reviewed financial statements of Majid Tavakoli Holdings Ltd.;
 - (f) a personal background check, using the services of Sterling BackCheck will be conducted by the Lender. In addition, a credit check on the Guarantors will be performed. Any credit checks and personal background checks are consented to by the Borrower and the Guarantors. The cost of these reviews shall be borne by the Borrower; **(the Lender acknowledges that this condition has been satisfied)**
 - (g) receipt of 2021 Notice of Assessment for Majid Tavakoli and confirmation of no personal tax arrears; **(the Lender acknowledges that this condition has been satisfied)**
 - (h) receipt of write-up outlining the Borrower's real estate development experience that includes addresses, description of each project, original purchase prices, sale prices (if applicable), and overall involvement in each project; **(the Lender acknowledges that this condition has been satisfied)**
 - (i) the Borrower shall open and operate a segregated bank account for the Property and the Project and all funds, receipts and payments in respect of the Property and the Project shall be deposited into and disbursed from that account (the "**Project Bank Account**");
 - (j) receipt of the Articles of Incorporation of each of the Borrower and Majid Tavakoli Holdings Ltd., the corporate minute book registers setting out the officers, directors and shareholders of each of the Borrower and Majid Tavakoli Holdings Ltd.;
 - (k) receipt of all required identification and other due diligence materials required with respect to the Borrower and the Guarantors to allow the Lender to comply with its obligations under all applicable anti-money laundering and anti-terrorism laws and regulations to which the Lender may be subject, including, without limitation the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* ("**PCMLTFA**");
 - (l) confirmation that all beneficiaries of the Partner Buyout are third-party, arms-length entities relative to Majid Tavakoli. This confirmation can come in the form of a signed and notarized declaration from the Borrower or a letter from the Borrower's solicitor;
 - (m) receipt and satisfactory review by the Lender of current Phase I and Phase II (if necessary) environmental and geotechnical reports not more than 1 year old for the Property, prepared by consultants acceptable to the Lender with reliance letters stating that the Lender may rely on such reports; **(the Lender acknowledges that this condition has been satisfied)**

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- (n) receipt and satisfactory review by the Lender of a current appraisal report for the Property not more than 6 months old, accompanied by a reliance letter stating that the Lender may rely on the report; **(the Lender acknowledges that this condition has been satisfied)**
 - (o) a satisfactory site inspection conducted by a representative of the Lender; **(the Lender acknowledges that this condition has been satisfied)**
 - (p) receipt, by the Lender, of an overview and assessment report from the Borrower's planning consultant that the Project is permitted under current zoning by-laws or can be developed with reasonable effort and within a reasonable time frame; **(the Lender acknowledges that this condition has been satisfied)**
 - (q) confirmation that the Property's municipal taxes are current and paid to date;
 - (r) receipt and satisfactory review by the Lender of a budget of soft cost expenses required to be incurred over the Term of the Loan in order for the Borrower to complete the Official Plan and Zoning By-law Amendment applications for the Project (the "Soft Cost Budget"). The Soft Cost Budget shall not include non-arm's length expenses including but not limited to management fees, development fees, salaries, bonuses, rent, etc. **(the Lender acknowledges that this condition has been satisfied)**
 - (s) site survey for the Property; **(the Lender acknowledges that this condition has been satisfied)**
 - (t) ownership chart that includes the beneficial owners who directly or indirectly own or control ten (10%) or more of the Borrower and Majid Tavakoli Holdings Ltd.; **(the Lender acknowledges that this condition has been satisfied)**
 - (u) copies of final and executed Agreements of Purchase and Sale for all properties forming the Security, as well as all amendments thereto; **(the Lender acknowledges that this condition has been satisfied)**
 - (v) evidence of cash flow/liquidity to service the debt over and above the interest reserve and to pay for any pre-development soft costs (financial statements, bank statements, etc.); **(the Lender acknowledges that this condition has been satisfied)**
 - (w) confirmation by way of financial statements, that the Obligors have invested a minimum of \$3,500,000 of cash equity to date in the Project; **(the Lender acknowledges that this condition has been satisfied)**
 - (x) receipt and satisfactory review by the Lender of a schedule outlining the timing of payments of outstanding Development Management Fees/Accounts Receivables amounting to \$12,125,900 (invoiced) and \$9,863,900 (not yet invoiced). **(the Lender acknowledges that this condition has been satisfied)**
 - (y) confirmation prior to the Loan advance, that the Obligors have injected the Additional Cash Equity as outlined in the Sources-Uses Table in Section 7 of this Commitment;

- (z) delivery by the Lender to the Borrower of the Waiver of Conditions (as defined below);
- (aa) confirmation that the Lender has successfully syndicated the Loan; and
- (bb) any other documents that the Lender may so require, in its sole and unfettered discretion.

21. SATISFACTION OR WAIVER OF CONDITIONS

In addition to any other conditions set out in this Commitment, the Security and the Loan Documents, the Lender's obligation to advance the Loan to the Borrower is subject to the review and satisfaction by the Lender, in its sole discretion, of the Borrower's deliverables and conditions set out in this Commitment, including without limitation, the conditions set out in Section 20 hereof. Any such approval by the Lender shall be delivered to the Borrower in writing, prior to the Closing Date (the "Waiver of Conditions"). For greater clarity, it is acknowledged and agreed that the Lender has no obligation to issue a Waiver of Conditions and may terminate this Commitment in the event that it determines, in its sole discretion, that it is not satisfied with the (i) value and/or marketability of the Property, including, without limitation, the physical, environmental, or financial condition of the Property, (ii) Project or any project agreement, (iii) ranking of Security, or (iv) Borrower or the Guarantors, or their respective abilities to perform their obligations under any of the Security or the Loan Documents. In the event that the Lender terminates this Commitment prior to the Closing Date, it shall return the Earnest Fee and any portion of the Commitment Fee paid by the Borrower to the Lender, less any out-of-pocket costs and expenses incurred up to such termination date, including without limitation, any legal fees, HST and disbursements incurred by the Lender's solicitors.

22. SYNDICATION

The Lender reserves the right to syndicate an interest in this Loan to one or more co-lenders who may or may not be related to the Lender herein, in an amount to be determined by the Lender, in its sole discretion, and subject to terms satisfactory to the Lender, failing which this Commitment will be cancelled and the Earnest Fee refunded less any disbursement incurred by the Lender. The Obligors consent to the disclosure by the Lender to any such prospective participant or co-lender of all information and documents regarding the Loan and the Obligors within the possession or control of the Lender.

For greater clarity, the Lender is syndicating a significant portion of the Loan to Home Trust Company. The Lender has no influence over Home Trust Company's willingness to participate in this syndication. In the event that Home Trust Company does wish to participate in the Loan, The Lender has limited ability to influence the terms on which Home Trust Company would participate.

23. FURTHER FINANCING

Provided that the Borrower is not then in default of this Commitment and/or the Security, the Borrower shall be permitted to register a charge/mortgage, which shall be subject to market terms for comparable security, on title to the Property in second priority to the Security provided that same is fully subordinated to the Loan and the second mortgagee concurrently executes a subordination and standstill agreement (providing for a 60-day standstill by such mortgagee) in

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favour of the Lender, which agreement shall otherwise be on the terms and conditions satisfactory to it, acting reasonably.

24. PERMITTED ENCUMBRANCES

Provided that the Borrower is not then in default of this Commitment and/or the Security, and upon the prior review and approval of the Lender, acting reasonably, the Borrower may at any time and from time to time enter into, and register against title to the Property, any instrument or agreement made pursuant to applicable planning and development legislation or municipal agreements (i.e. Section 37 requirements) and enter into, and register against title to the Property, with or make in favour of any governmental authority, or public or private utility, relating to the development, construction and operation of the Project. The Borrower shall be responsible for all reasonable costs and fees, including without limitation legal fees, of the Lender in connection with its review of any such instruments or agreements aforesaid.

25. FURNISHING OF INFORMATION

Until repayment of the Loan in full, the Borrower shall provide the Lender with such updated information relating to the Property or the Project or condition precedent requirements as the Lender may request from time to time. Such information shall be provided to the Lender within fourteen (14) days from the date of the Lender's request.

Until repayment of the Loan, the Borrower shall provide the Lender, within one hundred and twenty (120) days after the end of their fiscal year, or within one hundred and twenty (120) days after the end of each calendar year, as applicable, with the following:

- (a) at minimum, Notice to Reader financial statements of the Borrower including a balance sheet and supporting schedules, a detailed statement of income and expenses and supporting schedules; and
- (b) updated net worth statement for the Guarantors.

26. GENERAL CONDITIONS

- (a) The Borrower shall comply with all applicable federal, provincial and municipal laws, statutes, regulations, rules, by-laws, orders, permits, licenses, authorizations, and approvals at all times, including without limitation, the provisions of the *Construction Act* (Ontario).
- (b) The Borrower shall not lease any part of the Property without the prior written approval of a tenant provided by the Lender. The Lender may require, in its sole discretion, a statutory declaration of the intended use of the Property to be executed by any tenant.
- (c) The Borrower shall not deposit or disburse any funds from the Project Bank Account for other projects, properties and/or entities related to the Borrower and/or Guarantors or any other purpose.
- (d) The Borrower has provided the Lender with a Soft Cost Budget dated September 21, 2022 which identified \$416,000 of soft cost expenses which are required in order for the

Borrower to complete the Official Plan and Zoning By-law Amendments required to support the Project.

The Lender shall only make funds available from the Soft Cost Reserve upon receipt of qualified third-party site-specific invoices which shall not include management fees of any kind, salaries, rent, etc. The Lender is solely responsible for determining which soft costs qualify for inclusion in the Soft Cost Reserve.

- (e) The Borrower shall not incur, assume or permit any financial debt except for the Loan without the prior written consent of the Lender save and except in respect of any such financial debts incurred by the Borrower in its ordinary course of business in connection with the development of the Project. The Borrower shall not enter into any agreement or arrangement to guarantee or, in any way or under any condition, become obligated for all or any part of any financial obligations of another person.
- (f) The Borrower shall disclose to the Lender all existing or proposed financial obligations related to the Property, the Project and the Security and shall not pledge or otherwise encumber its interest in the Property, the Project or the Security to any other party, other than the Lender, without the prior written consent of the Lender.
- (g) The Borrower shall not make any distributions of any kind, including without limitation, dividends, payment of principal or interest of any shareholder loans, or management fees, to any shareholders, directors, officers or any related entities.
- (h) In the event of the Borrower failing to pay any amount when due, or being in breach of any covenant, term or condition under this Commitment, the Security or any Loan Document, or if any representation made by the Borrower or the Guarantors or any information provided by the Borrower or the Guarantors or its agents or representatives to the Lender is found to be untrue or incorrect, the Lender may declare the Loan and any applicable amounts under this Commitment, the Security or the Loan Documents due and payable, cease or delay further funding or exercise any and/or all remedies available to it at law or in equity.
- (i) In the event that the Lender or its agents takes possession of the Property as a result of default by either of the Obligors under this Commitment or the Loan Documents, or in the event that the Lender or its agents commence power of sale proceedings, or if a receiver is appointed, the Lender shall charge the Borrower a management fee of two point five percent (2.5%) of the outstanding mortgage principal plus applicable taxes per annum as compensation for its time and the Borrower agrees that such a fee will not be punitive.
- (j) The Borrower and all of its tenants, invitees and other occupiers of the Property shall operate and use the Property in accordance with all applicable laws.
- (k) The Borrower shall permit the Lender or its agents to inspect the Property at any time on reasonable notice by the Lender.
- (l) The Obligors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal, or unenforceable, in any respect, such

invalidity, illegality, or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment, and this Commitment will be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

- (m) The Obligors shall jointly and severally indemnify and save harmless, the Lender, its officers, agents, trustees, employees, contractors, licensees, or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature, whatsoever, arising out of the provisions of this Commitment, any of the Loan Documents, any letters of credit, letters of guarantee, sale or lease of the Property in connection with the Project and/or the use or occupation of the Property, including, without limitation, those arising from the right to enter the Property, from time to time, and to carry out the various tests, inspections, and other activities permitted under this Commitment and in connection with any of the Loan Documents. The provisions of this paragraph will (i) be separate and distinct obligations of the Obligors, (ii) survive repayment of the Loan and satisfaction of other obligations under this Commitment, the Security and the Loan Documents, (iii) not be discharged or released by foreclosure by the Lender under the Loan Documents, and (iv) continue in effect after any transfer of the Property or in connection with the Project, including, without limitation, transfer pursuant to any judicial or non-judicial foreclosure or by any transfer in lieu of foreclosure.
- (n) In addition to any liability imposed on the Obligors under any instrument evidencing or securing the Loan, the Obligors shall be liable for any and all of the Lender's costs, expenses, damages, or liabilities, including, without limitation, all reasonable legal fees, directly, or indirectly arising out of, or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on the Property or in connection with the Project of any hazardous or noxious substances.
- (o) If the Borrower is a corporation, it shall not make any changes to its authorized capital or its allocation or ownership which would result in a change of voting control or beneficial ownership of the corporation, without the prior written consent of the Lender.
- (p) Any express or implicit waiver by the Lender of any breach or default by the Borrower under this Commitment or any of the Loan Documents shall not be construed as a waiver of any subsequent breach or default by the Borrower and any failure by the Lender to exercise any of its rights or remedies shall not be construed as a waiver thereof.
- (q) The Lender may provide a sign, at its cost, no greater than 6' x 8', advertising the fact that Project financing was provided by the Lender. The sign shall be erected, by the Lender, at its cost in a prominent location subject to and in accordance with all applicable municipal by-laws.
- (r) This Commitment, the Loan, the Security or any of the Loan Documents may be assigned, transferred or otherwise disposed of by the Lender in whole or in part to any third party without the consent of the Borrower.
- (s) The Borrower shall not assign, transfer or otherwise dispose of this Commitment, the Loan, the Security or any of the Loan Documents. It is agreed and understood that in the event of a sale, conveyance, lease or transfer the title of the Property to a purchaser, grantee,

transferee, lender, or lessee not approved in writing by the Lender, then at the option of the Lender, all monies secured under the mortgage with accrued interest shall forthwith become due and payable and the Obligor's liability hereunder shall remain in full force and effect until all monies owing to the Lender in connection with this indebtedness are paid in full.

- (t) Upon repayment of the Loan, if the Lender is in receipt of the funds due after 1:00 p.m. on any day, the Borrower agrees to pay interest up to and including, the next business day.
- (u) This Commitment will be read and construed in conjunction with the Loan Documents and in the event of any inconsistency between the terms of this Commitment and any of the Loan Documents, the provisions of this Commitment will prevail and the provisions of such Loan Documents will be deemed to be amended to the extent necessary to eliminate such inconsistency. The presence of additional rights and remedies in any of the Loan Documents from those provided for herein shall not be considered to be an inconsistency.

27. STATUS AND IDENTIFICATION OF THE BORROWER AND THE GUARANTORS

- (a) The Borrower shall deliver to the Lender certification from its solicitors that this Commitment, the Security and all of the Loan Documents have been executed on behalf of the Obligors, as applicable, by duly authorized signatories, the identity of which was verified by the solicitors of the Borrower.
- (b) Prior to the Closing Date, the Obligors shall deliver to the Lender clear and legible copies of two pieces of government issued identification for the purpose of compliance with the provisions of the PCMLTFA and regulations thereunder.

28. REPRESENTATIONS AND ACKNOWLEDGEMENTS

Each of the Obligors represents, warrants and acknowledges, as applicable, that as of the date of the acceptance of this Commitment and as of the Closing Date:

- (a) it has the power, capacity and authority to enter into this agreement and to perform and complete the transaction contemplated herein, all of which have been duly authorized, where required, by all necessary corporate action and that no consents are necessary;
- (b) it has not withheld and will not withhold any information of a material nature relating to the Property or the Project;
- (c) it has had an opportunity to consult its legal counsel, accountant and other financial advisors;
- (d) that there has been no material adverse change in the financial condition or operations, as reflected in the financial statements delivered to the Lender;
- (e) there are no pending adverse claims or judgements against them, the Project or the Property; and

- (f) it has been informed of and has considered risks related to the Loan, including, without limitation, that (i) the Lender is not an institutional lender, (ii) the terms and the Interest Rate in this Commitment may be higher and more onerous than that of institutional lenders, (iii) except as otherwise provided herein, the entire outstanding principal amount and accrued and unpaid interest, costs and fees will be due and payable in full on the Maturity Date, (iv) default under the Loan may result in risk to the equity of the Borrower, (v) each Guarantor may be called upon to repay the Loan in full and make good on the shortfalls required to fully repay the Loan, (vi) the Borrower's ability to service and refinance the Loan may be dependent upon factors outside the control of the Borrower, including without limitation, the impairment of the sources of cashflow, refusal of the Lender to extend or renew the Loan on or before the Maturity Date, the lack of other financing alternatives, or adverse market conditions, and (vii) in the event of default, the Lender may exercise any remedies available by law.

29. PRIVACY LEGISLATION AND POLICIES

- (a) The Lender and all its related or associated companies follow and comply with the *Personal Information Protection and Electronic Documents Act* (Canada) and the relevant Privacy Policy is attached hereto as Schedule "B".
- (b) The Obligors provided the Lender with certain personal and financial information. The Obligors consent to the Lender using the information so provided to ascertain the creditworthiness of the Obligors. The process of ascertaining creditworthiness may include, but is not limited to, obtaining credit reports, contacting the bank of the Obligors, verifying employment, and completing background, criminal and bankruptcy checks.
- (c) The funds advanced under the Loan will likely come from several private lenders who will each contribute a portion of this Loan. The *Mortgage Brokerages, Lenders and Administrators Act* (Ontario) requires that lenders have access to financial information about the Borrower's ability to meet mortgage payments. This information is provided in the required Investor/Lender Disclosure Statement for Brokered Transactions, which all participants in this Loan will receive.

30. GENERAL CONTRACT PROVISIONS

This Commitment constitutes the entire agreement between the Parties and there are no other representations, warranties, terms or conditions pertaining to this Commitment or the subject matter thereof. All schedules to this Commitment form a part thereof. No amendment or release of this Commitment shall be binding or enforceable unless it is in writing and duly executed by the Parties hereto. Time is and shall remain of the essence under this Commitment, provided that time for performing or completing any terms under this agreement may be extended by the Parties in writing. Nothing in this Commitment will be read or construed as creating the relationship of principal and agent, partnership, joint tenancy or joint venture between the Lender and the Borrower.

31. APPLICABLE LAW

This Commitment shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract. Each party hereto irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

32. DISCLOSURE REQUIREMENTS UNDER THE NEW MORTGAGE BROKERS, LENDERS AND ADMINISTRATOR'S ACT, BILL 65

- (a) The Brokerage and Mortgage Broker act for the Lender.
- (b) The cost of borrowing (the “**COB**”) and the actual percentage rate (the “**APR**”) will be disclosed in the Statement of Mortgage.
- (c) Notwithstanding provision (a) above, neither the Brokerage nor the Mortgage Broker is aware of any conflict of interest.
- (d) Risk factors, which the Brokerage/Mortgage Broker have identified as being associated with the Loan are noted below, and are not limited to the following:
 - (i) The Loan bears interest only. With the exception of permitted or required periodic principal repayments, the entire Loan principal as well as expenses, recoveries and unpaid interest, if any, will be due on the Maturity Date;
 - (ii) Default under any term of the Loan may result in the Borrower's equity being at risk;
 - (iii) The Guarantors may be called upon to repay the Loan in full and make good on shortfalls required to fully discharge the Loan;
 - (iv) The Borrower's ability to refinance the Loan is solely dependent upon external factors over which the Borrower has no control. This may include, but is not limited to, the Lender's refusal to renew the Loan on maturity, the lack of other refinancing alternatives and/or adverse market conditions. If the Borrower is unable to refinance the Loan, the Lender may exercise remedies accorded to it under the Security, the Loan Documents and other relevant statutes and acts; and
 - (v) The Borrower's ability to service the herein Loan may be dependent upon factors beyond the Borrower's control, such as the impairment of the sources of cash flow used to service the herein Loan. The inability to service the Loan may result in defaults under the term of the herein Loan, which may result in any one of the aforementioned consequences.

33. SURVIVAL

The terms and conditions of this Commitment shall survive the execution and registration of the Security and the Loan Documents and there shall be no merger of these provisions or conditions in the Loan Documents.

34. LENDER APPROVED SOLICITORS

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario, M2N 7E9
Attention: Robert A. Miller

E-Mail: robert@chaitons.com
Telephone: (416) 218-1134

If the terms and conditions of this Commitment are acceptable, please so indicate by signing this Commitment and returning it to the attention of the addressor by **October 31, 2022**.

Yours very truly,

EMPIRICAL CAPITAL CORP.



Per: _____

Name: David Strahl

Title: Principal Broker

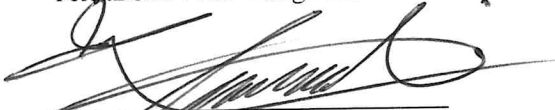
I have authority to bind the Corporation.

ACCEPTANCE OF COMMITMENT

ACCEPTED on the terms and conditions herein provided as of the 17th day of October, 2022.

BORROWER:

TerraBona 7115 Yonge Ltd.



Name: Majid S. Tavakoli

Title: A.S.O.

I have authority to bind the company.

GUARANTOR:



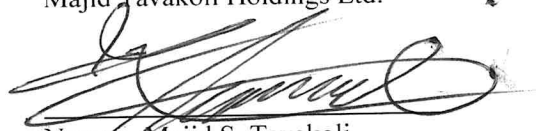
Majid S. Tavakoli

PER: 

WITNESS: Alfa Nurkanova

GUARANTOR:

Majid Tavakoli Holdings Ltd.



Name: Majid S. Tavakoli

Title: President

I have authority to bind the company.

SCHEDULE “A” – FEE SCHEDULE

ITEM	ESTIMATED FEE AMOUNT	COMMENT
Mortgage Statement	\$350 per Statement	<ul style="list-style-type: none"> For information purposes For audit verification
Approval of Subordinate Financing	\$350	<ul style="list-style-type: none"> Approval of subordinate financing
Mortgage Discharge Statement	\$350 per statement	<ul style="list-style-type: none"> Pay off and discharge mortgage
Expense Recovery re Credit Bureau & Due Diligence Report (Sterling BackCheck)	\$50 per credit report \$75- \$160 Sterling BackCheck report (per guarantor)	<ul style="list-style-type: none"> Deducted from first advance to reimburse lender for expenses incurred in ordering credit bureau and Sterling BackCheck investigations
Valuation Verification (RealNet)	\$250 per Loan	<ul style="list-style-type: none"> Valuation verification
Third Party Market Research	To be determined	<ul style="list-style-type: none"> Valuation verification
Expense Recovery re Site Inspections.	To be determined	<ul style="list-style-type: none"> Deducted from first advance to reimburse lender for all reasonable costs incurred as part of due diligence.
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> To confirm title (as required)
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$350 per occurrence	<ul style="list-style-type: none"> The borrower shall pay liquidated damages to cover the lender's administrative costs.
Insurance Coverage Change	\$350 per occurrence	<ul style="list-style-type: none"> Lapsed or cancelled insurance not reinstated or replaced by the Borrower. Lender shall have option to replace coverage without notice to the Borrower.
Property Insurance Review	\$500-\$750 (land only) \$1,000-\$1,500 (land and construction)	<ul style="list-style-type: none"> Peer review of insurance coverage by Intech Risk Management Quote available on request for land and construction review
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per report	<ul style="list-style-type: none"> Peer review of the Property for hazardous materials and contaminants.
Geotechnical Reports	\$500 - \$1,000 per report	<ul style="list-style-type: none"> Peer review of the Property for site suitability.
Cost Consultant	\$500 - \$1,000 per report	<ul style="list-style-type: none"> Peer review of construction budget, work in place and cost to complete
Planning Review	\$1,500 - \$3,000 per report	<ul style="list-style-type: none"> Peer review of planned development
Subsequent Advance Review (Hard & Soft Costs - ECC)	\$500-\$1,000	<ul style="list-style-type: none"> Deducted from the draw upon release of funds to the Borrower
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> For each collection letter written whether in connection with one default or more.

Default Administration	\$2,500 monthly \$5,000 monthly	<ul style="list-style-type: none">• 1st default that remains uncured for 14 days.• 2nd and subsequent default that remains uncured for 14 days.
Annual Review	\$500 per year	<ul style="list-style-type: none">• Confirmation of realty taxes• Confirmation of insurance coverage• Project monitoring
Bank Processing Fee	\$500	<ul style="list-style-type: none">• On repayment of Loans over \$2,000,000

SCHEDULE “B” – PRIVACY POLICY**Definitions**

“Act” Canada’s *Personal Information Protection and Electronic Documents Act*

“Borrower” A borrower is an individual or a corporation, which has entered into or is contemplating entering into an arrangement to borrow funds from Empirical in the form of a syndicated mortgage. A guarantor is considered to be a Borrower for the purposes of this document.

“Client” Any person or entity that has entered into, or is contemplating entering into, a business arrangement (i.e. borrowing, lending, leasing, etc.) with Empirical.

“Investor” An Investor is an individual or a corporation that lends money through an Empirical arranged mortgage to a Borrower.

“Personal Information”

Any information that distinctively refers to an individual Client, such as a name, address, birth date, sex, email address, Social Insurance Number, bank account information, etc.

“Empirical” Empirical Capital Corp. and all companies, which are affiliated, associated, or managed by them.

Empirical pledges to protect our Clients’ right to privacy under the Act. We will safeguard any Personal Information which we may have during the course of our business. Details about our policy and our Clients’ rights are outlined below:

Protection of Information

- 1 **EMPLOYEES** - All of Empirical’s employees are aware of the Act and have been given a copy of Empirical’s Privacy Policy. Each employee has signed an agreement to abide by the policies therein (see Appendix “A” for a copy of this agreement)
- 2 **ELECTRONIC** - Empirical uses electronic safeguards such as firewalls and security software to protect online Personal Information from hacking or unauthorized computer access. Additionally, all computer stations require a password to access them.
- 3 **PHYSICAL** – Empirical’s offices are secured and alarmed after hours. Hard-copy documents are filed away out of sight. Once business with a client is concluded and superfluous documents are no longer needed or required to be retained by government agencies such as the Canada Revenue Agency, they are destroyed by means of shredding.

Sharing of Information

There are times, during the course of business, where it may be necessary to share some of the Clients' Personal Information with third parties. This is particularly so where Clients apply for loans. Empirical's commitment letter alerts clients to the eventuality that some of the Clients' credit information may be shared with third parties. By signing and accepting Empirical's commitment letter, Clients consent to Empirical sharing credit information with third parties.

In some cases, Empirical may have to disclose some Clients' Personal Information to financial institutions, government agencies, legal and accounting professionals, or law enforcement agencies. **Empirical will cooperate and disclose such if required by law, and then only disclosing the information specifically requested and permitted by the Act.**

Notwithstanding the above, Clients' personal information will never be used nor sold for marketing or any other purpose.

Borrowers

Borrowers consent to Empirical's use of the personal information provided to ascertain creditworthiness as a Borrower and/or guarantor. This may include, but is not limited to, obtaining credit reports, contacting a bank, verifying employment, etc.

The funds advanced under this mortgage may be syndicated and come from a number of private lenders who will each contribute a portion of a loan. The Ontario government's *Mortgage Brokerages, Lenders and Administrators Act* (the "MBLA") requires that lenders have access to financial information about the Borrower's ability to meet mortgage payments. This information is provided in the required Investor/Lender Disclosure Statement for Brokered Transactions which all lenders in this loan will receive. All of our investors/lenders have been made aware of the Act and will have signed a document agreeing to be bound by the Act and to keep any Borrower's personal information in strict confidence.

Investors

Investors who participate in Empirical's loans will have access to certain financial information about the Borrower as required by the MBLA. All investors have agreed to fully abide by the Act by signing a document attesting to that fact.

The investor name (either corporation name or personal name) and amount loaned by each investor participating in a particular Empirical loan will not be seen by other investors in that particular loan. Additionally, group emails will be sent "BCC" (where all email address are hidden from view) to protect the privacy of our investor.

Communications

Clients should be aware that Empirical's primary means of communication with Clients is via email. Email communications are not completely secure. It is possible, however unlikely, that a third party may intercept these messages. In light of this, Empirical strictly limits the amount of personal information contained in an email. Empirical will never send highly sensitive information such as bank account information or a social insurance number via email.

For investors, an email may contain Personal Information such as an investor's email address, home or business address, and the amount invested in a particular loan or the amount of a loan interest or principal distribution.

For Borrowers, an email may contain Personal Information such as an investor's email address or home or business address. Additionally, communications such as commitment letters and loan agreements are often sent via email as attachments. These documents may contain such Personal Information as a Borrower's or guarantor name, corporate name, address, and loan details such as property address, property legal description, and the amount to be borrowed.

Retention of Personal Information

Personal information will generally be kept for a minimum of seven (7) years after the conclusion of any business relationship as per Canada Revenue Agency guidelines.

Bank Accounts

A limited number of Clients have chosen to have certain bank accounts administered by Empirical. A weekly report, generated by CIBC, containing all Empirical administered bank accounts at CIBC, including account names (either personal name or corporate name), account numbers, and their corresponding balances are circulated to inside investors within Empirical's offices. **Clients who have provided banking information to Empirical for the purposes of direct deposits of monthly mortgage interest payments and principal repayments are not included in this report.**

Empirical's Website

No personal information is collected about you while browsing Empirical's website. The website does not use cookies nor any other methods to identify, track, or remember anything about what visitors have viewed on the website. No personal information is made available on Empirical's website.

Access to Your Personal Information

Clients have the right to know exactly what Personal Information Empirical has about them. If requested in writing directly by Clients, Empirical will make such information available in a timely fashion.

Any questions you have may be directed to our Chief Privacy Officer, David Strahl, by phone at 416-840-6894 or in writing to:

Empirical Capital Corp.

4950 Yonge Street, Suite 1706
North York, Ontario M2N 6K1

Attention: Privacy Officer

AMENDMENT OF COMMITMENT LETTER

THIS AMENDING AGREEMENT made as of July 25, 2024.

AMONG:

EMPIRICAL CAPITAL CORP.
(the "**Lender**")

- and -

TERRABONA 7115 YONGE LTD.
(the "**Borrower**")

- and -

**MAJID TAVAKOLI HOLDINGS LTD. and
MAJID TAVAKOLI**
(collectively, the "**Guarantors**")

WHEREAS:

- A. The Lender, the Borrower and the Guarantors (collectively, the "**Parties**") entered into a commitment letter dated October 17, 2022 (the "**Commitment Letter**");
- B. The Parties have each agreed to amend the Commitment Letter in accordance with and subject to the terms and conditions of this amending agreement (this "**Amending Agreement**"); and
- C. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Commitment Letter.

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSES that in consideration of the sum of Two (\$2.00) Dollars now paid by each of the Parties to the others (the receipt and sufficiency of which is hereby acknowledged by each of them) the Parties hereby agree as follows:

- 1. From and after the date hereof, the Parties hereby acknowledge and agree that:
 - (a) the Maturity Date shall be extended from July 2, 2024 to August 2, 2025;
 - (b) commencing August 2, 2024 to and including July 1, 2025, interest under the Loan shall be payable at the greater of (i) 10.25% per annum and (ii) the RBC Prime Rate plus 4.80% per annum;
 - (c) commencing July 2, 2025, interest under the Loan shall be payable at the greater of (i) 14.75% per annum and (ii) the RBC Prime Rate plus 9.30% per annum;
 - (d) the Loan shall be open for prepayment upon one (1) month's prior written notice to the Lender without bonus; and
 - (e) provided there has been no further default under the Loan, as amended by this Amending Agreement, the Borrower may request in writing (the "**Request**"), no later than thirty (30) days prior to the Maturity Date, as amended by this Amending Agreement, that the Lender consent to a three (3) month extension of the Loan to November 2, 2025, which consent (the "**Consent**") may be provided by the Lender on such terms and conditions as it deems appropriate at the time of receipt the Request, in its sole and unfettered discretion. The

terms and conditions of the Consent, if provided by the Lender, may include, but are not in any way limited to, receipt of any and all applicable approvals, satisfactory completion of additional due diligence, and payment of renewal and legal fees by the Obligors (as hereinafter defined) to the Lender and/or the Lender's solicitors, as applicable.

2. This Amending Agreement is subject to and conditional upon receipt by the Lender of a duly executed copy of this Amending Agreement from the Borrower and the Guarantors (collectively, the "**Obligors**") on or prior to 5:00 PM (Eastern Daylight Time) on July 25, 2024 (the "**Amending Agreement Outside Date**").
3. This Amending Agreement is subject to and conditional upon receipt by the Lender of the following documentation (collectively, the "**Amendment Due Diligence**") on or prior to 5:00 PM (Eastern Daylight Time) on July 31, 2024 (the "**Outside Date**"), each of which shall be satisfactory to the Lender and/or its solicitors in their sole and unfettered discretion:
 - (a) receipt by the Lender and/or its solicitors, as applicable, of the following amounts by wire transfer or certified funds:
 - (i) the Lender's due diligence expenses of Eleven Thousand Three Hundred (\$11,300.00) Dollars inclusive of HST;
 - (ii) the Lender's solicitors' legal fees in the aggregate amount of Twenty-Seven Thousand Six Hundred Thirty-Eight (\$27,638.25) Dollars and Twenty-Five Cents inclusive of HST and disbursements;
 - (b) evidence of payment of 1180554 Ontario Limited's (the "**Subordinate Lender**") commitment fee of Two Hundred and Fifty Thousand (\$250,000.00) Dollars in accordance with the terms of the commitment letter dated July 17, 2024 (the "**Subordinate Commitment**");
 - (c) evidence that all realty taxes for the Property are paid to date, as evidenced by tax certificates issued by the City of Markham;
 - (d) written confirmation that Majid Tavakoli Holdings Ltd. ("**Holdings**") remains the beneficial owner of the Property and has continued to be the beneficial owner of the Property since November 25, 2022 (the "**Closing Date**");
 - (e) written confirmation that since the Closing Date, there have been no corporate changes to the Borrower or Holdings and that all directors, officers and shareholders have remained the same; and
 - (f) any other documents that the Lender and/or its solicitors may so require, in their sole discretion.
4. The Lender hereby agrees to deliver to the Obligors a copy of the appraisal report prepared by Altus Group and addressed to the Lender within five (5) days following execution of this Amending Agreement by the Parties.
5. The Obligors hereby jointly and severally undertake:
 - (a) on or prior to the Outside Date to (i) file with the Ontario Superior Court of Justice a notice of discontinuance (the "**Notice**") to discontinue court file no. CV-24-00723343-0000 on a with prejudice basis and (ii) provide the Lender with a filed copy of the Notice; and
 - (b) to keep all property taxes attributable to the Property current throughout the term of the Loan, as amended hereby, and upon request from the Lender, to provide the Lender with

copies of the interim and final tax bills for the Property evidencing that all accounts are up to date. Within ten (10) business days following a request by the Lender from time to time, the Obligors shall deliver, at their sole expense, property tax certificates issued by the City of Markham evidencing that the property tax accounts are up to date.

6. The Obligors hereby further acknowledge and agree that in the event that this Amending Agreement and the Notice are not delivered to the Lender on or prior to the Amending Agreement Outside Date and/or the Amendment Due Diligence is not delivered to the Lender on or prior to the Outside Date, this Amending Agreement shall be null and void and of no further force and effect.
7. The Lender hereby consents to the Obligors entering into the Subordinate Commitment with the Subordinate Lender and granting the security contemplated thereby to the Subordinate Lender subject to satisfaction of the following conditions:
 - (a) the transaction contemplated by the Subordinate Commitment shall be completed on or before 5:00 PM (Eastern Daylight Time) on September 2, 2024 (the "**Refinancing Outside Date**");
 - (b) the Obligors shall sign a re-direction addressed to the Subordinate Lender and the Subordinate Lender's solicitors directing that all net proceeds (the "**Net Proceeds**") derived from the advance pursuant to the Subordinate Commitment, (currently anticipated to be Eight Million Two Hundred and Five Thousand (\$8,205,000.00) Dollars) are to be paid to Chaitons LLP, in trust, provided that the Net Proceeds are to be applied as follows:
 - (i) the amount of Three Million Two Hundred Eighty Thousand (\$3,280,000.00) Dollars (the "**IR Top-Up**") shall be paid to the Lender and held by it in an interest reserve account to be applied to the monthly interest payments as and when they come due subject to and in accordance with the terms of the Commitment Letter, as amended by this Amending Agreement;
 - (ii) an amount determined by the Lender to be owing to it on account of accrued interest in arrears (the "**Accrued Interest**") as of the Refinancing Outside Date shall be paid to the Lender;
 - (iii) an amount determined by the Lender to be owing to it on account of capitalized costs (collectively, the "**Capitalized Costs**"), including but not limited to appraisal fees, planning reports and title search fees;
 - (iv) the amount of Five Hundred and Sixty-Thousand (\$560,000.00) Dollars inclusive of HST thereon shall be paid to the Lender on account of the Lender's extension fee (the "**Extension Fee**"); and
 - (v) the remainder of the Net Proceeds following payment of the IR Top-Up, the Accrued Interest, the Capitalized Costs and the Extension Fee (collectively, the "**Refinancing Payments**") shall be applied as a permanent principal repayment (the "**Principal Repayment**") of the Loan. Provided that in the event that the Principal Repayment is less than Three Million (\$3,000,000.00) Dollars after determining the aggregate amount of the Accrued Interest and the Capitalized Costs, the amount allocated to the Accrued Interest shall be reduced and allocated on a dollar-for-dollar basis until the amount of the Principal Repayment equals Three Million (\$3,000,000.00) Dollars;
 - (c) the Subordinate Lender and the Lender shall have entered into a subordination and standstill agreement (the "**SSA**") which shall be satisfactory to the Lender and acting in a commercially reasonable manner. The SSA shall also include an acknowledgement from the Subordinate Lender that notwithstanding the registered rate on the Lender's

charge/mortgage of land registered on the Closing Date as Instrument No. YR3501976, the rate of interest payable on the Loan shall at all times be in accordance with the terms of the Commitment Letter, as amended by this Amending Agreement, which shall at all times rank in priority to any monies owing to the Subordinate Lender pursuant to the Subordinate Commitment and/or any security relating thereto; and


- (d) the Lender hereby agrees, concurrently with registration of the mortgage contemplated by the Subordinate Commitment (the "**Subordinate Mortgage**"), to register an application to delete (the "**Deletion**") the restrictions registered on title to the Property as Instrument No. YR3501985, provided that the Deletion shall in no way be construed or interpreted as the Lender providing its consent to any mortgage or other encumbrance being registered on title to the Property other than the Subordinate Mortgage. The Obligors hereby further acknowledge and agree that, following registration of the Subordinate Mortgage (i) they shall remain prohibited from registering any mortgage or other encumbrance on title to the Property and (ii) in the event a further mortgage or encumbrance is registered on title to the Property, an event of default shall be deemed to have occurred under the Loan, as amended by this Amending Agreement, entitling the Lender to exercise any rights and remedies available to it under the Commitment Letter, as amended by this Amending Agreement, the Security, at law or otherwise.
8. The Obligors hereby further acknowledge and agree that the Extension Fee (i) shall be fully earned by the Lender and non-refundable upon execution of this Amending Agreement by each of the Parties and (ii) is earned by the Lender as compensation for the time, effort and expense incurred by it in performing the due diligence required to prepare and approve this Amending Agreement and is not a penalty and/or additional interest.
9. The Obligors shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Amending Agreement.
10. Effective the date hereof, the Obligors hereby further acknowledge and agree that the Security (i) has not been discharged, waived or varied except as provided in this Amending Agreement (ii) is binding upon each of the Obligors (iii) is valid and enforceable in accordance with its terms and (iv) shall constitute, and shall be held by the Lender, as general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, present or future, direct or indirect, contingent or not, matured or not.
11. This Amending Agreement is supplemental to and shall be read with and be deemed to be part of the Commitment Letter, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Commitment Letter in any agreements or documents entered into in connection therewith shall mean the Commitment Letter as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Amending Agreement.
12. All the terms and conditions of the Commitment Letter, except insofar as the same are amended by the express provisions of this Amending Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Amending Agreement and shall hereafter continue in full force and effect, as amended.
13. The Parties hereby confirm that in all other respects, the terms, covenants and conditions of the Commitment Letter remain unchanged and in full force and effect, except as modified by this Amending Agreement, and time shall remain of the essence.
14. This Amending Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, successors and assigns, as applicable.

15. The Parties hereby acknowledge that this Amending Agreement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

EMPIRICAL CAPITAL CORP.

Per: 
 Name: Abraham (Abby) Strahl
 Title: President

I have authority to bind the Corporation.

TERRABONA 7115 YONGE LTD.

Per: 
 Name: Majid Tavakoli
 Title: President

I have authority to bind the Corporation.


MAJID TAVAKOLI HOLDINGS LTD.

Per: 
 Name: Majid Tavakoli
 Title: President

I have authority to bind the Corporation.

Witness:

 Name:

) 
)
)
) Majid Tavakoli

This is Exhibit “D” referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

AMENDMENT OF COMMITMENT LETTER

THIS AMENDING AGREEMENT made as of July 25, 2024.

AMONG:

EMPIRICAL CAPITAL CORP.
(the "**Lender**")

- and -

TERRABONA 7115 YONGE LTD.
(the "**Borrower**")

- and -

**MAJID TAVAKOLI HOLDINGS LTD. and
MAJID TAVAKOLI**
(collectively, the "**Guarantors**")

WHEREAS:

- A. The Lender, the Borrower and the Guarantors (collectively, the "**Parties**") entered into a commitment letter dated October 17, 2022 (the "**Commitment Letter**");
- B. The Parties have each agreed to amend the Commitment Letter in accordance with and subject to the terms and conditions of this amending agreement (this "**Amending Agreement**"); and
- C. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Commitment Letter.

NOW THEREFORE THIS AMENDING AGREEMENT WITNESSES that in consideration of the sum of Two (\$2.00) Dollars now paid by each of the Parties to the others (the receipt and sufficiency of which is hereby acknowledged by each of them) the Parties hereby agree as follows:

- 1. From and after the date hereof, the Parties hereby acknowledge and agree that:
 - (a) the Maturity Date shall be extended from July 2, 2024 to August 2, 2025;
 - (b) commencing August 2, 2024 to and including July 1, 2025, interest under the Loan shall be payable at the greater of (i) 10.25% per annum and (ii) the RBC Prime Rate plus 4.80% per annum;
 - (c) commencing July 2, 2025, interest under the Loan shall be payable at the greater of (i) 14.75% per annum and (ii) the RBC Prime Rate plus 9.30% per annum;
 - (d) the Loan shall be open for prepayment upon one (1) month's prior written notice to the Lender without bonus; and
 - (e) provided there has been no further default under the Loan, as amended by this Amending Agreement, the Borrower may request in writing (the "**Request**"), no later than thirty (30) days prior to the Maturity Date, as amended by this Amending Agreement, that the Lender consent to a three (3) month extension of the Loan to November 2, 2025, which consent (the "**Consent**") may be provided by the Lender on such terms and conditions as it deems appropriate at the time of receipt the Request, in its sole and unfettered discretion. The

terms and conditions of the Consent, if provided by the Lender, may include, but are not in any way limited to, receipt of any and all applicable approvals, satisfactory completion of additional due diligence, and payment of renewal and legal fees by the Obligors (as hereinafter defined) to the Lender and/or the Lender's solicitors, as applicable.

2. This Amending Agreement is subject to and conditional upon receipt by the Lender of a duly executed copy of this Amending Agreement from the Borrower and the Guarantors (collectively, the "**Obligors**") on or prior to 5:00 PM (Eastern Daylight Time) on July 25, 2024 (the "**Amending Agreement Outside Date**").
3. This Amending Agreement is subject to and conditional upon receipt by the Lender of the following documentation (collectively, the "**Amendment Due Diligence**") on or prior to 5:00 PM (Eastern Daylight Time) on July 31, 2024 (the "**Outside Date**"), each of which shall be satisfactory to the Lender and/or its solicitors in their sole and unfettered discretion:
 - (a) receipt by the Lender and/or its solicitors, as applicable, of the following amounts by wire transfer or certified funds:
 - (i) the Lender's due diligence expenses of Eleven Thousand Three Hundred (\$11,300.00) Dollars inclusive of HST;
 - (ii) the Lender's solicitors' legal fees in the aggregate amount of Twenty-Seven Thousand Six Hundred Thirty-Eight (\$27,638.25) Dollars and Twenty-Five Cents inclusive of HST and disbursements;
 - (b) evidence of payment of 1180554 Ontario Limited's (the "**Subordinate Lender**") commitment fee of Two Hundred and Fifty Thousand (\$250,000.00) Dollars in accordance with the terms of the commitment letter dated July 17, 2024 (the "**Subordinate Commitment**");
 - (c) evidence that all realty taxes for the Property are paid to date, as evidenced by tax certificates issued by the City of Markham;
 - (d) written confirmation that Majid Tavakoli Holdings Ltd. ("**Holdings**") remains the beneficial owner of the Property and has continued to be the beneficial owner of the Property since November 25, 2022 (the "**Closing Date**");
 - (e) written confirmation that since the Closing Date, there have been no corporate changes to the Borrower or Holdings and that all directors, officers and shareholders have remained the same; and
 - (f) any other documents that the Lender and/or its solicitors may so require, in their sole discretion.
4. The Lender hereby agrees to deliver to the Obligors a copy of the appraisal report prepared by Altus Group and addressed to the Lender within five (5) days following execution of this Amending Agreement by the Parties.
5. The Obligors hereby jointly and severally undertake:
 - (a) on or prior to the Outside Date to (i) file with the Ontario Superior Court of Justice a notice of discontinuance (the "**Notice**") to discontinue court file no. CV-24-00723343-0000 on a with prejudice basis and (ii) provide the Lender with a filed copy of the Notice; and
 - (b) to keep all property taxes attributable to the Property current throughout the term of the Loan, as amended hereby, and upon request from the Lender, to provide the Lender with

copies of the interim and final tax bills for the Property evidencing that all accounts are up to date. Within ten (10) business days following a request by the Lender from time to time, the Obligors shall deliver, at their sole expense, property tax certificates issued by the City of Markham evidencing that the property tax accounts are up to date.

6. The Obligors hereby further acknowledge and agree that in the event that this Amending Agreement and the Notice are not delivered to the Lender on or prior to the Amending Agreement Outside Date and/or the Amendment Due Diligence is not delivered to the Lender on or prior to the Outside Date, this Amending Agreement shall be null and void and of no further force and effect.
7. The Lender hereby consents to the Obligors entering into the Subordinate Commitment with the Subordinate Lender and granting the security contemplated thereby to the Subordinate Lender subject to satisfaction of the following conditions:
 - (a) the transaction contemplated by the Subordinate Commitment shall be completed on or before 5:00 PM (Eastern Daylight Time) on September 2, 2024 (the "**Refinancing Outside Date**");
 - (b) the Obligors shall sign a re-direction addressed to the Subordinate Lender and the Subordinate Lender's solicitors directing that all net proceeds (the "**Net Proceeds**") derived from the advance pursuant to the Subordinate Commitment, (currently anticipated to be Eight Million Two Hundred and Five Thousand (\$8,205,000.00) Dollars) are to be paid to Chaitons LLP, in trust, provided that the Net Proceeds are to be applied as follows:
 - (i) the amount of Three Million Two Hundred Eighty Thousand (\$3,280,000.00) Dollars (the "**IR Top-Up**") shall be paid to the Lender and held by it in an interest reserve account to be applied to the monthly interest payments as and when they come due subject to and in accordance with the terms of the Commitment Letter, as amended by this Amending Agreement;
 - (ii) an amount determined by the Lender to be owing to it on account of accrued interest in arrears (the "**Accrued Interest**") as of the Refinancing Outside Date shall be paid to the Lender;
 - (iii) an amount determined by the Lender to be owing to it on account of capitalized costs (collectively, the "**Capitalized Costs**"), including but not limited to appraisal fees, planning reports and title search fees;
 - (iv) the amount of Five Hundred and Sixty-Thousand (\$560,000.00) Dollars inclusive of HST thereon shall be paid to the Lender on account of the Lender's extension fee (the "**Extension Fee**"); and
 - (v) the remainder of the Net Proceeds following payment of the IR Top-Up, the Accrued Interest, the Capitalized Costs and the Extension Fee (collectively, the "**Refinancing Payments**") shall be applied as a permanent principal repayment (the "**Principal Repayment**") of the Loan. Provided that in the event that the Principal Repayment is less than Three Million (\$3,000,000.00) Dollars after determining the aggregate amount of the Accrued Interest and the Capitalized Costs, the amount allocated to the Accrued Interest shall be reduced and allocated on a dollar-for-dollar basis until the amount of the Principal Repayment equals Three Million (\$3,000,000.00) Dollars;
 - (c) the Subordinate Lender and the Lender shall have entered into a subordination and standstill agreement (the "**SSA**") which shall be satisfactory to the Lender and acting in a commercially reasonable manner. The SSA shall also include an acknowledgement from the Subordinate Lender that notwithstanding the registered rate on the Lender's

charge/mortgage of land registered on the Closing Date as Instrument No. YR3501976, the rate of interest payable on the Loan shall at all times be in accordance with the terms of the Commitment Letter, as amended by this Amending Agreement, which shall at all times rank in priority to any monies owing to the Subordinate Lender pursuant to the Subordinate Commitment and/or any security relating thereto; and


- (d) the Lender hereby agrees, concurrently with registration of the mortgage contemplated by the Subordinate Commitment (the "**Subordinate Mortgage**"), to register an application to delete (the "**Deletion**") the restrictions registered on title to the Property as Instrument No. YR3501985, provided that the Deletion shall in no way be construed or interpreted as the Lender providing its consent to any mortgage or other encumbrance being registered on title to the Property other than the Subordinate Mortgage. The Obligors hereby further acknowledge and agree that, following registration of the Subordinate Mortgage (i) they shall remain prohibited from registering any mortgage or other encumbrance on title to the Property and (ii) in the event a further mortgage or encumbrance is registered on title to the Property, an event of default shall be deemed to have occurred under the Loan, as amended by this Amending Agreement, entitling the Lender to exercise any rights and remedies available to it under the Commitment Letter, as amended by this Amending Agreement, the Security, at law or otherwise.
8. The Obligors hereby further acknowledge and agree that the Extension Fee (i) shall be fully earned by the Lender and non-refundable upon execution of this Amending Agreement by each of the Parties and (ii) is earned by the Lender as compensation for the time, effort and expense incurred by it in performing the due diligence required to prepare and approve this Amending Agreement and is not a penalty and/or additional interest.
9. The Obligors shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Amending Agreement.
10. Effective the date hereof, the Obligors hereby further acknowledge and agree that the Security (i) has not been discharged, waived or varied except as provided in this Amending Agreement (ii) is binding upon each of the Obligors (iii) is valid and enforceable in accordance with its terms and (iv) shall constitute, and shall be held by the Lender, as general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Obligors, present or future, direct or indirect, contingent or not, matured or not.
11. This Amending Agreement is supplemental to and shall be read with and be deemed to be part of the Commitment Letter, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Commitment Letter in any agreements or documents entered into in connection therewith shall mean the Commitment Letter as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Amending Agreement.
12. All the terms and conditions of the Commitment Letter, except insofar as the same are amended by the express provisions of this Amending Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Amending Agreement and shall hereafter continue in full force and effect, as amended.
13. The Parties hereby confirm that in all other respects, the terms, covenants and conditions of the Commitment Letter remain unchanged and in full force and effect, except as modified by this Amending Agreement, and time shall remain of the essence.
14. This Amending Agreement shall enure to the benefit of and be binding upon the Parties and their respective heirs, successors and assigns, as applicable.

15. The Parties hereby acknowledge that this Amending Agreement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

EMPIRICAL CAPITAL CORP.

Per: 
 Name: Abraham (Abby) Strahl
 Title: President

I have authority to bind the Corporation.

TERRABONA 7115 YONGE LTD.

Per: 
 Name: Majid Tavakoli
 Title: President

I have authority to bind the Corporation.

MAJID TAVAKOLI HOLDINGS LTD.

Per: 
 Name: Majid Tavakoli
 Title: President

I have authority to bind the Corporation.

Witness:

 Name:

) 
)
)
) Majid Tavakoli

This is Exhibit "E" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

Properties

PIN	03020 - 0534	LT	Interest/Estate	Fee Simple
Description	LT 17 PL 2446 MARKHAM; LT 18 PL 2446 MARKHAM; LT 19 PL 2446 MARKHAM ; MARKHAM			
Address	7115 YONGE ST MARKHAM			
PIN	03020 - 0535	LT	Interest/Estate	Fee Simple
Description	PT 12 FOOT LANE PL 2446 MARKHAM CLOSED BY BYLAW R589113 PT 2, 65R15683; PT LT 321 PL 2446 MARKHAM PT 3, 65R15683 ; S/T R592477,R598392 ; MARKHAM			
Address	7115 YONGE ST MARKHAM			
PIN	03020 - 0368	LT	Interest/Estate	Fee Simple
Description	PT LT 321 PL 2446 MARKHAM AS IN MA42926 ; MARKHAM			
Address	8 GRANDVIEW AVE MARKHAM			
PIN	03020 - 0369	LT	Interest/Estate	Fee Simple
Description	LT 322 PL 2446 MARKHAM ; MARKHAM			
Address	10 GRANDVIEW AVENUE MARKHAM			
PIN	03020 - 0370	LT	Interest/Estate	Fee Simple
Description	LT 323 PL 2446 MARKHAM ; MARKHAM			
Address	12 GRANDVIEW AVENUE MARKHAM			
PIN	03020 - 0371	LT	Interest/Estate	Fee Simple
Description	LT 324 PL 2446 MARKHAM ; MARKHAM			
Address	14 GRANDVIEW AVENUE MARKHAM			

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

TERRABONA 7115 YONGE LTD.

Address for Service

1899 Leslie Street, Toronto, Ontario
M3B 2M3

A person or persons with authority to bind the corporation has/have consented to the registration of this document.
This document is not authorized under Power of Attorney by this party.

Chargee(s)	Capacity	Share
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Name	EMPIRICAL CAPITAL CORP.
Address for Service	4950 Yonge Street, Suite 1706, Toronto, Ontario M2N 6K1

Statements

Schedule: See Schedules
The registration of this document is not prohibited by registration YR3450029 registered on 2022/07/11.

Provisions

Principal	\$31,000,000.00	Currency	CDN
Calculation Period	monthly, interest only		
Balance Due Date	2024/07/02		
Interest Rate	Greater of (a) 10.25% per annum and (b) the Royal Bank of Canada posted bank prime rate of interest plus 4.80% per annum.		
Payments			
Interest Adjustment Date	2022 12 02		
Payment Date	2nd day of the month		
First Payment Date	2023 01 02		
Last Payment Date	2024 07 02		
Standard Charge Terms	200033		

Provisions

Insurance Amount

Full insurable value

Guarantor

Majid Tavakoli Holdings Ltd. and Majid Tavakoli

Signed By

Alexandra Mary Ann Krancevic

5000 Yonge Street, 10th Floor

Toronto

M2N 7E9

acting for

Chargor(s)

Signed

2022 11 25

Tel

416-222-8888

Fax

416-218-1860

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

Submitted By

CHAITONS LLP

5000 Yonge Street, 10th Floor

Toronto

M2N 7E9

2022 11 25

Tel

416-222-8888

Fax

416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee

\$69.00

Total Paid

\$69.00

SCHEDULE - ADDITIONAL PROVISIONS

1. DEFINITIONS

In this Charge, unless the context requires otherwise:

- (a) **"Act"** means the *Condominium Act, 1998* (Ontario) as amended.
- (b) **"Applicable Taxes"** means any goods and services tax levied under Part IV of the *Excise Tax Act* (Canada), the provincial portion of harmonized sales tax, value-added tax or any similar tax applicable thereon.
- (c) **"Business Day"** means any day, other than a Saturday or Sunday, on which Canadian chartered banks are open for domestic and foreign exchange business in the Province of Ontario.
- (d) **"Charge"** means this charge/mortgage of land (including the attached electronic form of charge/mortgage, this schedule and all other schedules to this charge) as it may be amended, restated or replaced from time to time.
- (e) **"Chargee"** means Empirical Capital Corp.
- (f) **"Chargor"** means the Person or Persons indicated in the applicable Computer Field.
- (g) **"Commitment"** means collectively, the loan proposal and the letter of commitment, each issued by the Chargee to the Chargor in connection with the borrowing contemplated hereby, as may be subsequently amended from time to time.
- (h) **"Computer Field"** means a computer data entry field in the attached electronic form of charge/mortgage registered pursuant to Part 111 of the *Land Registration Reform Act* (Ontario) in which the terms and conditions of this Charge may be inserted.
- (i) **"Condominium Corporation"** means, if applicable, the proposed condominium corporation which may be created on any portion of the Real Property upon registration of a declaration and description by the Chargor.
- (j) **"Costs"** means all fees, costs, charges and expenses of the Chargee of and incidental to, including without limitation:
 - (i) the collection of any amounts payable hereunder, enforcement of any covenants contained herein, and the realization of the security herein contained;
 - (ii) procuring or attempting to procure payment of any portion of the outstanding principal sum secured hereunder or any other amounts due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party;
 - (iii) the Chargee having to go into possession of the Real Property and secure, complete and equip any buildings or improvements situate thereon in any way in connection therewith;
 - (iv) the exercise of any of the powers of a Receiver contained herein; and
 - (v) all solicitor's costs, charges and expenses relating to any of the foregoing and any necessary examination of title to the Real Property.

For greater certainty, Costs shall:

 - (i) extend to and include legal costs incurred by the Chargee on a substantial indemnity basis;
 - (ii) be payable forthwith by the Chargor;
 - (iii) bear interest at the Interest Rate; and
 - (iv) be a charge on the Real Property.
- (k) **"Covenantor"** means the Person or Persons indicated in the applicable Computer Field.
- (l) **"Governmental Authority"** means, when used with respect to any Person, any government, parliament, legislature, regulatory authority, agency, commission, tribunal, department, commission, board, administrative agency, court, arbitration board or arbitrator or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of, or pursuant to the laws of Canada or any province, municipality or district located therein.
- (m) **"Hazardous Substance"** means any hazardous waste or substance, pollutant, contaminant, waste or other substance, whether solid, liquid or gaseous in form, which when released into the natural environment may immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing:
 - (i) any such substance as defined or designated under any applicable laws and regulations for the protection of the environment or any living thing;

- (ii) asbestos, urea formaldehyde, poly-chlorinated biphenyl ("**PCB's**") and materials manufactured with or containing the same; and
- (iii) radioactive and toxic substances.
- (n) "**Interest Adjustment Date**" means the date indicated in the applicable Computer Field.
- (o) "**Interest Rate**" means the interest rate set out in the Commitment.
- (p) "**Loan**" means the loan extended by the Chargee to the Chargor pursuant to the terms of the Commitment.
- (q) "**Maturity Date**" means the Balance Due Date as set out in the applicable Computer Field.
- (r) "**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, and the executors, administrators or other legal representatives of an individual in such capacity.
- (s) "**Project**" means the proposed project intended to be developed by the Chargor on the Real Property, which may consist of the Units together with any ancillary amenities thereto.
- (t) "**Real Property**" means the real property described in the attached electronic form of charge/mortgage, together with all of the present and future interest of the Chargor in the Real Property including, all rights, benefits, agreements, rights-of-way, easements, privileges and right to use or occupy now or hereafter to such real property; and, all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property (including all such property now or in the future owned, leased, licensed, possessed or acquired by the Chargor, or in which the Chargor now or in the future has any interest or to which the Chargor is now or may in the future become entitled).
- (u) "**Requirements of Environmental Law**" means all requirements of the common law or the statutes, regulations, by-laws, ordinances, treaties, judgments and decrees and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any Governmental Authority relating to environmental, health, fire or safety matters, or any of them and the Real Property and the activities carried out therein (whether in the past, present or the future), including, but not limited to, all such requirements relating to Hazardous Substances.
- (v) "**Taxes**" means all taxes, rates and assessments of whatever nature or kind and to whomever imposed, levied, collected, withheld or assessed as of the date of this Charge or at any time in the future charged or payable with respect to the Real Property by any Governmental Authority having jurisdiction, including local improvement rates and any and all interest, fines and penalties in connection therewith.
- (w) "**Term**" means the term of this Charge, to expire on the Maturity Date.
- (x) "**Unit**" means any portion of the Real Property (i) designated or intended for use as a single family residential dwelling in accordance with the *Planning Act* (Ontario) and/or (ii) consisting of an individual condominium unit created in accordance with the provisions of the Act, and "**Units**" means more than one (1) Unit.

2. **NON-MERGER**

Notwithstanding the registration of this Charge and the advance of funds secured hereunder, the Chargor hereby acknowledges that the terms, conditions, obligations, liabilities, warranties and representations contained in the Commitment shall not merge on the closing, registration and/or delivery of the Loan security, including, without limitation, this Charge, but shall remain binding and effective upon the parties hereto and in full force effect. It is understood and agreed that any default under the Commitment shall be deemed a default under this Charge. In the event of an inconsistency or conflict between any of the terms of this Charge and the terms of the Commitment, the Commitment shall prevail.

3. **LOAN FACILITY EXTENDED TO THE CHARGOR AND SECURED HEREIN**

- (a) Whereas pursuant to the terms of the Commitment, the Chargee has agreed to extend a loan facility to the Chargor and the Chargor hereby charges the Real Property in favour of the Chargee with the indebtedness owing from time to time pursuant to the Loan up to the principal amount set out in the Commitment, together with interest thereon at the Interest Rate, Costs and other amounts thereon as provided for herein.
- (b) Provided this Charge to be void upon payment to the Chargee of the aggregate of the unpaid balance advanced to the Chargor by the Chargee in lawful money of Canada with interest thereon at the Interest Rate, and, which interest shall be calculated and compounded monthly not in advance as hereinafter set forth, as well after as before maturity and both before and after default and judgment.

- (c) Interest calculated daily and compounded monthly, not in advance, at the Interest Rate on the amount advanced from time to time shall become due and payable monthly on the second (2nd) day of each and every month from and including the second (2nd) day of the month immediately following the Interest Adjustment Date to and including the second (2nd) day of the month in which the Maturity Date takes place. The aggregate sum advanced to the Chargor by the Chargee, together with interest thereon at the Interest Rate shall become due and payable on the Maturity Date. The first payment of interest to be computed from the Interest Adjustment Date shall be due and payable on the second (2nd) day of the month immediately following such date.
- (d) Costs and Taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.

4. **COMPOUND INTEREST**

It is hereby agreed that in case default shall be made in payment of any sum in respect of the Loan to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the rate aforesaid, and in case the interest and compound interest are not paid in one (1) month from the time of default a rest shall be made, and compound interest at the Interest Rate shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the Real Property.

5. **CAPITALIZED INTEREST**

The Chargee shall have the right at its sole option to capitalize any interest owing from time to time and to add same to the principal amount of the Loan and to treat it as part thereof and charge interest thereon. Such capitalized interest and interest thereon shall at all times be secured under the security granted by the Chargor to the Chargee pursuant to this Loan in first priority in the same manner as accrued interest. The Chargee at its sole option shall have the right to treat such capitalized interest as principal or accrued interest. Notwithstanding anything contained herein to the contrary, the principle of deemed reinvestment of interest shall not apply to any interest calculation in respect of this Charge.

6. **PREPAYMENT**

The Chargor, when not in default hereunder, the Commitment, and/or any other Additional Security, shall have the prepayment rights set out in the Commitment.

7. **PRE-AUTHORIZED DEBIT**

- (a) If so requested by the Chargee from time to time, all or a portion of the payments to be made by the Chargor to the Chargee hereunder shall be made by way of automatic monthly debit withdrawals by the Chargee from a designated bank account of the Chargor, as the Chargor may notify the Chargee in writing. In this regard, the Chargor hereby authorizes and directs the Chargee to automatically debit any bank account designated by the Chargor for amounts payable hereunder. The Chargor hereby further agrees to do, make and execute, or cause to be done, made and executed, all such documents, acts, matters and things as may be reasonably required by the Chargee to give effect to the foregoing, including, without limitation, executing the Chargee's Pre-Authorized Debit Form.
- (b) Alternatively (or in addition), if so requested by the Chargee, the Chargor shall deliver to the Chargee a series of post-dated cheques from time to time at any time during the Term following the delivery to the Chargor by the Chargee of the final advance to be made under the Loan, representing all or a portion of monthly payments on account of interest due and owing on account thereof throughout the then-remaining Term.

8. **PAYMENTS AFTER 1:00 P.M.**

Any payment received by the Chargee after 1:00 P.M. (local time) on any Business Day, shall be deemed for the purpose of calculation of interest, to have been made and received on the immediately following Business Day. For greater certainty, if funds are received (or deemed received) on a Friday after 1:00 P.M. (local time), interest shall be calculated to the following Business Day.

9. **SALE OR CHANGE OF CONTROL**

- (a) In the event that the Chargor directly or indirectly sells, conveys, transfers, assigns or exercises a power of appointment with respect to the Real Property or any portion thereof to a purchaser, transferee or assignee, other than a sale or transfer of individual Units to a purchaser thereof as contemplated by Section 15 hereof, or in the event of a change of shareholders of the Chargor which results in a change of control of the Chargor, or in the event of a change in the legal or beneficial ownership of the Real Property or any portion thereof, other than a sale or transfer of individual Units to a purchaser thereof as contemplated by Section 15 hereof, the Chargee may, at the Chargee's sole option, declare all of the sums secured by this Charge to be immediately due and payable and invoke any remedies permitted by this Charge or law, unless the written consent of the Chargee is first obtained, which consent may be arbitrarily or unreasonably withheld. The right of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of

payments due under this Charge from the Chargor or any Person claiming through or under the Chargor and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.

- (b) No sale or other dealings by the Chargor with the equity of redemption in the Real Property or any part thereof shall in any way change the liability of the Chargor for the observance, fulfilment and maintenance of all covenants, terms and provisions herein or in any way alter the rights of the Chargee as against the Chargor or any other Person liable for payment of the moneys hereby secured. No dealing between the Chargee and the Chargor or the owner of the equity of redemption, including extending or renewing this Charge, shall in any way affect, change or prejudice the liability of the Chargor for the observance, fulfilment and maintaining of all covenants, terms, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof or in any way alter the rights of the Chargee as against the Chargor or any other Person liable for payment of the moneys hereby secured, and the Chargor expressly waives all notice of such dealings between the Chargee with the owner of the equity of redemption, including extending or renewing this Charge.

10. **MATERIAL ADVERSE CHANGES**

In the event that at any time while any indebtedness remains outstanding pursuant to the provisions of this Charge, the Chargee discovers that there is or has been any material adverse change, discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Chargee by or on behalf of the Chargor and/or any Covenantor concerning the Real Property or the financial condition and responsibility of the Chargor or any Covenantor, or in the event of default by the Chargor or any Covenantor, then, in the event of such default, or if such material change, discrepancy or inaccuracy cannot be rectified or nullified by the Chargor or such Covenantor within thirty (30) days after written notification thereof by the Chargee to the Chargor or such Covenantor, the Chargee shall be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance any further funds, as the case may be, and to declare any funds which have been advanced, together with interest, to be forthwith due and repayable in full.

11. **RESTRICTIONS ON FURTHER FINANCING**

The Chargor covenants and agrees that it will not enter into, create, incur, assume, suffer or permit to exist any other charge, pledge or other form of financing against the Real Property and/or in respect of any chattels or other equipment directly related to the Real Property, and not to further encumber same in any manner without the prior written consent of the Chargee, which approval may be unreasonably withheld by the Chargee.

12. **CONSENT TO REGISTRATION OF A PLAN OF CONDOMINIUM**

Provided that the Chargor is not in default hereunder, the Commitment, and/or any other Additional Security, the Chargee hereby agrees that it will consent to the Chargor registering a plan of condominium and declaration (the "**Condominium**") pursuant to the Act with respect to a portion of the Real Property provided that the Chargee has received and approved the draft plan of condominium and the declaration.

13. **NON-APPORTIONMENT**

Units into which the Real Property is or may hereafter be divided do and shall stand charged with the whole of the principal amount of this Charge and interest and all other amounts payable under this Charge, and no Person shall have any right to require the principal amount of this Charge or interest or such other amounts to be apportioned upon or in respect of any such Unit, other than as provided for in the Act.

14. **DEVELOPMENT PROVISIONS**

- (a) The Chargor, its agents, employees, and parties authorized by it may not conduct development and construction operations on the Real Property, including, without limitation, demolition and removal of existing structures, survey work, grading and excavation operations, installation of services, construction of a sales pavilion and all other acts incidental to the development of the Project without the prior written consent of the Chargee, in its sole and unfettered discretion. Provided that in the event that the Chargee has approved of any such construction operations on the Real Property and the Chargor is not in default hereunder, the Commitment, and/or any other Additional Security, the Chargee shall, on written request from the Chargor, execute and deliver within five (5) Business Days of written request therefore, without the requirement of payment of any principal or interest under this Charge, all plans, agreements, consents, postponements, releases and other documents so that the Chargor may develop the Real Property, including, without limitation the following:
- (i) engineering, financial, condominium, subdivision, servicing, site plan, development, cost-sharing and reciprocal agreements required by the Governmental Authorities;
 - (ii) consents or authorizations required to have the Real Property or any part thereof rezoned or divided or to comply with the provisions of the *Planning Act* (Ontario);

- (iii) consents or postponements for any easements required to be granted for any public service or other purpose including the realignment of the existing pedestrian and vehicular easement with the adjoining land owner;
 - (iv) consents or partial discharges for or relating to parts of the Real Property required by the Governmental Authorities for the purpose of granting or dedicating roads, road widenings, walkways, reserves, parklands, recreation sites, school sites, drainage areas, buffer strips or other public purposes, provided such conveyances do not negatively impact on continued access to the Real Property; and
 - (v) consents for the registration of the Condominium relating to the Real Property.
- (b) Provided, however, that the Chargee shall not be required to undertake or assume any financial or other obligation as a result thereof and provided further, that with respect to partial discharges or consents required for any of the purposes referred to herein, an amount shall be paid for a partial discharge for such portion of the Real Property equal to the amount if any, received by the Chargor from any third party for the transfer or dedication of any such lands as set out in Section 15 herein.
- (c) The Chargor hereby covenants and agrees that it will:
- (i) indemnify the Chargee and save it harmless from any losses, claims, actions or damages arising as a result of its agreement to execute any of the documentation referred to above; and
 - (ii) bear the Costs of the Chargee's solicitors and consultants in connection with the review of such documentation.

15. **PARTIAL DISCHARGE PROVISIONS**

- (a) The following provisions shall apply in respect of each and every partial discharge of this Charge from any part of the Real Property as may be requested by the Chargor and/or given by the Chargee pursuant to the terms of this Charge:
- (i) notwithstanding anything otherwise contained herein, the Chargor shall not be entitled to request or receive any partial discharge when there is any outstanding material default by the Chargor hereunder;
 - (ii) in addition to all amounts on account of principal required to be paid by the Chargor to the Chargee in respect of any part of the Real Property to be partially discharged, the Chargor shall also pay to the Chargee:
 - a. accrued and unpaid interest on such principal amounts to the date of partial discharge;
 - b. the reasonable legal and other costs incurred by the Chargee in connection with each such partial discharge; and
 - c. any and all other charges due and owing by the Chargor pursuant to the provisions of this Charge;
 - (iii) the Chargor shall not be entitled to request and the Chargee shall not be obliged to give any partial discharge if doing so and registration of the same would result in any of the following:
 - a. a violation of the *Planning Act* (Ontario);
 - b. any undischarged parts of the Real Property becoming landlocked;
 - c. the occupancy and use of any undischarged parts of the Real Property in the same manner as prior to such partial discharge to be in non-compliance with any laws, by-laws or regulations of any Governmental Authority having jurisdiction;
 - (iv) the Chargee hereby agrees to deliver to the Chargor, upon prior written request, execution copies of all instruments and other documents reasonably required to be executed by the Chargee in connection with any partial discharge(s) of this Charge (collectively, the **"Discharge Documents"**) contemplated to be registered at any time during the Term, in respect of any portion of the Real Property designated or intended for use as a Unit, provided that any such Discharge Documents so delivered to the Chargor by the Chargee pursuant to this subsection (d) shall be held in escrow by the Chargor's solicitors (provided that the Chargor's solicitors are acceptable to the Chargee) pending (i) the successful sale of any such Unit to a third party purchaser for value and delivery of the applicable Net Closing Proceeds (as hereinafter defined) to the Chargee (or as it may otherwise direct) together with payment of the Chargee's reasonable administrative and legal costs incurred with respect to preparation and delivery of such partial discharge(s), and (ii) written notice

from the Chargee or its solicitors that any such Discharge Documents may be so released. Any other request for partial discharge shall be made by the Chargor upon not less than five (5) Business Days' prior written notice to the Chargee accompanied by execution copies of all Discharge Documents required to be executed by the Chargee in connection therewith; and

- (v) all monies payable to the Chargee in respect of each partial discharge shall be paid by certified cheque, in lawful money of Canada.
- (b) When and if pursuant to exercise of the partial discharge provisions set forth in this Charge, the Chargor has paid to the Chargee all amounts secured by this Charge, then the Chargee acknowledges and agrees that, notwithstanding anything otherwise contained herein, the Chargor shall be entitled to request and obtain from the Chargee one or more partial discharges of this Charge from all parts of the Real Property then remaining undischarged without further payment on account of principal, but subject always to the provisions set forth in this Section 15.
- (c) Notwithstanding the foregoing, but subject always to the provisions set forth in Section 15(a), the Chargor shall be entitled to request and obtain from the Chargee a partial discharge of any portion of the Real Property designated or intended for use as a Unit upon payment to the Chargee for each such Unit an amount on account of principal which is equal to one hundred (100%) percent of the Net Closing Proceeds from the sale of each such Unit. For the purposes herein, "**Net Closing Proceeds**" shall mean the sale price of such Unit (which sale price shall be approved by the Chargee) less, the aggregate of:
 - (i) approved legal costs in respect of such sale;
 - (ii) approved sales commission in respect of such sale; and
 - (iii) any Applicable Taxes payable in respect of the sale of such Unit.

16. **CONDOMINIUM PROVISIONS**

- (a) Provided that if all or any part of the Real Property is or becomes a Unit pursuant to the provisions of the Act, the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in this Charge:
 - (i) for the purposes of all parts of the Real Property comprising one or more such Unit, all references in this Charge to the Real Property shall include the Chargor's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;
 - (ii) the Chargor shall at all times comply with the Act;
 - (iii) the Chargor shall pay, when due, all monies payable by the Chargor or with respect to the Real Property in accordance with the provisions of the Act and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Chargee upon request; and if the Chargor fails to make any such payment, the Chargee may do so at its option and all amounts so paid by the Chargee shall be secured by this Charge and shall be payable by the Chargor to the Chargee forthwith upon demand, together with interest thereon as herein provided;
 - (iv) the Chargee shall not be under any obligation to vote or to consent or to protect the interests of the Chargor;
 - (v) the exercise by the Chargee of its right to vote or to consent or to abstain from doing so shall not constitute the Chargee as a mortgagee or chargee in possession and shall not give rise to any liability on the part of the Chargee;
 - (vi) the Chargor hereby authorizes and directs the Condominium Corporation to permit the Chargee to inspect the records of the Condominium Corporation at any reasonable time;
 - (vii) in addition to and notwithstanding any other provisions of this Charge, the outstanding principal amount and all accrued interest and other charges secured by this Charge shall, at the Chargee's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:
 - a. the government of the Condominium Corporation or the government of the Real Property by the Condominium Corporation is terminated;
 - b. a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Real Property;

- c. the Condominium Corporation fails to comply with any provision of the Act or its declaration or any of its by-laws and rules; and/or
 - d. the Condominium Corporation fails to insure its assets, including the Real Property, in accordance with the Act and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same;
- (viii) the Chargee is hereby irrevocably authorized and empowered to exercise all rights of the Chargor (in its capacity as an owner of any particular Unit forming a part of the condominium development (the “**Condominium**”)) to vote or to consent in all matters relating to the affairs of the Condominium Corporation (collectively, the “**Rights**”) provided that:
- a. the Chargee may at any time or from time to time give notice in writing to the undersigned and the Condominium Corporation that the Chargee does not intend to exercise the Rights until such time as the Chargee revokes same and the undersigned may exercise its respective Rights. 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; and
 - b. the Chargee shall not by virtue of the assignment to the Chargee of the Rights be under any obligation to vote or consent or to protect the interest of the undersigned;
 - c. the foregoing assignment is made pursuant to the (i) *Land Registration Reform Act*, R.S.O. 1990, Chapter L.4 and (ii) Act.

17. **ENVIRONMENTAL PROVISIONS**

- (a) The Chargor represents and warrants that:
- (i) it has not caused or permitted, and to the best of its knowledge, information and belief after making due inquiry, no other person has caused or permitted, any Hazardous Substance to be manufactured, refined, traded, transported or transformed to or from, handled, produced, processed, placed, stored, located or disposed of on, under or at the Real Property;
 - (ii) it has no knowledge that any owner or occupier of any abutting or neighbouring properties has done any one or more of the matters or things prohibited by subsection (a) hereof;
 - (iii) it and its tenants, invitees and other occupiers of the Real Property have and will at all times carry out, and to the best of their respective knowledge, information and belief after making due inquiry, all prior owners and occupiers of the Real Property have at all times carried out, all business and other activities upon the Real Property in compliance with all applicable laws intended to protect the environment including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Substance;
 - (iv) no order, direction, enforcement action or other governmental or regulatory action or notice, nor any action, suit or proceeding relating to an Hazardous Substance or the environment has been issued or is otherwise threatened or pending with respect to the Real Property;
 - (v) all of the representations and warranties set out herein shall remain true and accurate in all respects until all amounts secured hereunder are paid in full; and
 - (vi) the Chargee may delay or refuse to make any advance to the Chargor if the Chargee believes that any of the representations and warranties set out herein were not true and accurate when made or at any time thereafter.
- (b) The Chargee or agent of the Chargee may, at any time, before and after default of this Charge, and for any purpose deemed necessary by the Chargee, enter upon the Real Property to inspect the Real Property and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the Real Property to conduct any and all tests, inspections, appraisals and environmental audits of the Real Property deemed necessary by the Chargee so as to determine and ensure compliance with the provisions of this Charge including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Real Property or the businesses and other activities conducted thereon at any time and from time to time. The reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the Interest Rate, shall be payable by the Chargor forthwith and shall be a charge upon the Real Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its respective agents to be in possession, management or control of the Real Property.
- (c) In consideration of the advance of funds by the Chargee, the Chargor and the Covenantor by way of separate guarantee, hereby agree that, in addition to any liability imposed on the Chargor and the Covenantor under any instrument evidencing or securing the Loan indebtedness, the Chargor and

the Covenantor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Real Property of any Hazardous Substances and such liability shall survive foreclosure of the security for the Loan and any other existing obligations of the Chargor and Covenantor to the Chargee in respect of the Loan and any other exercise by the Chargee of any remedies available to it for any default under the Charge.

(d) The Chargor covenants that it will:

- (i) remedy forthwith, at its own expense, any environment damage that may occur or be discovered on the Real Property in the future;
- (ii) comply with and monitor, on a regular basis, its compliance and the compliance of any tenant, subtenant, assignee or other occupant of the Real Property with all Requirements of Environmental Law;
- (iii) notify the Chargee promptly of any event or occurrence that has given, or is likely to give, rise to a report, order, inquiry or investigation relating to a matter that may have an adverse effect on the financial position of the Chargor or the Real Property or any action, suit or proceeding against the Chargor or others having an interest in the Real Property relating to, or a violation of, the Requirements of Environmental Law, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into, on or under the Real Property, air and surface and ground water, and will also notify the Chargee promptly of any such above-mentioned information of which the Chargor has or receives knowledge relating to lands adjacent to the Real Property;
- (iv) not lease or content to any sublease or assignment of any part of the Real Property to a tenant, subtenant or assignee who may engage in, nor permit any tenant, subtenant, assignee or occupant of the Real Property to engage in a business involving the generation of Hazardous Substances or the storing, handling, processing, manufacturing or disposing of Hazardous Substances in, or, under or from the Real Property save and except in accordance with the Requirements of Environmental Law, and any lease, sublease or assignment of any part of the Real Property shall preserve as against any lessee, sublessee or assignee all of the rights of the Chargee herein;
- (v) save and except for those Hazardous Substances which are present on, in or under the Real Property in accordance with the Requirements of Environmental Law and which have been disclosed to the Chargee in writing remove, in accordance with all Requirements of Environmental Law, any Hazardous Substances from the Real Property forthwith upon their discovery and advise the Chargee forthwith in writing of the procedures taken;
- (vi) provide to the Chargee upon request such information, certificates or statutory declarations as to compliance with the provisions hereof and all Requirements of Environmental Law and conduct such environmental audits or site assessments as may be reasonably necessary to ensure compliance with the Requirements of Environmental Law, and to provide to the Chargee copies of any environmental, soils, safety or health reports or studies in respect of the Real Property that it receives or possesses from time to time; and
- (vii) permit the Chargee to conduct such inspections and appraisals of all of any of its records, business and property relating to the Real Property at any time and from time to time to monitor compliance with the Requirements of Environmental Law.

(e) The Chargor and Covenantor further covenant that they will be liable for and fully indemnify and save harmless the Chargee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever (including legal fees on a substantial indemnity basis and any environmental remediation costs included by the Chargee) which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of:

- (i) a breach of any of the representations, warranties or covenants hereinbefore set out;
- (ii) the presence of any Hazardous Substance in, on or under the Real Property; or
- (iii) the discharge, emission, spill or disposal of any Hazardous Substance from the Real Property into or upon any property, the atmosphere, any watercourse, body of water or wetland;

and such losses, damages, costs and expenses include, without limitation:

- (i) the costs of defending, counterclaiming or claiming over against one or more third parties in respect of any action or matter; and

- (ii) any settlement of any action or proceeding entered into by the Chargee with the consent of the Chargor (which consent shall not be unreasonably withheld);

and the provisions of all representations, warranties, covenants and indemnifications set out herein shall survive the release and discharge of this Charge and any other security held by the Chargee and repayment and satisfaction of the Loan. The provisions of this indemnity shall enure to the benefit of the Chargee and its successors and assigns including, without limitation, any assignees of this Charge.

18. **TAXES**

The Chargor covenants and agrees that in the event the Chargee does not elect to collect the realty taxes imposed for the Real Property that the Chargor shall pay all instalments as they become due and shall provide proof of payment by way of a receipt to the Chargee on or before the due date for each such payment. In the event the Chargee elects to collect the realty taxes levied for the Real Property together with the monthly interest payment hereunder, and subsequently the monthly realty tax payments collected from the Chargor are insufficient to pay any realty tax bill when due, the Chargor covenants to pay all arrears, insufficiencies and instalments to the Chargee within fourteen (14) days of written notice from the Chargee's solicitors to make such payment. In the event that the Chargor fails to provide proof of payment as set out above, the Chargor agrees that the Chargee's solicitors may obtain verbal information from the applicable Governmental Authority, or for those Governmental Authorities which do not provide verbal information pertaining to realty tax accounts, by obtaining a tax certificate, and the Chargor agrees that the cost of obtaining such information shall be borne by the Chargor plus disbursements and Applicable Taxes which cost will be determined by the Chargee and will be added to the principal amount secured by the Charge. In all other respects, the Chargor covenants and agrees with the Chargee that it will comply strictly with every requirement of any Governmental Authority including without limitation, pay all Taxes as and when they are due and deliver to the Chargee evidence of such payment.

19. **INSURANCE**

Insurance shall be provided to the Chargee in accordance with the provisions of Paragraph 16 of Standard Charge Terms 200033 and in accordance with the provisions of the Commitment and shall be subject to the review and approval of the insurance consultant of the Chargee as contemplated in the Commitment.

20. **ACKNOWLEDGEMENT ON ASSIGNMENT**

In the event that the Chargee assigns, transfers or otherwise conveys its interest hereunder, and upon the delivery of notice of same to the Chargor, the Chargor, if so requested, shall without cost, at any time and from time to time, execute an acknowledgment with respect to the terms and conditions of this Charge and the amount outstanding thereunder. Failure to execute the acknowledgment shall be deemed to be default by the Chargor hereunder.

21. **INSPECTION OF REAL PROPERTY**

- (a) The Chargee shall be entitled to inspect the Real Property periodically and/or to appoint a monitor to conduct such inspections. The Chargee and/or any monitor when so appointed shall have the power to:
 - (i) inspect physical status of the Real Property and to make or cause to be made such tests and inspections in connection therewith as it may deem advisable; and
 - (ii) review the management and financial position of the business being conducted at the Real Property, and for such purpose shall have full access to all books and records relating to same.
- (b) The Chargee will not, by virtue of the exercise of the foregoing rights, or in exercising any of the rights given to the Chargee in this Charge, be deemed to be a mortgagee-in-possession of the Real Property.

22. **EXPROPRIATION**

If the Real Property or any part of it is expropriated by any Governmental Authority having powers of expropriation, all money payable in respect of such expropriation shall be paid to the Chargee and, if received by the Chargor, shall be received in trust for the Chargee and forthwith paid over to the Chargee subject to the rights of any prior chargee pursuant to the terms of its charge provided such charge is permitted by this Charge. Such money shall, at the option of the Chargee, be applied against the obligations hereunder or such part of them as the Chargee may determine, or be held unappropriated in a collateral account as continuing security for the full payment and performance of the obligations hereunder. The Chargor shall forthwith deliver to the Chargee a copy of any notice of expropriation or proposed expropriation received by the Chargor in respect of the Real Property.

23. **LIENS**

The Chargor shall provide such additional security, information, documentation and assurances as may be required from time to time by the Chargee during the currency of this Charge to determine and to establish and preserve, in all respects, the priority of this Charge and all advances made hereunder over any rights of lien claimants pursuant to the provisions of the *Construction Act* (Ontario). If the Chargee makes any payment, in connection with the determination, establishment or preservation of its priority, whether such payment is made to a lien claimant or other Person claiming an interest in the Real Property or is paid into court, then the amount or amounts so paid and all costs, charges and expenses incurred in connection therewith shall be forthwith payable to the Chargee by the Chargor and shall be a charge on the Real Property and shall be added to the debt hereby secured and shall bear interest at the applicable rate and, in default of payment, the powers of sale and other remedies hereunder may be exercised. It is further agreed that the Chargee shall not become a mortgagee in possession by reason only of exercising any of the rights given to it under this Section 23 or in making any payment to preserve, protect or secure the Real Property.

24. **ADDITIONAL SECURITY**

- (a) A General Assignment of Rents, General Security Agreement and other collateral security documents contemplated by the Commitment (collectively, the “**Additional Security**”) are being given as further security to this Charge, which Additional Security is being granted by the Chargor to the Chargee and any default under the Additional Security shall constitute default under this Charge and any default under this Charge shall constitute default under the Additional Security and at the option of the Chargee require the entire principal secured under this Charge, together with all accrued and unpaid interest to become due and payable. Payment under the Additional Security shall constitute payment under this Charge and payment on account of this Charge shall constitute payment under the Additional Security.
- (b) It is agreed that the Chargee’s rights hereunder shall in no way merge or be affected by any proceedings the Chargee may take under the Additional Security and the Chargee shall not be required to take proceedings under such Additional Security or any part thereof before proceeding under this Charge, and conversely, no proceedings under this Charge shall in any way affect the rights of the Chargee under such Additional Security and the Chargee shall not be required to take proceedings under this Charge before proceeding under the Additional Security or any part thereof.
- (c) Upon request from the Chargee, the Chargor agrees forthwith upon delivery from time to time of any chattels in which it has an ownership interest (including replacements thereof) relating to the Real Property, it shall promptly notify the Chargee, and its solicitors, of such delivery and shall forthwith supply the Chargee with all serial numbers and a description which shall include make and model. The Chargor agrees to provide written evidence of proof of purchase of the chattels, free of encumbrances, and of insurance of same, both in the form and content satisfactory to the Chargee.

25. **UNDERTAKINGS**

In the event the Chargor or any Covenantor default with respect to any undertakings delivered to the Chargee in consideration of the advance of funds under this Charge or with respect to any covenant contained in the terms and provisions contained in this Charge or the Additional Security, such default will be an event of default under this Charge.

26. **SALE ON TERMS**

In the event power of sale proceedings are taken, the Chargee, as vendor, may sell the Real Property on terms and if the result is that any mortgages taken back are at a rate lower than the rate for first and/or second mortgages in the industry then the Chargee shall be entitled to sell these charges at a discount and the discount shall form part of the loss incurred by the Chargee and be recoverable against the Chargor.

27. **COSTS**

It is agreed that all Costs of the Chargee incurred in endeavouring to collect any money overdue under this Charge, including all legal costs on a substantial indemnity basis, whether legal proceedings are instituted or not, shall be added to the principal and be payable forthwith by the Chargor. Furthermore, and in addition to any Costs payable by the Chargee as aforesaid, upon default under this Charge resulting in the Chargee entering into or taking possession of the Real Property or any part of it, the Chargee or any Person appointed on its behalf shall be entitled to a management fee equal to five (5%) percent of the outstanding principal indebtedness hereunder plus Applicable Taxes thereon, which fee shall be added to the mortgage indebtedness and shall bear interest at the rate herein set forth. The Chargor acknowledges and agrees that the Costs provided for herein are a genuine pre-estimate of the value of the services performed for same and are not a penalty or additional interest on the Loan secured by this Charge.

28. **MORTGAGE STATEMENT**

Any request for a mortgage statement shall be made in writing allowing the Chargee, at minimum, five (5) Business Days to respond. The Cost of any such statement shall be borne by the Chargor.

29. **EVENTS OF DEFAULT**

- (a) At the option of the Chargee, it shall constitute default hereunder if the Chargor or any Covenantor shall become insolvent or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation or any transaction or series of transactions which results in a change in control of the Chargor (subject to Section 9), reorganization (subject to Section 9), or any liquidation, winding-up, dissolution or receivership or without the Chargee's consent, seeks continuation under the laws of any other jurisdiction. In the event of a default by the Chargor under this Charge, the Chargor will, if required by the Chargee, establish a separate bank account for the Project.
- (b) Provided and without in any way limiting anything herein contained, in the event that:
 - (a) the Chargor makes default in the payment of any principal or interest or any other monies required to be paid by the Chargor hereunder;
 - (b) the Chargor fails to observe or perform any other covenant or agreement herein contained and/or the Commitment;
 - (c) any representation or warranty made herein and/or in the Commitment by the Chargor is at any time while this Charge is outstanding not true;
 - (d) any construction lien is registered against any portion of the Real Property and is not removed within ten (10) Business Days;
 - (e) an order is made or a resolution is passed for the winding up of the Chargor, or if a petition is filed for the winding up of the Chargor;
 - (f) the Chargor becomes insolvent or makes an unauthorized assignment or bulk sale of the Chargor's assets or if a bankruptcy petition is filed or presented against the Chargor;
 - (g) any proceedings with respect to the Chargor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or other debtor relief legislation;
 - (h) an execution, sequestration, extent or any other process of any court becomes enforceable against the Chargor or if a distress of analogous process is levied against the Real Property or any portion thereof, provided such execution, sequestration, extent, process of court, distress or analogous process is not in good faith being disputed by the Chargor;
 - (i) the Chargor shall permit any sum which has been admitted as due by the Chargor or is not disputed to be due by the Chargor and which forms, or is capable of being made, a charge upon any portion of the Real Property in priority to or raking equally with the charge of this Charge to be or remain unpaid;
 - (j) any charge or encumbrance created or issued by the Chargor having the nature of a fixed and/or floating charge shall become enforceable, whether ranking in priority to, or *pari passu* with this Charge; and/or
 - (k) the Chargor ceases or threatens to cease to carry on its business or if the Chargor commits or threatens to commit any act of bankruptcy;

then, and in any such event, this Charge shall, at the option of the Chargee, be deemed to be in default.

30. **REMEDIES ON DEFAULT**

- (a) Upon the occurrence and during the continuance of default the Chargee may, personally or by agent, at such time or times as the Chargee in its discretion may determine to exercise any one or more of the remedies in and by this Charge or conferred by law in case of default, including the following remedies:
 - (a) Possession. Entry into possession and use of the Real Property or any part or parts of it with power, among other things, to exclude the Chargor therefrom, to preserve and maintain the Real Property and to make such repairs, replacements, alterations and additions to the whole or any part of the Real Property that the Chargee may think advisable, to satisfy the whole or any part of any prior charge or any other prior claim or encumbrance then affecting the Real Property, to receive rents, income and profits of all kinds owing to the Chargor in respect of the Real Property and to pay from it all expenses of maintaining, preserving, protecting and operating the Real Property, including payments which may be due for insurance, Taxes, assessments, charges or liens prior to the charge of this Charge upon the Real Property and for the services of lawyers, agents and other Persons, and all costs, charges and expenses incurred in connection with the execution of the powers contained in

this Charge; and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including the power to advance its own money (with interest payable on it at the Interest Rate) and to enter into contracts and to undertake obligations for the foregoing purposes upon the security of this Charge;

- (b) Court Receiver. Proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Real Property, and removal or replacement from time to time of any such receiver;
 - (c) Private Receiver. Appointment by instrument in writing of a receiver of all or any part of the Real Property, whether before or after entry into possession of the Real Property or any part of it, and removal or replacement from time to time of any such receiver;
 - (d) Distress. The Chargee may distrain for arrears of payments in respect of the principal amount of this Charge, interest or any other amount payable under this Charge;
 - (e) Sale or Lease. Sale, lease or other disposition of all or any part of the Real Property whether before or after entry into possession of the Real Property or any part of it;
 - (f) Foreclosure. Proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Real Property, with or without entry into possession of it;
 - (g) Action on Covenant. Taking any action or proceeding to enforce the performance of any covenant in favour of the Chargor contained in this Charge, whether before or after entry into possession of the Real Property or any part of it;
 - (h) Proof of Claim. Filing of proofs of claim and other documents to establish the claims of the Chargee in any proceeding relating to the Chargor; and
 - (i) Other. Any other remedy or proceeding authorized or permitted by this Charge or at law or in equity.
- (b) No right or remedy of the Chargee under this Charge or that the Chargee may have at law or in equity shall be exclusive or dependent on any other right or remedy, but any one or more of such rights and remedies may from time to time be exercised independently or in combination. The rights, remedies and powers conferred under this Charge are supplementary to and not in substitution for any of the powers that the Chargee may have or be entitled to at law, in equity or otherwise.

31. **RECEIVER**

- (a) Upon the occurrence of any one or more events of default, the Chargee may, in its discretion, by writing appoint a receiver (which term shall include a receiver and manager) (a “**Receiver**”) of the Real Property or any part of it and of the rents and profits from it and may from time to time remove any Receiver and appoint another in his place, and in making any such appointment or appointments the Chargee shall be deemed to be acting as the attorney for the Chargor unless the Chargee indicates in writing a contrary intention. The following provisions shall apply in respect of the appointment of any Receiver:
- (i) such appointment may be made either before or after the Chargee shall have entered into or taken possession of the Real Property or any part of it;
 - (ii) such Receiver may, in the discretion of the Chargee, be vested with all or any of the powers and discretion of the Chargee and shall have the power to borrow on the security of the Real Property;
 - (iii) the Chargee may from time to time fix the remuneration of such Receiver and direct the payment of such remuneration from out of the proceeds of the Real Property;
 - (iv) such Receiver shall, so far as concerns the responsibility for his acts or omissions, be deemed the agent of the Chargor and in no event the agent of the Chargee and the Chargee in making or consenting to such appointment shall not incur any liability to the Receiver for his remuneration or otherwise howsoever;
 - (v) such Receiver shall from time to time have the power to collect, realize, sell or otherwise deal with the Real Property in such manner, upon such terms and conditions and at such time or times as may seem to the Receiver to be advisable and without notice to the Chargor;
 - (vi) such Receiver shall from time to time have the power to lease any portion of the Real Property which may become vacant for such term and subject to such provisions as the Receiver may deem advisable or expedient and, in so doing, such Receiver shall act as the attorney or agent for the Chargor (unless specifically appointed by the Chargee as the agent of the Chargee) and such Receiver shall have authority to execute, under seal or otherwise, any leases of any such premises in the name of and on behalf of the Chargor and the

Chargor undertakes to ratify and confirm whatever any such Receiver may do on the Real Property; and

- (vii) such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Real Property or any part of it in the name of the Chargor for the purpose of securing the payment of rental from the Real Property or any part of it, including the power to:
- a. take proceedings in the name of the Chargor or otherwise and to make any arrangement or compromise;
 - b. borrow or raise money on all or any part of the Real Property in priority to this Charge or otherwise for such purposes as may be approved by the Chargee;
 - c. give any and all notices to be given by the Chargor under any leases and exercise any and all rights of the Chargor under them;
 - d. do or cause to be done any and all acts and things under any lease and adjust and settle all matters relating to such performance; and
 - e. institute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Real Property, defend all suits, proceedings and actions against the Chargor or the Receiver, appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and appeal any suit, proceeding or action.

32. **APPLICATION OF PROCEEDS**

All money and other proceeds of disposition of any Real Property of the Chargor received by the Chargee or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Chargee rights against the Chargor under this Charge), encumbrances over the Real Property of the Chargor in favour of Persons other than the Chargee, borrowings, Taxes and other outgoings affecting the Real Property of the Chargor or which are considered advisable by the Chargee or the Receiver to protect, preserve, repair, process, maintain or enhance the Real Property of the Chargor or prepare it for sale, lease or other disposition, or to keep in good standing any encumbrances on the Real Property ranking in priority to the Charge from the Chargor, or to sell, lease or otherwise dispose of the Real Property of the Chargor. The balance of such proceeds, if any, may, at the sole discretion of the Chargee, be held as security for the obligations of the Chargor hereunder or be applied to such of the obligations (whether or not they are due and payable) in such manner and at such times as the Chargee considers appropriate (including in such manner as may be required to comply with any priority, subordination or security sharing arrangements between any one or more of those for whom the Chargee is the chargee) and thereafter will be accounted for as required by law.

33. **ATTORNEY OF THE CHARGOR**

- (a) Under Leases. The Chargee, as attorney or agent for the Chargor and in its name, may at any time and from time to time after default, exercise any of the rights, powers, authorities and discretion which under the terms of any of the leases could be exercised by the Chargor.
- (b) On Sale. In case of any sale under this Charge, whether by the Chargee or by a Receiver or under any judicial proceedings, the Chargor agrees that it will, forthwith upon request, execute and deliver to the purchaser such deeds, assurances, conveyances and receipts as may be necessary to transfer good title to the Real Property or any part or parts of it sold, and if in case of any such sale the Chargor shall fail to do so forthwith after request, the Chargee or such Receiver may execute and deliver to the purchaser of the Real Property or any part or parts of it such deeds, assurances, conveyances and receipts as may be necessary to transfer good and sufficient title to it, the Chargee or, if appointed, the Receiver being hereby irrevocably constituted the attorney of the Chargor for the purpose of making such sale and executing all deeds, assurances, conveyances, receipts and documents pertaining thereto.

34. **LIMITATION OF OBLIGATIONS**

The Chargee shall not, nor shall any Receiver appointed by it, be responsible or liable, otherwise than as a trustee, for any debts contracted by it or for salaries during any period during which the Chargee or such Receiver is managing the Real Property or any part or parts of it upon or after entry, as provided for in this Charge, nor shall the Chargee nor the Receiver be liable to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or for any default or omission for which a mortgagee in possession might be liable.

35. **CHARGEES' COSTS**

- (a) The Chargee may (but shall not be obliged to) pay all costs, charges and expenses (including agents' charges and solicitors' fees and disbursements on a solicitor and his own client basis) incurred from time to time in taking, recovering and keeping possession of the Real Property or in performing work in respect of the buildings, erections, structures and improvements situate on it or

in inspecting it and generally in any other proceedings taken to realize the money secured by this Charge or in protecting the security for such money, whether any action or other judicial proceeding to enforce such payment has been taken or not. Any and all amounts so paid shall be added to the obligation and shall be payable forthwith by the Chargor to the Chargee with interest at the Interest Rate from the date of payment by the Chargee.

- (b) The Chargor shall immediately pay to the Chargee all amounts paid or incurred by or on behalf of the Chargee and all costs and expenses of preparing, executing and registering the Charge and any other related instruments, inspecting, protecting, repairing, completing, insuring, taking, keeping possession of and managing all or any part of the Real Property, preparing the Real Property for sale or lease, selling or leasing the Real Property, collecting all or any part of the Principal amount of this Charge, the exercise of any of the rights of a Receiver appointed pursuant to the provisions of this Charge and such Receiver's fees and expenses, agents' costs and expenses, legal fees and disbursements on a solicitor and his own client basis, and any other costs and expenses of exercising or protecting the Chargee's rights (under this Charge or otherwise) or all or any part of the Real Property.

36. **ADDITIONAL REMEDIES**

The rights, powers, and remedies conferred herein are supplementary to and not in substitution for any of the powers which the Chargee may have or be entitled to at law or otherwise. Any one or more remedies may from time to time be exercised independently of or in combination with any of the others, as often and in such order as the Chargee considers appropriate and the remedies include, but are not limited to, the Chargee's right to commence court proceedings to foreclose the Chargor's right, title and equity of redemption to the Real Property and the Chargee's right to ask the court to order the sale of the Real Property under the court's supervision. Such rights, powers and remedies shall not be capable of being waived or varied except by virtue of an expressed waiver or variation in writing signed by an officer of the Chargee. In particular, any failure to exercise or any delay in exercising any of such rights and remedies shall not operate as a waiver or variation of that or any other such right or remedy, any defective or partial exercise of any of such rights shall not preclude any other or future exercise of that or any other such right or remedy and no act or course of conduct or negotiation on the part of the Chargee or on its behalf shall in any way preclude it from exercising any such right or remedy or constitute a suspension or variation of any such right or remedy.

37. **CONSENT TO PERSONAL INFORMATION AS PER PRIVACY POLICY**

The Chargor and each Covenantor agrees that any information, personal or otherwise, either that the Chargor and each Covenantor has provided or will provide to the Chargee or that the Chargee has on file about the Chargor and each Covenantor shall be retained and may be used as the Chargee deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Chargor and each Covenantor also agree to any credit bureau search being carried out by the Chargee from time to time as the Chargee deems necessary in its sole and unfettered discretion. By signing this Charge, the Chargor and each Covenantor agree that the Chargee shall have the right to seek any information from any Governmental Authority at any time either before or after the registration of the Charge and before and after default including to request site inspections or any information on file about the Chargor and each Covenantor and/or the Real Property and the Chargee shall have the right to retain such information which may be used as the Chargee deems necessary in its sole and unfettered discretion. The Chargor and each Covenantor also agree that the Chargee may retain all information provided to it in accordance with the provisions of this Section 37 on file for as long as the Chargee deems appropriate.

38. **SEVERABILITY OF ANY INVALID PROVISIONS**

If in the event that any covenant, term or provision contained in this Charge is held to be invalid, illegal or unenforceable in whole or in part, then the validity, legality and enforceability of the remaining covenants, provisions and terms shall not be affected or impaired thereby, and all such remaining covenants, provisions and terms shall continue in full force and effect. All covenants, provisions and terms hereof are declared to be separate and distinct covenants, provisions or terms as the case may be.

39. **INDEMNIFICATION OF CHARGE**

In the event the Chargee shall, without fault on its part, be made a party to any litigation commenced by or against the Chargor, the Chargor shall protect and hold the Chargee harmless therefrom and shall pay all costs, expenses and solicitors' fees on a substantial indemnity basis. Such costs shall be a charge on the Real Property and may be added to the Loan.

40. **HEADINGS**

The headings herein are not to be considered part of this Charge and are included solely for the convenience of reference and are not intended to be full or accurate descriptions of the contents of the paragraphs to which they relate.

41. **BREACH OF COVENANT**

A breach of any covenant contained in this Charge shall constitute a default hereunder and at the option of the Chargee, it may avail itself of the remedies contained in this Charge or available at law.

42. **TIME OF ESSENCE**

Time shall be of the essence of this Charge in all respects.

43. **GOVERNING LAW**

This Charge shall be governed by the laws of the Province of Ontario.

44. **SUCCESSORS AND ASSIGNS**

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

45. **AGREEMENTS IN WRITING**

No agreement for modification to this Charge or to any other security agreement provided to the Chargee, including any renewals hereof for extension of the time for payment of the indebtedness due hereunder shall result from, or be implied from, any payment or payments of any kind whatsoever made by the Chargor to the Chargee after the expiration of the Maturity Date, or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no modification, amendment, renewal hereof of extension of the time for payment of any indebtedness due hereunder shall result from, or be implied from, any other act, matter or thing, save only an express agreement in writing between the Chargor and the Chargee.

46. **CURRENCY REFERENCES**

All dollar amounts referred to in this Charge are stated in lawful money of Canada.

47. **CONFLICT/AMBIGUITY**

In the event of any inconsistency between the terms of this schedule to this Charge and the terms of Standard Charge Terms 200033, the terms of this schedule to this Charge shall prevail and the inclusion of any term in Standard Charge Terms 200033 that is not set out in this schedule to this Charge shall not be an inconsistency.

48. **BLANKET CHARGE**

- (a) The Chargor hereby acknowledges and agrees that the indebtedness owing from time to time pursuant to the Loan shall be secured by all of the Real Property described under Properties field in the electronic form to which this Schedule is attached. For purposes hereof, each of the parcels of land comprising of the Real Property and designated by the Land Titles Office in which this Charge is registered shall hereinafter be referred to as a “**Parcel**” and collectively referred to as the “**Parcels**”. The Chargor hereby further acknowledges and agrees that:
- (i) the Charge shall be registered against each of the Parcels;
 - (ii) each Parcel shall be charged with the whole of the principal sum secured hereby together with interest thereon at the Interest Rate and Costs and other amounts thereon as provided herein; and
 - (iii) the Chargor shall not be entitled to apportion any principal amount due under the Loan in respect of any of the Parcels.

This is Exhibit “F” referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of November 24, 2022.

TO: EMPIRICAL CAPITAL CORP.

WHEREAS:

- A. TerraBona 7115 Yonge Ltd. (the “**Debtor**”) is, or may become, indebted or liable to Empirical Capital Corp. (the “**Creditor**”); and
- B. To secure the payment and performance of the Liabilities (this term, and other capitalized terms used in this Agreement, have the meanings set forth in Section 1), the Debtor has agreed to grant to the Creditor security interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

1. Definitions. Capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) “**Accessions**”, “**Account**”, “**Chattel Paper**”, “**Consumer Goods**”, “**Document of Title**”, “**Equipment**”, “**Goods**”, “**Instrument**”, “**Intangible**”, “**Inventory**” and “**Proceeds**” have the meanings given to them in the PPSA;
- (b) “**Books and Records**” means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor’s behalf) has access;
- (c) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the province referred to in the “Governing Law” section of this Agreement;
- (d) “**Collateral**” means all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof, wherever located;
- (e) “**Contracts**” means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement;
- (f) “**Default**” means the occurrence of any of the following events or conditions:
 - (i) the Debtor does not pay any of the Liabilities when due;
 - (ii) the Debtor does not observe or perform any of the Debtor’s obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditor;

- (iii) any representation, warranty or statement made by or on behalf of the Debtor to the Creditor, in this Agreement or otherwise, is untrue in any material respect when made;
 - (iv) the Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor's business;
 - (v) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (vi) a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
 - (vii) any Person holding a Security Interest in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
 - (viii) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests created by this Agreement; or
 - (ix) the Creditor, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy;
- (g) **"Intellectual Property Rights"** means all industrial and intellectual property rights, including copyrights, patents, trade-marks, industrial designs, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights;
 - (h) **"Liabilities"** means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor, wherever and however incurred, and any unpaid balance thereof;
 - (i) **"Money"** has the meaning given to it in the PPSA or, if there is no such meaning given in the PPSA, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency;
 - (j) **"PPSA"** means the *Personal Property Security Act* of the province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation);
 - (k) **"Permits"** means all permits, licences, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business;
 - (l) **"Person"** will be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual;
 - (m) **"Personal Property"** means personal property and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities;

- (n) **"Receiver"** means a receiver, a manager or a receiver and manager;
- (o) **"Securities"** has the meaning given to it in the PPSA, or if there is no such meaning given in the PPSA but the PPSA defines "security" instead, it means the plural of that term; and
- (p) **"Security Interest"** means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, finance lease, title retention agreement or arrangement, security interest or other encumbrance or adverse claim of any nature, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property.

2. Grant of Security Interest. As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor mortgages, charges and assigns to the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. Limitations on Grant of Security Interest. If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then the applicable Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditor and, on exercise by the Creditor of any of its rights under this Agreement following Default, assigned by the Debtor as directed by the Creditor. In addition, the Security Interests created by this Agreement do not extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights under this Agreement following Default, will be assigned by the Debtor as directed by the Creditor.

4. Attachment; No Obligation to Advance. The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral (other than after-acquired property) and that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests created by this Agreement to any of the Collateral. The Security Interests created by this Agreement will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this Agreement nor any advance of funds shall oblige the Creditor to advance any funds or any additional funds.

5. Representations and Warranties. The Debtor represents and warrants to the Creditor that:

(a) **Places of Business, Name, Location of Collateral.** The Debtor's principal place of business and chief executive office, and the place where it keeps its Books and Records, is at the address specified on the signature page of this Agreement, and its full legal name, and any other name under which it conducts its business, is specified on the signature page of this Agreement.

(b) **Title; No Other Security Interests.** Except for (i) the Security Interests created by this Agreement, and (ii) any other Security Interests permitted in writing by the Creditor, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Security Interests. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings in favour of, or permitted in writing by, the Creditor.

(c) **Amount of Accounts.** The amount represented by the Debtor to the Creditor from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditor at that time, will be owed free of any dispute, set-off or counterclaim.

(d) **Authority; Consents.** The Debtor has full power and authority to grant to the Creditor the Security Interests created by this Agreement and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constituting documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound. Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract or any obligor

in respect of any Account is required, or purports to be required, for the execution, delivery and performance of this Agreement. Except as disclosed in writing by the Debtor to the Creditor, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract.

(e) Execution and Delivery; Enforceability. This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

(f) Motor Vehicles. A description of all motor vehicles and other "serial number" goods (i.e. trailers, mobile homes, aircraft, aircraft engines and vessels) (including vehicle identification numbers) presently owned by the Debtor and classified as Equipment is set out in Schedule A to this Agreement.

(g) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(h) Intellectual Property Rights. All Intellectual Property Rights owned by the Debtor, and all rights of the Debtor to the use of any Intellectual Property Rights, are described in Schedule A to this Agreement. To the best of the Debtor's knowledge, each such Intellectual Property Right is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set out in such Schedule, none of such Intellectual Property Rights has been licensed or franchised by the Debtor to any Person.

6. Survival of Representations and Warranties. All agreements, representations, warranties and covenants made by the Debtor in this Agreement are material, will be considered to have been relied on by the Creditor and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Liabilities until repayment and performance in full of the Liabilities and termination of all rights of the Debtor that, if exercised, would result in the existence of Liabilities.

7. Covenants. The Debtor covenants and agrees with the Creditor that:

(a) Further Documentation. The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests created by this Agreement). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditor will have the right to require that this Agreement be amended, supplemented or replaced, and that the Debtor will immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Security Interests similar to, and having the same effect as, the Security Interests created by this Agreement.

(b) Delivery of Certain Collateral. Promptly upon request from time to time by the Creditor, the Debtor will deliver (or cause to be delivered) to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditor may specify in its request.

(c) Payment of Expenses; Indemnification. The Debtor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and

expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (i) incurred by the Creditor in the preparation, registration, administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in performing or observing any of its obligations under this Agreement, or (iii) incurred by the Creditor in performing or observing any of the other covenants of the Debtor under this Agreement.

(d) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Creditor, the Debtor will mark any Collateral specified by the Creditor to evidence the existence of the Security Interests created by this Agreement.

(e) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditor may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditor with such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.

(f) Limitations on Other Security Interests. The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Security Interests in and other claims affecting the Collateral, other than the Security Interests created by this Agreement or as permitted in writing by the Creditor, and the Debtor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.

(g) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of, and subject to Section 17, Accounts may be collected, in the ordinary course of the Debtor's business. Following Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditor and will be immediately paid to the Creditor.

(h) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (i) below, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or the Creditor, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Creditor.

(i) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with previous practices, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.

(j) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose.

(k) Insurance. The Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Creditor, and will (i) contain a breach of warranty clause in favour of the Creditor, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Creditor, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the

Creditor, and (iv) name the Creditor as loss payee as its interest may appear. The Debtor will, from time to time at the Creditor's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Creditor. If the Debtor does not obtain or maintain such insurance, the Creditor may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Creditor for all payments made by the Creditor in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Security Interests created by this Agreement. Neither the Creditor nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

(l) Further Identification of Collateral. The Debtor will promptly furnish to the Creditor such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditor may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.

(m) Notices. The Debtor will advise the Creditor promptly, in reasonable detail, of (i) any Security Interest (other than the Security Interests created by this Agreement and any Security Interest permitted in writing by the Creditor) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests created by this Agreement, (iii) any change in the location of any place of business (including additional locations) or the chief executive office of the Debtor, (iv) any change in the location of any of the tangible Collateral (including additional locations), (v) any acquisition of real property by the Debtor, (vi) any change in the name of the Debtor, (vii) any merger or amalgamation of the Debtor with any other Person, (viii) any additional jurisdiction in which material accounts debtors of the Debtor are located, and (ix) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (viii) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected Security Interest in respect of all of the Collateral.

(n) Delivery of Agreements re Intellectual Property Rights. The Debtor will promptly, following demand from time to time by the Creditor, authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditor may request to evidence the Creditor's Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(o) Limitation on Loans and Guarantees. The Debtor will not, without the Creditor's prior written consent, lend money to or guarantee the obligations of any other third party.

(p) Limitation on Investments or Acquisitions. The Debtor will not, without the Creditor's prior written consent, make any investments or acquisitions other than in the normal course of business.

8. Rights on Default. On Default, all of the Liabilities will, at the option of the Creditor, become immediately due and payable and the security constituted by this Agreement will become enforceable, and the Creditor may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor.

(c) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditor deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral.

(i) Purchase by Creditor. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Liabilities then due and payable to it as a credit against the purchase price.

(j) Collect Accounts. Notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Creditor and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditor and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditor deems appropriate in the circumstances.

(k) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of the Creditor or its nominee, with or without disclosing that the Securities are subject to the Security Interests arising under this Agreement.

(l) Exercise of Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if the Creditor were the absolute owner of such Securities.

(m) Payment of Liabilities. Pay any liability secured by any Security Interest against any Collateral. The Debtor will immediately on demand reimburse the Creditor for all such payments.

(n) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Security Interests on any Collateral (in priority to the Security Interests created by this Agreement or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Creditor for all such borrowings.

(o) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will (for purposes relating to

responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

(p) Court-Appointed Receiver. Apply to a court of competent jurisdiction for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

(q) Consultants. Require the Debtor to engage a consultant of the Creditor's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its employees, including unrestricted access to the premises, books and records of the Debtor; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditor and to disclose to the Creditor any and all information obtained in the course of such consultant's employment.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor by this Agreement waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Without prejudice to the ability of the Creditor to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Creditor which takes place substantially in accordance with the following provisions will be deemed to be commercially reasonable:

- (i) Collateral may be disposed of in whole or in part;
- (ii) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (iii) any purchaser or lessee of Collateral may be a customer of the Creditor;
- (iv) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Creditor, in its sole discretion, may deem advantageous; and
- (v) the Creditor may establish an upset or reserve bid or price in respect of Collateral.

9. Grant of Licence. For the purpose of enabling the Creditor to exercise its rights and remedies under Section 8 when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditor an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same.

10. Sale of Securities. The Creditor is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

11. Application of Proceeds. All Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Security Interests in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the

Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Security Interests on the Collateral ranking in priority to any of the Security Interests created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by law.

12. Continuing Liability of Debtor. The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

13. Creditor's Appointment as Attorney-in-Fact. The Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion after a Default, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created by this Agreement are released. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate.

14. Performance by Creditor of Debtor's Obligations. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

15. Interest. If any amount payable to the Creditor under this Agreement is not paid when due, the Debtor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a rate equal to the Wrap Up Rate (as such term is defined in the Commitment Letter dated October 17, 2022 issued by the Creditor to the Debtor, as same may be amended, extended and/or renewed from time to time). All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

16. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. Rights of Creditor; Limitations on Creditor's Obligations.

(a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor, a Receiver nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any Receiver) caused for any reason other than the gross negligence or willful misconduct of the Creditor or such Receiver.

(b) **Debtor Remains Liable under Accounts and Contracts.** Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts and

under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor will have no obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. The Creditor hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditor at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, will be held by the Debtor in trust for the Creditor, segregated from other funds of the Debtor. All such amounts while held by the Creditor (or by the Debtor in trust for the Creditor) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If a Default has occurred and is continuing, the Creditor may apply all or any part of the amounts on deposit in said special collateral account on account of the Liabilities in such order as the Creditor may elect. At the Creditor's request, the Debtor will deliver to the Creditor any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. The Creditor will have the right to analyze and verify the Accounts in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Creditor may require in connection therewith. The Creditor may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditor's reasonable request and at the expense of the Debtor, the Debtor will furnish to the Creditor reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

18. Dealings by Creditor. The Creditor will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

19. Communication. Any communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

20. Release of Information. The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor by Persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

21. Waivers and Indemnity. To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against the Creditor arising out of the exercise by the Creditor or any Receiver of any rights or remedies under this Agreement or at law, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger or any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation. The Debtor agrees to indemnify the Creditor from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or willful misconduct of the Creditor or any of its agents or employees) which may be imposed on, incurred by, or asserted against the Creditor and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

22. Amalgamation. If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests created by this Agreement will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

23. Governing Law; Attornment. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

24. Interpretation. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

25. Successors and Assigns. This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Creditor. If the Debtor or the Creditor is an individual, then the term "Debtor" or "Creditor", as applicable, will also include his or her heirs, administrators and executors.

26. Acknowledgment of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.


27. Electronic Transmission. This Agreement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

TERRABONA 7115 YONGE LTD.

Per:

Name: 
Majid Tavakoli

Title: Authorized Signing Officer

I have authority to bind the Corporation.

Address: 1899 Leslie Street
Toronto, Ontario M3B 2M3

Attention: Majid Tavakoli
E-mail: majid@terrabona.ca

SCHEDULE A

Locations of Collateral (Paragraph 5(a))

1899 Leslie Street, Toronto, Ontario
7115 Yonge Street, Thornhill, Ontario
8-14 Grandview Avenue, Thornhill, Ontario

Locations of Real Property (Paragraph 5(a))

1899 Leslie Street, Toronto, Ontario
7115 Yonge Street, Thornhill, Ontario
8-14 Grandview Avenue, Thornhill, Ontario

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2022/11/24 328 01942
1590A20221124E

Registration No. (for office use only) / N° d'enregistrement (usage interne)
YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

Ontario

Ministry of Consumer and Business Services
Ministère des Services aux Consommateurs et aux Entreprises

Form
Formule 3C

10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne)

PPSA

31 Reference File Number / N° de dossier de référence

788727294

Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C)

Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

32 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit)

First Given Name / Premier prénom

Initial / Initiale

Surname / Nom de famille

33 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit)

TERRABONA 7115 YONGE LTD.

Ontario Corporation No. / N° matricule de la personne morale en Ontario

Secured Party/Lien Claimant/Registered Agent / Créancier garanti/ Créancier privilégié/Agent d'enregistrement

Address / Adresse

City, etc./Ville, etc.

Prov./Prov. Postal Code/Code postal

Authorized Signature / Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant / Nom et signature du créancier garanti/créancier privilégié OU Nom du créancier garanti/créancier privilégié ET nom et signature de l'agent du créancier garanti/créancier privilégié

CHAITONS LLP (JW/75411)
5000 YONGE STREET, 10TH FLOOR
TORONTO ON M2N 7E9

This form must not be reproduced for registration purposes. / Cette formule ne doit pas être reproduite aux fins d'enregistrement.

(Cut along dotted line / Détachez à la ligne pointillée)

This is not a Certificate issued under the PPSA. It is provided as a courtesy to assist you / Le présent n'est pas un certificat délivré en vertu de PPSA. Il est délivré à titre gracieux pour vous aider.

Verification Statement / État de vérification

Form Type / Type de formule	Page / Page	Line / Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. *La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page / Page	OF / DE	Total Pages / Nombre de pages	*Expiry Date / *Date d'expiration YYYY/AAAA MM/MM DD/JJ
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1C	1	04	TORONTO	ON	M3B 2M3		
1C	1	08	EMPIRICAL CAPITAL CORP				
1C	1	09	4950 YONGE STREET, SUITE 1706				
1C	1	09	TORONTO	ON	M2N 6K1		
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1C	1	10	ACCTS/COMPT: X	OTHER/AUTRE: X	MV INCL/VA INCLUS:		
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1C	1	16	CHAITONS LLP (JW/75411)				
1C	1	17	5000 YONGE STREET, 10TH FLOOR				
1C	1	17	TORONTO	ON	M2N 7E9		

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

Account No. (if applicable) / N° de compte (si pertinent) Registration Account Code / Code du compte d'enregistrement

Financing Change Statement / Change Statement
État de modification du financement / État de modification

2022/11/24 328 01944
1590A20221124E

Registration No. (for office use only) / N° d'enregistrement (usage interne)
YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

Ontario
Ministry of Consumer and Business Services
Ministère des Services aux Consommateurs et aux Entreprises

Form 3C
Formule 3C 10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne)

31 Reference File Number / N° de dossier de référence 788727321 Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C) Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

32 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit) First Given Name / Premier prénom Initial / Initiale Surname / Nom de famille

33 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit) TERRABONA 7115 YONGE LTD. Ontario Corporation No. / N° matricule de la personne morale en Ontario

Secured Party / Lien Claimant / Registering Agent / Créancier garanti / Créancier privilégié / Agent d'enregistrement

03/16 Address / Adresse City, etc. / Ville, etc. Prov. / Prov. Postal Code / Code postal

CHAITONS LLP (JW/75411)
5000 YONGE STREET, 10TH FLOOR
TORONTO ON M2N 7E9

Authorized Signature / Signature autorisée
Name and Signature of Secured Party / Lien Claimant OR Name of Secured Party / Lien Claimant AND Name and Signature of Agent of Secured Party / Lien Claimant / Nom et signature du créancier garanti / créancier privilégié OU Nom du créancier garanti / créancier privilégié ET nom et signature de l'agent du créancier garanti / créancier privilégié

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1C	2	01	REG UNDER / T. ENREG:			REG PERIOD / PERIODE:	
1C	2	03	TERRABONA 7115 YONGE LTD.				
1C	2	04	1899 LESLIE STREET				
1C	2	04	TORONTO	ON		M3B 2M3	
1C	2	05	07SEP1982 MAJID			SARKAR - TAVAKOLI	
1C	2	07	741 LAKELANDS AVENUE				
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*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***							

This is Exhibit "G" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remot



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

GENERAL ASSIGNMENT OF RENTS

THIS ASSIGNMENT dated as of November 24, 2022.

BY:

TERRABONA 7115 YONGE LTD.
(hereinafter called the “**Assignor**”)

IN FAVOUR OF:

EMPIRICAL CAPITAL CORP.
(hereinafter called the “**Assignee**”)

WHEREAS:

- A. The Assignor is the registered owner of the lands and premises municipally known as 7115 Yonge Street and 8-14 Grandview Avenue, Thornhill, Ontario and legally described in PINs 03020-0534 (LT), 03020-0535 (LT), 03020-0368 (LT), 03020-0369 (LT), 03020-0370 (LT) and 03020-0371 (LT) (collectively, the “**Property**”);
- B. The Assignor granted a charge/mortgage of land in favour of the Assignee dated as of the date hereof (the “**Charge**”) and registered in the applicable Land Registry Office as the Instrument Number referred to in the Statements Section on page 1 hereof, as additional security for a loan from the Assignee to the Assignor; and
- C. The Assignor has agreed to assign to and in favour of the Assignee, all of the rents payable or to be payable under and all advantages and benefits to be derived from (collectively, the “**Rents**”) all leases of premises located on the Property now or hereafter entered into by the Assignor, as landlord, including, without limitation, any specific leases referred to in Schedule “A” attached hereto (collectively, the “**Leases**”) as additional security for the payment of all indebtedness owing by the Assignor to the Assignee and secured by the Charge (collectively, the “**Obligations**”), and for the performance of the covenants contained therein subject to and in accordance with the terms hereinafter set out.

NOW THEREFORE in consideration of the sum of Two (\$2.00) Dollars paid by the Assignee to the Assignor and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Assignor hereby covenants and agrees to and in favour of the Assignee as follows:

1. The Assignor hereby irrevocably assigns, transfers and sets over unto the Assignee all Rents.
2. This Assignment and the security interest granted hereby is given as additional security for the Obligations. All amounts collected hereunder, after deducting all reasonable expenses in connection with the collection thereof (including without limitation, solicitors’ fees thereon), shall be applied on account of the Obligations, or in such other manner as may be provided for in the Charge. Nothing contained herein shall be construed as constituting the Assignee as a trustee, mortgagee or chargee in possession.
3. The Assignor hereby represents and warrants to and in favour of the Assignee as follows:
 - (a) the Leases are in full force and effect and the copies delivered to the Assignee are true and correct copies thereof;
 - (b) as of the date hereof, the Assignor has not assigned or pledged the Leases or any interest therein save and except as disclosed by registered title, and that no default exists on the part of the lessees thereunder (collectively, the “**Lessees**”) or the Assignor in the performance on the part of either of them, of the terms, covenants, provisions or agreements contained therein;
 - (c) other than the last month’s Rents, no Rents have been paid by any of the Lessees more than thirty (30) days in advance of when same become due and payable under the terms of the Leases;
 - (d) other than has been disclosed to the Assignee, no security deposits have been made by the Lessees to the Assignor in respect of the Leases; and
 - (e) the payment of Rents has not been or will not be waived, released, reduced, discounted or otherwise discharged or compromised by the Assignor directly or indirectly by assuming any of the Lessees’ obligations under the Leases.
4. The Assignor hereby waives any rights of set-off against the Lessees under the Leases.
5. The Assignor hereby covenants and agrees to and in favour of that Assignee that:
 - (a) the Leases shall remain in full force and effect in accordance with the terms thereof;


- (b) it will not transfer or convey title of any portion of the Property to any of the Lessees without (i) the prior written consent of the Assignee and requiring such Lessee to, in writing, assume and (ii) agree to assume the Obligations subject to and in accordance with the terms covenants and conditions contained in the Charge;
 - (c) the Leases, and all amendments, assignments or terminations thereof or any concessions granted by the Assignor in connection therewith, have been and shall only be entered into, made or granted by the Assignor in the ordinary course of business and upon rental rates and terms that are competitive and consistent with similar rental properties in the municipality in which the Property is situate and otherwise as would be permitted by a prudent landlord in the municipality in which the Property is situate, acting reasonably;
 - (d) it shall not deal with the Leases except in accordance with the provisions set out herein;
 - (e) except for last month's Rents, it shall not collect any Rents more than thirty (30) days in advance of the time when same become due under the terms of the Leases;
 - (f) it shall not to execute any other assignments of the Leases or any interest therein or any Rents thereunder;
 - (g) it shall perform the Assignor's covenants and agreements as landlord under the Leases in such a manner as would be performed by a prudent landlord in the municipality in which the Property is situate, acting reasonably, and in the ordinary course of its business and, in any event, in compliance with all requirements of all tenancy legislation and the laws, by-laws and regulations of all governmental authorities having jurisdiction;
 - (h) it shall promptly deliver to the Assignee complete copies of any and all notices of default issued or received by the Assignor with respect to the Leases;
 - (i) in the event of default by a Lessee, the Assignor shall enforce such Lease and all remedies available to it thereunder;
 - (j) it shall not to exercise any right of election, whether specifically set forth in any such Lease or otherwise, which would in any way diminish the Lessee's liability or have the effect of shortening the stated term of the Lease, except in the ordinary course of business, as would a prudent landlord in the municipality in which the Property is situate;
 - (k) it shall pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Assignment or any notice hereof which may be required and of every renewal related thereto;
 - (l) notwithstanding any variation of the terms of the Charge or any extension of time for payment thereunder, the Leases and Rents shall continue as additional security for the Obligations in accordance with the terms hereof; and
 - (m) none of the rights or remedies of the Assignee under the Charge shall be delayed or in any way prejudiced by this Assignment.
6. In the event that the Assignor is in breach of any of the provisions of Section 5 hereof, the Assignor shall, at the option of the Assignee, be deemed to be in default under this Assignment and the Charge.
7. Upon any vesting of title to the Property in the Assignee or any other party by court order, operation of law, or otherwise, or upon delivery of a transfer/deed of land pursuant to the Assignee's exercise of its remedies under the Charge, all right, title and interest of the Assignor in and to the Rents and the Leases shall, by virtue of this Assignment, thereupon vest in and become the absolute property of the party vested with such title or the grantee in such transfer/deed of land without any further act or assignment by the Assignor. The Assignor hereby irrevocably appoints the Assignee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee.
8. In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this Assignment, and the Assignor hereby agrees to indemnify the Assignee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may incur under the Leases or this Assignment and from any and all claims and demands whatsoever which may be asserted against it by reason of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Assignee incur any such liability, loss or damage under the Leases or by reason of this Assignment, or in the defence of any such claims or demands, the amount thereof, including costs, expenses and solicitors' fees, shall be secured by the Charge, and the Assignor shall reimburse the Assignee therefore immediately upon demand, failing which interest shall accrue at the rate set out in the Charge.

9. Notwithstanding anything contained herein to the contrary, the Assignee shall not exercise any of the rights or powers conferred upon it under this Assignment until an event of default has occurred hereunder and/or under the Charge. Upon any such default, the Assignee shall be entitled, upon notice to the Lessees, to all Rents due and thereafter accruing, and this Assignment shall constitute an irrevocable direction to and full authority to the Lessees to pay all such amounts to the Assignee without proof of the default. The Lessees are hereby irrevocably authorized to rely upon and comply with any notice or demand by the Assignee for the payment to the Assignee of any Rents which may be or thereafter become due under the Leases regardless whether any default under the Charge has actually occurred or is then existing.
10. In the event that the Assignee collect any payment of Rents due to the Assignor as a result of the Assignor's default hereunder and/or under the Charge, the Assignee shall be entitled to receive a management fee equal to five (5%) percent of the gross receipts of such Rents. The parties hereto hereby acknowledge and agreement that such management fee is a just and equitable fee having regard to the circumstances.
11. This Assignment is intended to be additional to and not in substitution for or in derogation of any assignment of Rents contained in the Charge and/or in any other document relating thereto.
12. This Assignment shall include any extensions and renewals of the Leases and any reference herein to the Leases shall be construed as including any such extensions and renewals.
13. This Assignment shall be binding upon and enure to the benefit of the respective successors and assigns of the parties hereto. The words "Assignor", "Assignee" and "Lessees", wherever used herein, and designated as such and their respective heirs, administrators, successors and assigns, and all words and phrases shall be taken to include the singular or plural and masculine, feminine or neuter gender, as may fit the case.
14. This Assignment may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

TERRABONA 7115 YONGE LTD.

Per: 
Name: Majid Tavakoli
Title: Authorized Signing Officer

I have authority to bind the Corporation.

This is Exhibit "H" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

GUARANTEE

THIS GUARANTEE dated of as November 24, 2022.

TO: EMPIRICAL CAPITAL CORP. (the “**Lender**”)

WHEREAS:

- A. The Lender has agreed to extend a loan in the principal amount not exceeding Thirty-One Million (\$31,000,000) Dollars (the “**Loan**”) in favour of TerraBona 7115 Yonge Ltd. (the “**Borrower**”) on the terms and subject to the conditions as set out in the commitment letter dated October 17, 2022 issued in connection with the Loan (the “**Commitment**”); and
- B. The Loan is being advanced to the Borrower by the Lender on the condition that Majid Tavakoli Holdings Ltd. and Majid Tavakoli (collectively, the “**Covenantor**”) execute and deliver this Guarantee.

NOW THEREFORE in consideration of the Lender making the advance of the Loan and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the Covenantor hereby acknowledges and agrees as follows:

1. The Covenantor hereby guarantees as if the Covenantor was a principal debtor and not merely a surety, the due and punctual payment to the Lender of the Loan including, without limitation, all present and future indebtedness and liability owing by the Borrower to the Lender on account of the Loan whether direct or indirect, absolute or contingent, matured or not including, without limitation:
 - (a) all amounts expressed to be owing to the Lender pursuant to the Commitment and all agreements, instruments and other documents, whether referred to in the Commitment or otherwise, that are now or may hereafter be delivered or assigned to the Lender in connection with or as security for the Loan (the Commitment and any such instrument and other documents are sometimes hereinafter collectively called the “**Loan Documents**”);
 - (b) all commissions, costs, charges, fees and other expenses (including legal fees and disbursements on a substantial indemnity basis) arising out of or incurred by the Lender in connection with any one or more of the following:
 - (i) the collection of the amounts owing by the Borrower to the Lender on account of the Loan;
 - (ii) the enforcement of this Guarantee; and
 - (iii) any action or other proceeding instituted by the Lender, the Borrower, the Covenantor or any other person in any way relating to this Guarantee, the Loan, the Loan Documents or any part thereof,
2. This Guarantee is a specific guarantee of the Loan and shall only apply to and secure the amounts referred to in paragraph 1 hereof (hereinafter collectively called the “**Liabilities**”) and any ultimate balance due or remaining unpaid to the Lender thereunder. This Guarantee is irrevocable, absolute and unconditional and the obligation of the Covenantor hereunder is not cancellable or terminable by the Covenantor (whether or not the entire Loan has been advanced).
3. All indebtedness and liability, present and future, of the Borrower to the Covenantor are hereby assigned to the Lender and postponed to the Liabilities, and all moneys received by the Covenantor in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the Covenantor under this Guarantee; and this assignment and postponement is independent of this Guarantee

and shall remain in full effect notwithstanding that the liability of the Covenantor under this Guarantee may be extinct.

4. The Covenantor's liability to make payment under this Guarantee shall arise forthwith after demand for payment has been given to the Covenantor. Such demand may be given by personal delivery to the Covenantor or by sending such demand to the Covenantor by telecopier or by prepaid registered mail to the last address of the Covenantor known to the Lender. If mailed, such demand shall be deemed to have been effectually made on the fourth day after an envelope containing such demand addressed to the Covenantor is mailed.
5. The Covenantor expressly waives notice of the acceptance of this Guarantee and notice of non-performance, non-payment or non-observance on the part of the Borrower under the Loan or under the Loan Documents or any part thereof.
6. This Guarantee and the rights of the Lender hereunder shall not be released, discharged, mitigated, impaired or affected by:
 - (a) any grant of time, renewals, extensions, compromises, indulgences or modifications to; extending or failing to extend credit to; making or failing to make Loans or advances to; taking or failing to take securities from; releasing or discharging any securities to; failing to perfect or keep perfected or otherwise taking advantage of any securities received from; accepting compositions from; and releasing, discharging or otherwise dealing with; the Borrower, the Covenantor or any other person whatsoever;
 - (b) any failure of the Lender to prove a claim against the estate of the Borrower or any waiver or failure to enforce any of the terms, conditions or other provisions of, or any loss, diminution of value or unenforceability of, any of the Loan Documents;
 - (c) the application by the Lender of any monies received from the Borrower, the Covenantor or any other person or from securities on account of such part or parts of the Liabilities in such manner as the Lender deems best and the changing of such application in whole or in part at any time or from time to time;
 - (d) the death, incapacity, receivership, bankruptcy, insolvency, winding-up, dissolution or the loss of corporate existence of the Borrower or the Covenantor, the release or discharge of the Borrower or the Covenantor by operation of law or otherwise, any change in the name, objects, capital structure or constitution of the Borrower or any transfer of the assets or businesses of the Borrower to a partnership or to a corporation or any incorporation, amalgamation, continuance, arrangement or reorganization of the Borrower or the Covenantor; and/or
 - (e) the distribution of the assets of the Borrower (whether voluntary or compulsory) or upon the occurrence of a bulk sale of any of the Borrower's assets or any composition with the Lender or any scheme of arrangement; and in any such event the Lender shall have the right to rank in all respects in priority to the Covenantor for its full claim against the Borrower and to receive all dividends or other payments in respect thereof until the Lender's claim and all Liabilities have been paid in full; and the retention by the Lender of all or any part or parts of the Loan Documents shall not, as between the Lender and the Covenantor, be considered a purchase of such securities, or payment, satisfaction or reduction of the Liabilities or any part thereof.
7. Without prejudice to any of the rights or recourses which the Lender may have against the Borrower, the Covenantor expressly waives any right to require the Lender to initiate or exhaust any rights, remedies or recourses against the Borrower, the Covenantor or any other person, value, realize upon or dispose of any of the Loan Documents; or initiate or exhaust any other remedy which the Lender may have at law or in equity before requiring or becoming entitled to demand and

enforce payment from the Covenantor under this Guarantee; and the Covenantor renounces all benefits of discussion and division.

8. If for any reason the Borrower has no legal existence, or if the Borrower is or becomes under no legal obligation to discharge the Liabilities or if any of the Liabilities becomes statute barred or otherwise irrecoverable from the Borrower whether by operation of law or for any reason whatsoever including, without limitation, as a result of any lack or limitation of power, capacity or disability of the Borrower or its directors, partners, officers or agents or as a result of any irregularity, fraud, defect or informality in the obtaining of any advances, credits or renewals from the Lender (whether or not the Lender should have had knowledge thereof), this Guarantee and the covenants, agreements and obligations of the Covenantor set out herein shall nevertheless be binding upon the Covenantor as principal debtor until such time as such monies have been paid in full to the Lender and all Liabilities have been discharged and the Covenantor shall be responsible for the payment thereof to the Lender upon demand.
9. The Covenantor hereby agrees on a joint and several basis, to indemnify, save, hold and keep the Lender harmless from any and all claims, losses, damages, costs and expenses resulting from the non-payment to the Lender of all monies herein secured, and the liability of the Covenantor shall not be released, discharged, extinguished or diminished by any act whatsoever of the Borrower or any loss, avoidance, termination by operation of law or otherwise of the obligations of the Borrower or any other person, including, without limitation, any act of bankruptcy or insolvency, or any other act, matter or thing whatsoever, save only full payment in cash of all monies herein secured and full performance and observance of all covenants, terms and obligations pursuant to this Guarantee and all Loan and security documents related thereto.
10. The Covenantor agrees to file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required or permitted by law with respect to any indebtedness owing by the Borrower to the Covenantor and will assign to the Lender all of the Covenantor's rights thereunder on demand. If the Covenantor does not file any such claim, the Lender, as attorney in fact of the Covenantor, is authorized to do so in the name of the Covenantor or in the Lender's discretion to assign the claim to and cause proof of claim to be filed in the name of the Lender's nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Lender the full amount of such claim in the proceeding before making any payment to any of the Covenantor, and to the full extent necessary for that purpose the Covenantor agrees to assign to the Lender on demand all of the Covenantor's right to any payments or distributions to which the Covenantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, the Lender will pay the amount of the excess to the party entitled thereto.
11. All compositions and payments received by the Lender from the Borrower or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the Covenantor to claim the benefit thereof in reduction of the Liabilities. The Covenantor shall not have any right to be subrogated to any rights of the Lender until all Liabilities have been discharged to the satisfaction of the Lender.
12. Upon this Guarantee bearing the signature of the Covenantor and being received by the Lender or any officer, agent or employee thereof, this Guarantee shall be deemed to be a deed signed and delivered by the Covenantor under seal and shall not be subject to or affected by any promise or condition affecting or limiting the Covenantor's liability hereunder except as may be expressly provided for herein. No statement, representation, warranty, agreement or promise on the part of any officer, employee or agent of the Lender, unless expressly set out herein, forms any part of this Guarantee or has induced the entering into or execution of this Guarantee or shall be deemed in any way to affect the Covenantor's liability hereunder.
13. The Lender may, without notice of any kind, sell, assign or transfer all or any part of the Liabilities and, in such event, each and every immediate and successive assignee, transferee or holder of all or any part of the Liabilities shall have the right to enforce this Guarantee as fully and effectively as

if such assignee, transferee or holder were specifically named herein in place of or together with the Lender.

14. No action or proceeding brought or instituted under this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults under this Guarantee or in the payment of the Liabilities.
15. No failure to exercise and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other rights, powers or privileges. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided at law or in equity.
16. This Guarantee shall be in addition to and not in substitution for the Loan Documents and any other guarantees which the Lender may now or hereafter hold in respect of the Liabilities and the Lender shall be under no obligation to marshal in favour of the Covenantor any other guarantees or other securities or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.
17. Any term, condition or provision of this Guarantee which is held or deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
18. This Guarantee shall be exclusively governed by and construed in accordance with the laws of the Province of Ontario.
19. No modification of this Guarantee shall be effective unless it is in writing and signed by the Covenantor and the Lender.
20. The Lender shall not be concerned to see or inquire into the existence, powers or capacities of the Borrower, the Covenantor or their respective officers, directors or agents, acting or purporting to act on their respective behalf.
21. All terms, agreements and conditions of this Guarantee shall extend to and be binding upon the Covenantor and the Borrower and their respective successors and permitted assigns and shall enure to the benefit of and may be enforced by the Lender and its successors and assigns.
22. All nouns and personal pronouns herein including the defined terms "Covenantor" and "Borrower" shall be read and construed as the number and gender may require in each case and the verb shall be read and construed as agreeing with such noun or pronoun.
23. The words "herein", "hereof", "hereunder", "herefrom", "the Guarantee" and "this Guarantee" refer to this entire agreement and not to any particular paragraph or subparagraph unless the context so requires.
24. The Covenantor acknowledges receipt of a copy of this Guarantee.
25. This Guarantee may be executed and transmitted by electronic transmission, which electronic copy shall constitute an original and legally binding instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

MAJID TAVAKOLI HOLDINGS LTD.

Per: _____

Name: Majid Tavakoli

Title: President

I have authority to bind the Corporation.

Witness: _____

Name: Ali Baniasadi

)
)
)
)
)

Majid Tavakoli

This is Exhibit "I" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

GUARANTEE

THIS GUARANTEE dated of as November 24, 2022.

TO: EMPIRICAL CAPITAL CORP. (the “**Lender**”)

WHEREAS:

- A. The Lender has agreed to extend a loan in the principal amount not exceeding Thirty-One Million (\$31,000,000) Dollars (the “**Loan**”) in favour of TerraBona 7115 Yonge Ltd. (the “**Borrower**”) on the terms and subject to the conditions as set out in the commitment letter dated October 17, 2022 issued in connection with the Loan (the “**Commitment**”); and
- B. The Loan is being advanced to the Borrower by the Lender on the condition that Majid Tavakoli Holdings Ltd. and Majid Tavakoli (collectively, the “**Covenantor**”) execute and deliver this Guarantee.

NOW THEREFORE in consideration of the Lender making the advance of the Loan and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto), the Covenantor hereby acknowledges and agrees as follows:

1. The Covenantor hereby guarantees as if the Covenantor was a principal debtor and not merely a surety, the due and punctual payment to the Lender of the Loan including, without limitation, all present and future indebtedness and liability owing by the Borrower to the Lender on account of the Loan whether direct or indirect, absolute or contingent, matured or not including, without limitation:
 - (a) all amounts expressed to be owing to the Lender pursuant to the Commitment and all agreements, instruments and other documents, whether referred to in the Commitment or otherwise, that are now or may hereafter be delivered or assigned to the Lender in connection with or as security for the Loan (the Commitment and any such instrument and other documents are sometimes hereinafter collectively called the “**Loan Documents**”);
 - (b) all commissions, costs, charges, fees and other expenses (including legal fees and disbursements on a substantial indemnity basis) arising out of or incurred by the Lender in connection with any one or more of the following:
 - (i) the collection of the amounts owing by the Borrower to the Lender on account of the Loan;
 - (ii) the enforcement of this Guarantee; and
 - (iii) any action or other proceeding instituted by the Lender, the Borrower, the Covenantor or any other person in any way relating to this Guarantee, the Loan, the Loan Documents or any part thereof,
2. This Guarantee is a specific guarantee of the Loan and shall only apply to and secure the amounts referred to in paragraph 1 hereof (hereinafter collectively called the “**Liabilities**”) and any ultimate balance due or remaining unpaid to the Lender thereunder. This Guarantee is irrevocable, absolute and unconditional and the obligation of the Covenantor hereunder is not cancellable or terminable by the Covenantor (whether or not the entire Loan has been advanced).
3. All indebtedness and liability, present and future, of the Borrower to the Covenantor are hereby assigned to the Lender and postponed to the Liabilities, and all moneys received by the Covenantor in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the Covenantor under this Guarantee; and this assignment and postponement is independent of this Guarantee

and shall remain in full effect notwithstanding that the liability of the Covenantor under this Guarantee may be extinct.

4. The Covenantor's liability to make payment under this Guarantee shall arise forthwith after demand for payment has been given to the Covenantor. Such demand may be given by personal delivery to the Covenantor or by sending such demand to the Covenantor by telecopier or by prepaid registered mail to the last address of the Covenantor known to the Lender. If mailed, such demand shall be deemed to have been effectually made on the fourth day after an envelope containing such demand addressed to the Covenantor is mailed.
5. The Covenantor expressly waives notice of the acceptance of this Guarantee and notice of non-performance, non-payment or non-observance on the part of the Borrower under the Loan or under the Loan Documents or any part thereof.
6. This Guarantee and the rights of the Lender hereunder shall not be released, discharged, mitigated, impaired or affected by:
 - (a) any grant of time, renewals, extensions, compromises, indulgences or modifications to; extending or failing to extend credit to; making or failing to make Loans or advances to; taking or failing to take securities from; releasing or discharging any securities to; failing to perfect or keep perfected or otherwise taking advantage of any securities received from; accepting compositions from; and releasing, discharging or otherwise dealing with; the Borrower, the Covenantor or any other person whatsoever;
 - (b) any failure of the Lender to prove a claim against the estate of the Borrower or any waiver or failure to enforce any of the terms, conditions or other provisions of, or any loss, diminution of value or unenforceability of, any of the Loan Documents;
 - (c) the application by the Lender of any monies received from the Borrower, the Covenantor or any other person or from securities on account of such part or parts of the Liabilities in such manner as the Lender deems best and the changing of such application in whole or in part at any time or from time to time;
 - (d) the death, incapacity, receivership, bankruptcy, insolvency, winding-up, dissolution or the loss of corporate existence of the Borrower or the Covenantor, the release or discharge of the Borrower or the Covenantor by operation of law or otherwise, any change in the name, objects, capital structure or constitution of the Borrower or any transfer of the assets or businesses of the Borrower to a partnership or to a corporation or any incorporation, amalgamation, continuance, arrangement or reorganization of the Borrower or the Covenantor; and/or
 - (e) the distribution of the assets of the Borrower (whether voluntary or compulsory) or upon the occurrence of a bulk sale of any of the Borrower's assets or any composition with the Lender or any scheme of arrangement; and in any such event the Lender shall have the right to rank in all respects in priority to the Covenantor for its full claim against the Borrower and to receive all dividends or other payments in respect thereof until the Lender's claim and all Liabilities have been paid in full; and the retention by the Lender of all or any part or parts of the Loan Documents shall not, as between the Lender and the Covenantor, be considered a purchase of such securities, or payment, satisfaction or reduction of the Liabilities or any part thereof.
7. Without prejudice to any of the rights or recourses which the Lender may have against the Borrower, the Covenantor expressly waives any right to require the Lender to initiate or exhaust any rights, remedies or recourses against the Borrower, the Covenantor or any other person, value, realize upon or dispose of any of the Loan Documents; or initiate or exhaust any other remedy which the Lender may have at law or in equity before requiring or becoming entitled to demand and

enforce payment from the Covenantor under this Guarantee; and the Covenantor renounces all benefits of discussion and division.

8. If for any reason the Borrower has no legal existence, or if the Borrower is or becomes under no legal obligation to discharge the Liabilities or if any of the Liabilities becomes statute barred or otherwise irrecoverable from the Borrower whether by operation of law or for any reason whatsoever including, without limitation, as a result of any lack or limitation of power, capacity or disability of the Borrower or its directors, partners, officers or agents or as a result of any irregularity, fraud, defect or informality in the obtaining of any advances, credits or renewals from the Lender (whether or not the Lender should have had knowledge thereof), this Guarantee and the covenants, agreements and obligations of the Covenantor set out herein shall nevertheless be binding upon the Covenantor as principal debtor until such time as such monies have been paid in full to the Lender and all Liabilities have been discharged and the Covenantor shall be responsible for the payment thereof to the Lender upon demand.
9. The Covenantor hereby agrees on a joint and several basis, to indemnify, save, hold and keep the Lender harmless from any and all claims, losses, damages, costs and expenses resulting from the non-payment to the Lender of all monies herein secured, and the liability of the Covenantor shall not be released, discharged, extinguished or diminished by any act whatsoever of the Borrower or any loss, avoidance, termination by operation of law or otherwise of the obligations of the Borrower or any other person, including, without limitation, any act of bankruptcy or insolvency, or any other act, matter or thing whatsoever, save only full payment in cash of all monies herein secured and full performance and observance of all covenants, terms and obligations pursuant to this Guarantee and all Loan and security documents related thereto.
10. The Covenantor agrees to file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required or permitted by law with respect to any indebtedness owing by the Borrower to the Covenantor and will assign to the Lender all of the Covenantor's rights thereunder on demand. If the Covenantor does not file any such claim, the Lender, as attorney in fact of the Covenantor, is authorized to do so in the name of the Covenantor or in the Lender's discretion to assign the claim to and cause proof of claim to be filed in the name of the Lender's nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Lender the full amount of such claim in the proceeding before making any payment to any of the Covenantor, and to the full extent necessary for that purpose the Covenantor agrees to assign to the Lender on demand all of the Covenantor's right to any payments or distributions to which the Covenantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, the Lender will pay the amount of the excess to the party entitled thereto.
11. All compositions and payments received by the Lender from the Borrower or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the Covenantor to claim the benefit thereof in reduction of the Liabilities. The Covenantor shall not have any right to be subrogated to any rights of the Lender until all Liabilities have been discharged to the satisfaction of the Lender.
12. Upon this Guarantee bearing the signature of the Covenantor and being received by the Lender or any officer, agent or employee thereof, this Guarantee shall be deemed to be a deed signed and delivered by the Covenantor under seal and shall not be subject to or affected by any promise or condition affecting or limiting the Covenantor's liability hereunder except as may be expressly provided for herein. No statement, representation, warranty, agreement or promise on the part of any officer, employee or agent of the Lender, unless expressly set out herein, forms any part of this Guarantee or has induced the entering into or execution of this Guarantee or shall be deemed in any way to affect the Covenantor's liability hereunder.
13. The Lender may, without notice of any kind, sell, assign or transfer all or any part of the Liabilities and, in such event, each and every immediate and successive assignee, transferee or holder of all or any part of the Liabilities shall have the right to enforce this Guarantee as fully and effectively as

if such assignee, transferee or holder were specifically named herein in place of or together with the Lender.

14. No action or proceeding brought or instituted under this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults under this Guarantee or in the payment of the Liabilities.
15. No failure to exercise and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other rights, powers or privileges. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided at law or in equity.
16. This Guarantee shall be in addition to and not in substitution for the Loan Documents and any other guarantees which the Lender may now or hereafter hold in respect of the Liabilities and the Lender shall be under no obligation to marshal in favour of the Covenantor any other guarantees or other securities or any moneys or other assets which the Lender may be entitled to receive or may have a claim upon.
17. Any term, condition or provision of this Guarantee which is held or deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
18. This Guarantee shall be exclusively governed by and construed in accordance with the laws of the Province of Ontario.
19. No modification of this Guarantee shall be effective unless it is in writing and signed by the Covenantor and the Lender.
20. The Lender shall not be concerned to see or inquire into the existence, powers or capacities of the Borrower, the Covenantor or their respective officers, directors or agents, acting or purporting to act on their respective behalf.
21. All terms, agreements and conditions of this Guarantee shall extend to and be binding upon the Covenantor and the Borrower and their respective successors and permitted assigns and shall enure to the benefit of and may be enforced by the Lender and its successors and assigns.
22. All nouns and personal pronouns herein including the defined terms "Covenantor" and "Borrower" shall be read and construed as the number and gender may require in each case and the verb shall be read and construed as agreeing with such noun or pronoun.
23. The words "herein", "hereof", "hereunder", "herefrom", "the Guarantee" and "this Guarantee" refer to this entire agreement and not to any particular paragraph or subparagraph unless the context so requires.
24. The Covenantor acknowledges receipt of a copy of this Guarantee.
25. This Guarantee may be executed and transmitted by electronic transmission, which electronic copy shall constitute an original and legally binding instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

MAJID TAVAKOLI HOLDINGS LTD.

Per: 

Name: Majid Tavakoli

Title: President

I have authority to bind the Corporation.

Witness:



Name: Ali Baniyadi

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Majid Tavakoli

This is Exhibit “J” referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of November 24, 2022.

TO: EMPIRICAL CAPITAL CORP.

WHEREAS:

- A. Majid Tavakoli Holdings Ltd. (the “**Debtor**”) is, or may become, indebted or liable to Empirical Capital Corp. (the “**Creditor**”); and
- B. To secure the payment and performance of the Liabilities (this term, and other capitalized terms used in this Agreement, have the meanings set forth in Section 1), the Debtor has agreed to grant to the Creditor security interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

1. Definitions. Capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) “**Accessions**”, “**Account**”, “**Chattel Paper**”, “**Consumer Goods**”, “**Document of Title**”, “**Equipment**”, “**Goods**”, “**Instrument**”, “**Intangible**”, “**Inventory**” and “**Proceeds**” have the meanings given to them in the PPSA;
- (b) “**Books and Records**” means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor’s behalf) has access;
- (c) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the province referred to in the “Governing Law” section of this Agreement;
- (d) “**Collateral**” means all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof, wherever located;
- (e) “**Contracts**” means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement;
- (f) “**Default**” means the occurrence of any of the following events or conditions:
 - (i) the Debtor does not pay any of the Liabilities when due;
 - (ii) the Debtor does not observe or perform any of the Debtor’s obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditor;

- (iii) any representation, warranty or statement made by or on behalf of the Debtor to the Creditor, in this Agreement or otherwise, is untrue in any material respect when made;
 - (iv) the Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor's business;
 - (v) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (vi) a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
 - (vii) any Person holding a Security Interest in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
 - (viii) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests created by this Agreement; or
 - (ix) the Creditor, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy;
- (g) **"Intellectual Property Rights"** means all industrial and intellectual property rights, including copyrights, patents, trade-marks, industrial designs, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights;
 - (h) **"Liabilities"** means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor, wherever and however incurred, and any unpaid balance thereof;
 - (i) **"Money"** has the meaning given to it in the PPSA or, if there is no such meaning given in the PPSA, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency;
 - (j) **"PPSA"** means the *Personal Property Security Act* of the province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation);
 - (k) **"Permits"** means all permits, licences, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business;
 - (l) **"Person"** will be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual;
 - (m) **"Personal Property"** means personal property and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities;

- (n) **"Receiver"** means a receiver, a manager or a receiver and manager;
- (o) **"Securities"** has the meaning given to it in the PPSA, or if there is no such meaning given in the PPSA but the PPSA defines "security" instead, it means the plural of that term; and
- (p) **"Security Interest"** means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, finance lease, title retention agreement or arrangement, security interest or other encumbrance or adverse claim of any nature, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property.

2. Grant of Security Interest. As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor mortgages, charges and assigns to the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. Limitations on Grant of Security Interest. If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then the applicable Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditor and, on exercise by the Creditor of any of its rights under this Agreement following Default, assigned by the Debtor as directed by the Creditor. In addition, the Security Interests created by this Agreement do not extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights under this Agreement following Default, will be assigned by the Debtor as directed by the Creditor.

4. Attachment; No Obligation to Advance. The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral (other than after-acquired property) and that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests created by this Agreement to any of the Collateral. The Security Interests created by this Agreement will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this Agreement nor any advance of funds shall oblige the Creditor to advance any funds or any additional funds.

5. Representations and Warranties. The Debtor represents and warrants to the Creditor that:

(a) **Places of Business, Name, Location of Collateral.** The Debtor's principal place of business and chief executive office, and the place where it keeps its Books and Records, is at the address specified on the signature page of this Agreement, and its full legal name, and any other name under which it conducts its business, is specified on the signature page of this Agreement.

(b) **Title; No Other Security Interests.** Except for (i) the Security Interests created by this Agreement, and (ii) any other Security Interests permitted in writing by the Creditor, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Security Interests. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings in favour of, or permitted in writing by, the Creditor.

(c) **Amount of Accounts.** The amount represented by the Debtor to the Creditor from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditor at that time, will be owed free of any dispute, set-off or counterclaim.

(d) **Authority; Consents.** The Debtor has full power and authority to grant to the Creditor the Security Interests created by this Agreement and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constituting documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound. Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract or any obligor

in respect of any Account is required, or purports to be required, for the execution, delivery and performance of this Agreement. Except as disclosed in writing by the Debtor to the Creditor, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract.

(e) Execution and Delivery; Enforceability. This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

(f) Motor Vehicles. A description of all motor vehicles and other "serial number" goods (i.e. trailers, mobile homes, aircraft, aircraft engines and vessels) (including vehicle identification numbers) presently owned by the Debtor and classified as Equipment is set out in Schedule A to this Agreement.

(g) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(h) Intellectual Property Rights. All Intellectual Property Rights owned by the Debtor, and all rights of the Debtor to the use of any Intellectual Property Rights, are described in Schedule A to this Agreement. To the best of the Debtor's knowledge, each such Intellectual Property Right is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set out in such Schedule, none of such Intellectual Property Rights has been licensed or franchised by the Debtor to any Person.

6. Survival of Representations and Warranties. All agreements, representations, warranties and covenants made by the Debtor in this Agreement are material, will be considered to have been relied on by the Creditor and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Liabilities until repayment and performance in full of the Liabilities and termination of all rights of the Debtor that, if exercised, would result in the existence of Liabilities.

7. Covenants. The Debtor covenants and agrees with the Creditor that:

(a) Further Documentation. The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests created by this Agreement). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditor will have the right to require that this Agreement be amended, supplemented or replaced, and that the Debtor will immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Security Interests similar to, and having the same effect as, the Security Interests created by this Agreement.

(b) Delivery of Certain Collateral. Promptly upon request from time to time by the Creditor, the Debtor will deliver (or cause to be delivered) to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditor may specify in its request.

(c) Payment of Expenses; Indemnification. The Debtor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and

expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (i) incurred by the Creditor in the preparation, registration, administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in performing or observing any of its obligations under this Agreement, or (iii) incurred by the Creditor in performing or observing any of the other covenants of the Debtor under this Agreement.

(d) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Creditor, the Debtor will mark any Collateral specified by the Creditor to evidence the existence of the Security Interests created by this Agreement.

(e) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditor may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditor with such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.

(f) Limitations on Other Security Interests. The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Security Interests in and other claims affecting the Collateral, other than the Security Interests created by this Agreement or as permitted in writing by the Creditor, and the Debtor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.

(g) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of, and subject to Section 17, Accounts may be collected, in the ordinary course of the Debtor's business. Following Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditor and will be immediately paid to the Creditor.

(h) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (i) below, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or the Creditor, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Creditor.

(i) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with previous practices, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.

(j) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose.

(k) Insurance. The Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Creditor, and will (i) contain a breach of warranty clause in favour of the Creditor, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Creditor, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the

Creditor, and (iv) name the Creditor as loss payee as its interest may appear. The Debtor will, from time to time at the Creditor's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Creditor. If the Debtor does not obtain or maintain such insurance, the Creditor may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Creditor for all payments made by the Creditor in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Security Interests created by this Agreement. Neither the Creditor nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

(l) Further Identification of Collateral. The Debtor will promptly furnish to the Creditor such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditor may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.

(m) Notices. The Debtor will advise the Creditor promptly, in reasonable detail, of (i) any Security Interest (other than the Security Interests created by this Agreement and any Security Interest permitted in writing by the Creditor) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests created by this Agreement, (iii) any change in the location of any place of business (including additional locations) or the chief executive office of the Debtor, (iv) any change in the location of any of the tangible Collateral (including additional locations), (v) any acquisition of real property by the Debtor, (vi) any change in the name of the Debtor, (vii) any merger or amalgamation of the Debtor with any other Person, (viii) any additional jurisdiction in which material accounts debtors of the Debtor are located, and (ix) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (viii) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected Security Interest in respect of all of the Collateral.

(n) Delivery of Agreements re Intellectual Property Rights. The Debtor will promptly, following demand from time to time by the Creditor, authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditor may request to evidence the Creditor's Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(o) Limitation on Loans and Guarantees. The Debtor will not, without the Creditor's prior written consent, lend money to or guarantee the obligations of any other third party.

(p) Limitation on Investments or Acquisitions. The Debtor will not, without the Creditor's prior written consent, make any investments or acquisitions other than in the normal course of business.

8. Rights on Default. On Default, all of the Liabilities will, at the option of the Creditor, become immediately due and payable and the security constituted by this Agreement will become enforceable, and the Creditor may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor.

(c) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditor deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral.

(i) Purchase by Creditor. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Liabilities then due and payable to it as a credit against the purchase price.

(j) Collect Accounts. Notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Creditor and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditor and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditor deems appropriate in the circumstances.

(k) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of the Creditor or its nominee, with or without disclosing that the Securities are subject to the Security Interests arising under this Agreement.

(l) Exercise of Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if the Creditor were the absolute owner of such Securities.

(m) Payment of Liabilities. Pay any liability secured by any Security Interest against any Collateral. The Debtor will immediately on demand reimburse the Creditor for all such payments.

(n) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Security Interests on any Collateral (in priority to the Security Interests created by this Agreement or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Creditor for all such borrowings.

(o) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will (for purposes relating to

responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

(p) Court-Appointed Receiver. Apply to a court of competent jurisdiction for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

(q) Consultants. Require the Debtor to engage a consultant of the Creditor's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its employees, including unrestricted access to the premises, books and records of the Debtor; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditor and to disclose to the Creditor any and all information obtained in the course of such consultant's employment.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor by this Agreement waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Without prejudice to the ability of the Creditor to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Creditor which takes place substantially in accordance with the following provisions will be deemed to be commercially reasonable:

- (i) Collateral may be disposed of in whole or in part;
- (ii) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (iii) any purchaser or lessee of Collateral may be a customer of the Creditor;
- (iv) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Creditor, in its sole discretion, may deem advantageous; and
- (v) the Creditor may establish an upset or reserve bid or price in respect of Collateral.

9. Grant of Licence. For the purpose of enabling the Creditor to exercise its rights and remedies under Section 8 when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditor an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same.

10. Sale of Securities. The Creditor is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

11. Application of Proceeds. All Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Security Interests in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the

Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Security Interests on the Collateral ranking in priority to any of the Security Interests created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by law.

12. Continuing Liability of Debtor. The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

13. Creditor's Appointment as Attorney-in-Fact. The Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion after a Default, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created by this Agreement are released. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate.

14. Performance by Creditor of Debtor's Obligations. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

15. Interest. If any amount payable to the Creditor under this Agreement is not paid when due, the Debtor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a rate equal to the Wrap Up Rate (as such term is defined in the Commitment Letter dated October 17, 2022 issued by the Creditor to the Debtor, as same may be amended, extended and/or renewed from time to time). All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

16. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. Rights of Creditor; Limitations on Creditor's Obligations.

(a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor, a Receiver nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any Receiver) caused for any reason other than the gross negligence or willful misconduct of the Creditor or such Receiver.

(b) **Debtor Remains Liable under Accounts and Contracts.** Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts and

under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor will have no obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. The Creditor hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditor at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, will be held by the Debtor in trust for the Creditor, segregated from other funds of the Debtor. All such amounts while held by the Creditor (or by the Debtor in trust for the Creditor) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If a Default has occurred and is continuing, the Creditor may apply all or any part of the amounts on deposit in said special collateral account on account of the Liabilities in such order as the Creditor may elect. At the Creditor's request, the Debtor will deliver to the Creditor any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. The Creditor will have the right to analyze and verify the Accounts in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Creditor may require in connection therewith. The Creditor may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditor's reasonable request and at the expense of the Debtor, the Debtor will furnish to the Creditor reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

18. Dealings by Creditor. The Creditor will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

19. Communication. Any communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

20. Release of Information. The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor by Persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

21. Waivers and Indemnity. To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against the Creditor arising out of the exercise by the Creditor or any Receiver of any rights or remedies under this Agreement or at law, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger or any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation. The Debtor agrees to indemnify the Creditor from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or willful misconduct of the Creditor or any of its agents or employees) which may be imposed on, incurred by, or asserted against the Creditor and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

22. Amalgamation. If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests created by this Agreement will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

23. Governing Law; Attornment. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

24. Interpretation. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

25. Successors and Assigns. This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Creditor. If the Debtor or the Creditor is an individual, then the term "Debtor" or "Creditor", as applicable, will also include his or her heirs, administrators and executors.

26. Acknowledgment of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

27. Electronic Transmission. This Agreement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

MAJID TAVAKOLI HOLDINGS LTD.

Per: 

Name: Majid Tavakoli

Title: President

I have authority to bind the Corporation.

Address: 1899 Leslie Street
Toronto, Ontario M3B 2M3

Attention: Majid Tavakoli
E-mail: majid@terrabona.ca

SCHEDULE A

Locations of Collateral (Paragraph 5(a))

1899 Leslie Street, Toronto, Ontario
7115 Yonge Street, Thornhill, Ontario
8-14 Grandview Avenue, Thornhill, Ontario

Locations of Real Property (Paragraph 5(a))

1899 Leslie Street, Toronto, Ontario
7115 Yonge Street, Thornhill, Ontario
8-14 Grandview Avenue, Thornhill, Ontario

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of November 24, 2022.

TO: EMPIRICAL CAPITAL CORP.

WHEREAS:

- A. Majid Tavakoli (the “**Debtor**”) is, or may become, indebted or liable to Empirical Capital Corp. (the “**Creditor**”); and
- B. To secure the payment and performance of the Liabilities (this term, and other capitalized terms used in this Agreement, have the meanings set forth in Section 1), the Debtor has agreed to grant to the Creditor security interests in respect of the Collateral in accordance with the terms of this Agreement.

For good and valuable consideration, the receipt and adequacy of which are acknowledged by the Debtor, the Debtor agrees with and in favour of the Creditor as follows:

1. Definitions. Capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

- (a) “**Accessions**”, “**Account**”, “**Chattel Paper**”, “**Consumer Goods**”, “**Document of Title**”, “**Equipment**”, “**Goods**”, “**Instrument**”, “**Intangible**”, “**Inventory**” and “**Proceeds**” have the meanings given to them in the PPSA;
- (b) “**Books and Records**” means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor’s behalf) has access;
- (c) “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in the province referred to in the “**Governing Law**” section of this Agreement;
- (d) “**Collateral**” means all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof, wherever located;
- (e) “**Contracts**” means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement;
- (f) “**Default**” means the occurrence of any of the following events or conditions:
 - (i) the Debtor does not pay any of the Liabilities when due;
 - (ii) the Debtor does not observe or perform any of the Debtor’s obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditor;

- (iii) any representation, warranty or statement made by or on behalf of the Debtor to the Creditor, in this Agreement or otherwise, is untrue in any material respect when made;
 - (iv) the Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor's business;
 - (v) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
 - (vi) a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
 - (vii) any Person holding a Security Interest in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
 - (viii) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests created by this Agreement; or
 - (ix) the Creditor, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy;
- (g) **"Intellectual Property Rights"** means all industrial and intellectual property rights, including copyrights, patents, trade-marks, industrial designs, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights;
 - (h) **"Liabilities"** means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor, wherever and however incurred, and any unpaid balance thereof;
 - (i) **"Money"** has the meaning given to it in the PPSA or, if there is no such meaning given in the PPSA, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency;
 - (j) **"PPSA"** means the *Personal Property Security Act* of the province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation);
 - (k) **"Permits"** means all permits, licences, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business;
 - (l) **"Person"** will be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual;
 - (m) **"Personal Property"** means personal property and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities;

- (n) **"Receiver"** means a receiver, a manager or a receiver and manager;
- (o) **"Securities"** has the meaning given to it in the PPSA, or if there is no such meaning given in the PPSA but the PPSA defines "security" instead, it means the plural of that term; and
- (p) **"Security Interest"** means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, finance lease, title retention agreement or arrangement, security interest or other encumbrance or adverse claim of any nature, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property.

2. Grant of Security Interest. As general and continuing collateral security for the due payment and performance of the Liabilities, the Debtor mortgages, charges and assigns to the Creditor, and grants to the Creditor a security interest in, the Collateral.

3. Limitations on Grant of Security Interest. If the grant of any Security Interest in respect of any Contract, Intellectual Property Right or Permit under Section 2 would result in the termination or breach of such Contract, Intellectual Property Right or Permit, then the applicable Contract, Intellectual Property Right or Permit will not be subject to any Security Interest under Section 2 but will be held in trust by the Debtor for the benefit of the Creditor and, on exercise by the Creditor of any of its rights under this Agreement following Default, assigned by the Debtor as directed by the Creditor. In addition, the Security Interests created by this Agreement do not extend to the last day of the term of any lease or agreement for lease of real property. Such last day will be held by the Debtor in trust for the Creditor and, on the exercise by the Creditor of any of its rights under this Agreement following Default, will be assigned by the Debtor as directed by the Creditor.

4. Attachment; No Obligation to Advance. The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral (other than after-acquired property) and that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests created by this Agreement to any of the Collateral. The Security Interests created by this Agreement will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this Agreement nor any advance of funds shall oblige the Creditor to advance any funds or any additional funds.

5. Representations and Warranties. The Debtor represents and warrants to the Creditor that:

(a) **Places of Business, Name, Location of Collateral.** The Debtor's principal place of business and chief executive office, and the place where it keeps its Books and Records, is at the address specified on the signature page of this Agreement, and its full legal name, and any other name under which it conducts its business, is specified on the signature page of this Agreement.

(b) **Title; No Other Security Interests.** Except for (i) the Security Interests created by this Agreement, and (ii) any other Security Interests permitted in writing by the Creditor, the Debtor owns (or, with respect to any leased or licensed property forming part of the Collateral, holds a valid leasehold or licensed interest in) the Collateral free and clear of any Security Interests. No security agreement, financing statement or other notice with respect to any or all of the Collateral is on file or on record in any public office, except for filings in favour of, or permitted in writing by, the Creditor.

(c) **Amount of Accounts.** The amount represented by the Debtor to the Creditor from time to time as owing by each account debtor or by all account debtors in respect of the Accounts will at such time be the correct amount so owing by such account debtor or debtors and, unless disclosed in writing by the Debtor to the Creditor at that time, will be owed free of any dispute, set-off or counterclaim.

(d) **Authority; Consents.** The Debtor has full power and authority to grant to the Creditor the Security Interests created by this Agreement and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constituting documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound. Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract or any obligor

in respect of any Account is required, or purports to be required, for the execution, delivery and performance of this Agreement. Except as disclosed in writing by the Debtor to the Creditor, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract.

(e) Execution and Delivery; Enforceability. This Agreement has been duly authorized, executed and delivered by the Debtor and is a valid and binding obligation of the Debtor enforceable against the Debtor in accordance with its terms, subject only to bankruptcy, insolvency, liquidation, reorganization, moratorium and other similar laws generally affecting the enforcement of creditors' rights, and to the fact that equitable remedies (such as specific performance and injunction) are discretionary remedies.

(f) Motor Vehicles. A description of all motor vehicles and other "serial number" goods (i.e. trailers, mobile homes, aircraft, aircraft engines and vessels) (including vehicle identification numbers) presently owned by the Debtor and classified as Equipment is set out in Schedule A to this Agreement.

(g) No Consumer Goods. The Debtor does not own any Consumer Goods which are material in value or which are material to the business, operations, property, condition or prospects (financial or otherwise) of the Debtor.

(h) Intellectual Property Rights. All Intellectual Property Rights owned by the Debtor, and all rights of the Debtor to the use of any Intellectual Property Rights, are described in Schedule A to this Agreement. To the best of the Debtor's knowledge, each such Intellectual Property Right is valid, subsisting, unexpired, enforceable and has not been abandoned. Except as set out in such Schedule, none of such Intellectual Property Rights has been licensed or franchised by the Debtor to any Person.

6. Survival of Representations and Warranties. All agreements, representations, warranties and covenants made by the Debtor in this Agreement are material, will be considered to have been relied on by the Creditor and will survive the execution and delivery of this Agreement or any investigation made at any time by or on behalf of the Creditor and any disposition or payment of the Liabilities until repayment and performance in full of the Liabilities and termination of all rights of the Debtor that, if exercised, would result in the existence of Liabilities.

7. Covenants. The Debtor covenants and agrees with the Creditor that:

(a) Further Documentation. The Debtor will from time to time, at the expense of the Debtor, promptly and duly authorize, execute and deliver such further instruments and documents, and take such further action, as the Creditor may request for the purpose of obtaining or preserving the full benefits of, and the rights and powers granted by, this Agreement (including the filing of any financing statements or financing change statements under any applicable legislation with respect to the Security Interests created by this Agreement). The Debtor acknowledges that this Agreement has been prepared based on the existing laws in the province referred to in the "Governing Law" section of this Agreement and that a change in such laws, or the laws of other jurisdictions, may require the execution and delivery of different forms of security documentation. Accordingly, the Debtor agrees that the Creditor will have the right to require that this Agreement be amended, supplemented or replaced, and that the Debtor will immediately on request by the Creditor authorize, execute and deliver any such amendment, supplement or replacement (i) to reflect any changes in such laws, whether arising as a result of statutory amendments, court decisions or otherwise, (ii) to facilitate the creation and registration of appropriate security in all appropriate jurisdictions, or (iii) if the Debtor merges or amalgamates with any other Person or enters into any corporate reorganization, in each case in order to confer on the Creditor Security Interests similar to, and having the same effect as, the Security Interests created by this Agreement.

(b) Delivery of Certain Collateral. Promptly upon request from time to time by the Creditor, the Debtor will deliver (or cause to be delivered) to the Creditor, endorsed and/or accompanied by such instruments of assignment and transfer in such form and substance as the Creditor may reasonably request, any and all Instruments, Securities, Documents of Title and Chattel Paper included in or relating to the Collateral as the Creditor may specify in its request.

(c) Payment of Expenses; Indemnification. The Debtor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and

expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (i) incurred by the Creditor in the preparation, registration, administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in performing or observing any of its obligations under this Agreement, or (iii) incurred by the Creditor in performing or observing any of the other covenants of the Debtor under this Agreement.

(d) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect to the Accounts and Contracts. At the written request of the Creditor, the Debtor will mark any Collateral specified by the Creditor to evidence the existence of the Security Interests created by this Agreement.

(e) Right of Inspection. The Creditor may, at all times during normal business hours, without charge, examine and make copies of all Books and Records, and may discuss the affairs, finances and accounts of the Debtor with its officers and accountants. The Creditor may also, without charge, enter the premises of the Debtor where any of the Collateral is located for the purpose of inspecting the Collateral, observing its use or otherwise protecting its interests in the Collateral. The Debtor, at its expense, will provide the Creditor with such clerical and other assistance as may be reasonably requested by the Creditor to exercise any of its rights under this paragraph.

(f) Limitations on Other Security Interests. The Debtor will not create, incur or permit to exist, and will defend the Collateral against, and will take such other action as is necessary to remove, any and all Security Interests in and other claims affecting the Collateral, other than the Security Interests created by this Agreement or as permitted in writing by the Creditor, and the Debtor will defend the right, title and interest of the Creditor in and to the Collateral against the claims and demands of all Persons.

(g) Limitations on Dispositions of Collateral. The Debtor will not, without the Creditor's prior written consent, sell, lease or otherwise dispose of any of the Collateral, except that Inventory may be sold, leased or otherwise disposed of, and subject to Section 17, Accounts may be collected, in the ordinary course of the Debtor's business. Following Default, all Proceeds of the Collateral (including all amounts received in respect of Accounts) received by or on behalf of the Debtor, whether or not arising in the ordinary course of the Debtor's business, will be received by the Debtor as trustee for the Creditor and will be immediately paid to the Creditor.

(h) Limitations on Modifications, Waivers, Extensions. Other than as permitted by paragraph (i) below, the Debtor will not (i) amend, modify, terminate or waive any provision of any Permit, Contract or any document giving rise to an Account in any manner which is or could reasonably be expected to be materially adverse to the Debtor or the Creditor, or (ii) fail to exercise promptly and diligently its rights under each Contract and each document giving rise to an Account if such failure is or could reasonably be expected to be materially adverse to the Debtor or the Creditor.

(i) Limitations on Discounts, Compromises, Extensions of Accounts. Other than in the ordinary course of business of the Debtor consistent with previous practices, the Debtor will not (i) grant any extension of the time for payment of any Account, (ii) compromise, compound or settle any Account for less than its full amount, (iii) release, wholly or partially, any Person liable for the payment of any Account, or (iv) allow any credit or discount of any Account.

(j) Maintenance of Collateral. The Debtor will maintain all tangible Collateral in good operating condition, ordinary wear and tear excepted, and the Debtor will provide all maintenance, service and repairs necessary for such purpose.

(k) Insurance. The Debtor will keep the Collateral insured with financially sound and reputable companies to its full insurable value against loss or damage by fire, explosion, theft and such other risks as are customarily insured against by Persons carrying on similar businesses or owning similar property within the vicinity in which the Debtor's applicable business or property is located. The applicable insurance policies will be in form and substance satisfactory to the Creditor, and will (i) contain a breach of warranty clause in favour of the Creditor, (ii) provide that no cancellation, material reduction in amount or material change in coverage will be effective until at least 30 days after receipt of written notice thereof by the Creditor, (iii) contain by way of endorsement a mortgagee clause in form and substance satisfactory to the

Creditor, and (iv) name the Creditor as loss payee as its interest may appear. The Debtor will, from time to time at the Creditor's request, deliver the applicable insurance policies (or satisfactory evidence of such policies) to the Creditor. If the Debtor does not obtain or maintain such insurance, the Creditor may, but need not, do so, in which event the Debtor will immediately on demand reimburse the Creditor for all payments made by the Creditor in connection with obtaining and maintaining such insurance, and until reimbursed any such payment will form part of the Liabilities and will be secured by the Security Interests created by this Agreement. Neither the Creditor nor its correspondents or its agents will be responsible for the character, adequacy, validity or genuineness of any insurance, the solvency of any insurer, or any other risk connected with insurance.

(l) Further Identification of Collateral. The Debtor will promptly furnish to the Creditor such statements and schedules further identifying and describing the Collateral, and such other reports in connection with the Collateral, as the Creditor may from time to time reasonably request, including an updated list of any motor vehicles or other "serial number" goods owned by the Debtor and classified as Equipment, including vehicle identification numbers.

(m) Notices. The Debtor will advise the Creditor promptly, in reasonable detail, of (i) any Security Interest (other than the Security Interests created by this Agreement and any Security Interest permitted in writing by the Creditor) on, or claim asserted against, any of the Collateral, (ii) the occurrence of any event, claim or occurrence that could reasonably be expected to have a material adverse effect on the value of the Collateral or on the Security Interests created by this Agreement, (iii) any change in the location of any place of business (including additional locations) or the chief executive office of the Debtor, (iv) any change in the location of any of the tangible Collateral (including additional locations), (v) any acquisition of real property by the Debtor, (vi) any change in the name of the Debtor, (vii) any merger or amalgamation of the Debtor with any other Person, (viii) any additional jurisdiction in which material accounts debtors of the Debtor are located, and (ix) any material loss of or damage to any of the Collateral. The Debtor agrees not to effect or permit any of the changes referred to in clauses (iii) to (viii) above unless all filings have been made and all other actions taken that are required in order for the Creditor to continue at all times following such change to have a valid and perfected Security Interest in respect of all of the Collateral.

(n) Delivery of Agreements re Intellectual Property Rights. The Debtor will promptly, following demand from time to time by the Creditor, authorize, execute and deliver any and all agreements, instruments, documents and papers that the Creditor may request to evidence the Creditor's Security Interests in any Intellectual Property Rights and, where applicable, the goodwill of the business of the Debtor connected with the use of, and symbolized by, any such Intellectual Property Rights.

(o) Limitation on Loans and Guarantees. The Debtor will not, without the Creditor's prior written consent, lend money to or guarantee the obligations of any other third party.

(p) Limitation on Investments or Acquisitions. The Debtor will not, without the Creditor's prior written consent, make any investments or acquisitions other than in the normal course of business.

8. Rights on Default. On Default, all of the Liabilities will, at the option of the Creditor, become immediately due and payable and the security constituted by this Agreement will become enforceable, and the Creditor may, personally or by agent, at such time or times as the Creditor in its discretion may determine, do any one or more of the following:

(a) Rights under PPSA, etc. Exercise all of the rights and remedies granted to secured parties under the PPSA and any other applicable statute, or otherwise available to the Creditor at law or in equity.

(b) Demand Possession. Demand possession of any or all of the Collateral, in which event the Debtor will, at the expense of the Debtor, immediately cause the Collateral designated by the Creditor to be assembled and made available and/or delivered to the Creditor at any place designated by the Creditor.

(c) Take Possession. Enter on any premises where any Collateral is located and take possession of, disable or remove such Collateral.

(d) Deal with Collateral. Hold, store and keep idle, or operate, lease or otherwise use or permit the use of, any or all of the Collateral for such time and on such terms as the Creditor may determine, and demand, collect and retain all earnings and other sums due or to become due from any Person in respect of any of the Collateral.

(e) Carry on Business. Carry on, or concur in the carrying on of, any or all of the business or undertaking of the Debtor and enter on, occupy and use (without charge by the Debtor) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Debtor.

(f) Enforce Collateral. Seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Creditor deems advisable.

(g) Dispose of Collateral. Realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Creditor or elsewhere, on such terms and conditions as the Creditor may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery.

(h) Court-Approved Disposition of Collateral. Apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral.

(i) Purchase by Creditor. At any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such Collateral without any further accountability to the Debtor or any other Person with respect to such holding, retention or disposition, except as required by law. In any such sale to the Creditor, the Creditor may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for Liabilities then due and payable to it as a credit against the purchase price.

(j) Collect Accounts. Notify the account debtors or obligors under any Accounts of the assignment of such Accounts to the Creditor and direct such account debtors or obligors to make payment of all amounts due or to become due to the Debtor in respect of such Accounts directly to the Creditor and, upon such notification and at the expense of the Debtor, enforce collection of any such Accounts, and adjust, settle or compromise the amount or payment of such Accounts, in such manner and to such extent as the Creditor deems appropriate in the circumstances.

(k) Transfer of Securities. Transfer any Securities forming part of the Collateral into the name of the Creditor or its nominee, with or without disclosing that the Securities are subject to the Security Interests arising under this Agreement.

(l) Exercise of Rights. Exercise any and all rights, privileges, entitlements and options pertaining to any Securities forming part of the Collateral as if the Creditor were the absolute owner of such Securities.

(m) Payment of Liabilities. Pay any liability secured by any Security Interest against any Collateral. The Debtor will immediately on demand reimburse the Creditor for all such payments.

(n) Borrow and Grant Security Interests. Borrow money for the maintenance, preservation or protection of any Collateral or for carrying on any of the business or undertaking of the Debtor and grant Security Interests on any Collateral (in priority to the Security Interests created by this Agreement or otherwise) as security for the money so borrowed. The Debtor will immediately on demand reimburse the Creditor for all such borrowings.

(o) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will (for purposes relating to

responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

(p) Court-Appointed Receiver. Apply to a court of competent jurisdiction for the appointment of a Receiver of the Debtor or of any or all of the Collateral.

(q) Consultants. Require the Debtor to engage a consultant of the Creditor's choice, or engage a consultant on its own behalf, such consultant to receive the full cooperation and support of the Debtor and its employees, including unrestricted access to the premises, books and records of the Debtor; all reasonable fees and expenses of such consultant shall be for the account of the Debtor and the Debtor hereby authorizes any such consultant to report directly to the Creditor and to disclose to the Creditor any and all information obtained in the course of such consultant's employment.

The Creditor may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law) to or on the Debtor or any other Person, and the Debtor by this Agreement waives each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time. Without prejudice to the ability of the Creditor to dispose of the Collateral in any manner which is commercially reasonable, the Debtor acknowledges that a disposition of Collateral by the Creditor which takes place substantially in accordance with the following provisions will be deemed to be commercially reasonable:

- (i) Collateral may be disposed of in whole or in part;
- (ii) Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (iii) any purchaser or lessee of Collateral may be a customer of the Creditor;
- (iv) a disposition of Collateral may be on such terms and conditions as to credit or otherwise as the Creditor, in its sole discretion, may deem advantageous; and
- (v) the Creditor may establish an upset or reserve bid or price in respect of Collateral.

9. Grant of Licence. For the purpose of enabling the Creditor to exercise its rights and remedies under Section 8 when the Creditor is entitled to exercise such rights and remedies, and for no other purpose, the Debtor grants to the Creditor an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any or all of the Intellectual Property Rights, including in such licence reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout of the same.

10. Sale of Securities. The Creditor is authorized, in connection with any offer or sale of any Securities forming part of the Collateral, to comply with any limitation or restriction as it may be advised by counsel is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the distribution or resale of such Securities. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Creditor will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Securities are sold in compliance with any such limitation or restriction.

11. Application of Proceeds. All Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Security Interests in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the

Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Security Interests on the Collateral ranking in priority to any of the Security Interests created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by law.

12. Continuing Liability of Debtor. The Debtor will remain liable for any Liabilities that are outstanding following realization of all or any part of the Collateral and the application of the Proceeds thereof.

13. Creditor's Appointment as Attorney-in-Fact. The Debtor constitutes and appoints the Creditor and any officer or agent of the Creditor, with full power of substitution, as the Debtor's true and lawful attorney-in-fact with full power and authority in the place of the Debtor and in the name of the Debtor or in its own name, from time to time in the Creditor's discretion after a Default, to take any and all appropriate action and to execute any and all documents and instruments as, in the opinion of such attorney acting reasonably, may be necessary or desirable to accomplish the purposes of this Agreement. These powers are coupled with an interest and are irrevocable until this Agreement is terminated and the Security Interests created by this Agreement are released. Nothing in this Section affects the right of the Creditor as secured party or any other Person on the Creditor's behalf, to sign and file or deliver (as applicable) all such financing statements, financing change statements, notices, verification agreements and other documents relating to the Collateral and this Agreement as the Creditor or such other Person considers appropriate.

14. Performance by Creditor of Debtor's Obligations. If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

15. Interest. If any amount payable to the Creditor under this Agreement is not paid when due, the Debtor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a rate equal to the Wrap Up Rate (as such term is defined in the Commitment Letter dated October 17, 2022 issued by the Creditor to the Debtor, as same may be amended, extended and/or renewed from time to time). All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

16. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

17. Rights of Creditor; Limitations on Creditor's Obligations.

(a) **Limitations on Creditor's Liability.** The Creditor will not be liable to the Debtor or any other Person for any failure or delay in exercising any of the rights of the Debtor under this Agreement (including any failure to take possession of, collect, sell, lease or otherwise dispose of any Collateral, or to preserve rights against prior parties). Neither the Creditor, a Receiver nor any agent of the Creditor (including, in Alberta or British Columbia, any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other Persons under any Collateral in its possession. Neither the Creditor nor any Receiver will be liable for any, and the Debtor will bear the full risk of all, loss or damage to any and all of the Collateral (including any Collateral in the possession of the Creditor or any Receiver) caused for any reason other than the gross negligence or willful misconduct of the Creditor or such Receiver.

(b) **Debtor Remains Liable under Accounts and Contracts.** Notwithstanding any provision of this Agreement, the Debtor will remain liable under each of the documents giving rise to the Accounts and

under each of the Contracts to observe and perform all the conditions and obligations to be observed and performed by the Debtor thereunder, all in accordance with the terms of each such document and Contract. The Creditor will have no obligation or liability under any Account (or any document giving rise thereto) or Contract by reason of or arising out of this Agreement or the receipt by the Creditor of any payment relating to such Account or Contract pursuant hereto, and in particular (but without limitation), the Creditor will not be obligated in any manner to perform any of the obligations of the Debtor under or pursuant to any Account (or any document giving rise thereto) or under or pursuant to any Contract, to make any payment, to make any inquiry as to the nature or the sufficiency of any payment received by it or as to the sufficiency of any performance by any party under any Account (or any document giving rise thereto) or under any Contract, to present or file any claim, to take any action to enforce any performance or to collect the payment of any amounts which may have been assigned to it or to which it may be entitled at any time.

(c) Collections on Accounts and Contracts. The Creditor hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditor at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within two Business Days) deposited by the Debtor in the exact form received, duly endorsed by the Debtor to the Creditor if required, in a special collateral account maintained by the Creditor, and until so deposited, will be held by the Debtor in trust for the Creditor, segregated from other funds of the Debtor. All such amounts while held by the Creditor (or by the Debtor in trust for the Creditor) and all income in respect thereof will continue to be collateral security for the Liabilities and will not constitute payment thereof until applied as hereinafter provided. If a Default has occurred and is continuing, the Creditor may apply all or any part of the amounts on deposit in said special collateral account on account of the Liabilities in such order as the Creditor may elect. At the Creditor's request, the Debtor will deliver to the Creditor any documents evidencing and relating to the agreements and transactions which gave rise to the Accounts and Contracts, including all original orders, invoices and shipping receipts.

(d) Analysis of Accounts. The Creditor will have the right to analyze and verify the Accounts in any manner and through any medium that it reasonably considers advisable, and the Debtor will furnish all such assistance and information as the Creditor may require in connection therewith. The Creditor may in its own name or in the name of others (including the Debtor) communicate with account debtors on the Accounts and parties to the Contracts to verify with them to its satisfaction the existence, status, amount and terms of any Account or any Contract. At any time and from time to time, upon the Creditor's reasonable request and at the expense of the Debtor, the Debtor will furnish to the Creditor reports showing reconciliations, aging and test verifications of, and trial balances for, the Accounts.

18. Dealings by Creditor. The Creditor will not be obliged to exhaust its recourse against the Debtor or any other Person or against any other security it may hold in respect of the Liabilities before realizing upon or otherwise dealing with the Collateral in such manner as the Creditor may consider desirable. The Creditor may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Debtor and any other Person, and with any or all of the Collateral, and with other security and sureties, as the Creditor may see fit, all without prejudice to the Liabilities or to the rights and remedies of the Creditor under this Agreement. The powers conferred on the Creditor under this Agreement are solely to protect the interests of the Creditor in the Collateral and will not impose any duty upon the Creditor to exercise any such powers.

19. Communication. Any communication required or permitted to be given under this Agreement will be in writing and will be effectively given if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent prepaid by facsimile transmission or other similar means of electronic communication, in each case to the address or facsimile number of the Debtor or Creditor set out in this Agreement. Any communication so given will be deemed to have been given and to have been received on the day of delivery if so delivered, or on the day of facsimile transmission or sending by other means of recorded electronic communication provided that such day is a Business Day and the communication is so delivered or sent prior to 4:30 p.m. (local time at the place of receipt). Otherwise, such communication will be deemed to have been given and to have been received on the following Business Day. Any communication sent by mail will be deemed to have been given and to have been received on the fifth Business Day following mailing, provided that no disruption of postal service is in effect. The Debtor and the Creditor may from time to time change their respective addresses or facsimile numbers for notice by giving notice to the other in accordance with the provisions of this Section.

20. Release of Information. The Debtor authorizes the Creditor to provide a copy of this Agreement and such other information as may be requested of the Creditor by Persons entitled thereto pursuant to any applicable legislation, and otherwise with the consent of the Debtor.

21. Waivers and Indemnity. To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against the Creditor arising out of the exercise by the Creditor or any Receiver of any rights or remedies under this Agreement or at law, and (ii) all of the rights, benefits and protections given by any present or future statute that imposes limitations on the rights, powers or remedies of a secured party or on the methods of, or procedures for, realization of security, including any "seize or sue" or "anti-deficiency" statute or any similar provision of any other statute. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except by a written instrument executed by the Creditor. The Creditor will not, by any act or delay, be deemed to have waived any right or remedy hereunder or to have acquiesced in any Default or in any breach of any of the terms and conditions hereof. No failure to exercise, nor any delay in exercising, on the part of the Creditor, any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder will preclude any other or further exercise thereof or the exercise of any other right, power or privilege. A waiver by the Creditor of any right or remedy hereunder on any one occasion will not be construed as a bar to any right or remedy which the Creditor would otherwise have on any future occasion. Neither the taking of any judgment nor the exercise of any power of seizure or sale will extinguish the liability of the Debtor to pay the Liabilities, nor will the same operate as a merger or any covenant contained in this Agreement or of any other liability, nor will the acceptance of any payment or other security constitute or create any novation. The Debtor agrees to indemnify the Creditor from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (except by reason of the gross negligence or willful misconduct of the Creditor or any of its agents or employees) which may be imposed on, incurred by, or asserted against the Creditor and arising by reason of any action (including any action referred to in this Agreement) or inaction or omission to do any act legally required by the Debtor. This indemnification will survive the satisfaction, release or extinguishment of the Liabilities and the Security Interests created by this Agreement.

22. Amalgamation. If the Debtor is a corporation, the Debtor acknowledges that if it amalgamates with any other corporation or corporations, then (i) the Collateral and the Security Interests created by this Agreement will extend to and include all the property and assets of the amalgamated corporation and to any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Debtor", where used in this Agreement, will extend to and include the amalgamated corporation, and (iii) the term "Liabilities", where used in this Agreement, will extend to and include the Liabilities of the amalgamated corporation.

23. Governing Law; Attornment. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario. Without prejudice to the ability of the Creditor to enforce this Agreement in any other proper jurisdiction, the Debtor irrevocably submits and attorns to the non-exclusive jurisdiction of the courts of such province. To the extent permitted by applicable law, the Debtor irrevocably waives any objection (including any claim of inconvenient forum) that it may now or hereafter have to the venue of any legal proceeding arising out of or relating to this Agreement in the courts of such Province.

24. Interpretation. Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the consent or approval of the Creditor or is to be acceptable to the Creditor, such consent, approval or determination of acceptability will be in the sole discretion of the Creditor. If any provision in this Agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. The division of this Agreement into sections and paragraphs, and the insertion of headings, is for convenience of reference only and will not affect the construction or interpretation of this Agreement. Unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders. When used in this Agreement, the word "including" (or includes) means "including (or includes) without limitation". Any reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

25. Successors and Assigns. This Agreement will enure to the benefit of, and be binding on, the Debtor and its successors and permitted assigns, and will enure to the benefit of, and be binding on, the Creditor and its successors and assigns. The Debtor may not assign this Agreement, or any of its rights or obligations under this Agreement, without the prior written consent of the Creditor. If the Debtor or the Creditor is an individual, then the term "Debtor" or "Creditor", as applicable, will also include his or her heirs, administrators and executors.

26. Acknowledgment of Receipt/Waiver. The Debtor acknowledges receipt of an executed copy of this Agreement and, to the extent permitted by applicable law, waives the right to receive a copy of any financing statement, financing change statement or verification statement in respect of any registered financing statement or financing change statement prepared, registered or issued in connection with this Agreement.

27. Electronic Transmission. This Agreement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

[remainder of this page intentionally left blank]

DATED as of the date first written above.

Witness:



Name:

)
)
)
)
)
)



Majid Tavakoli

Address: 741 Lakelands Avenue
Innisfil, Ontario L9S 4E5

Attention: Majid Tavakoli
E-mail: majid@terrabona.ca

SCHEDULE A

Locations of Collateral (Paragraph 5(a))

741 Lakelands Avenue, Innisfil, Ontario
7115 Yonge Street, Thornhill, Ontario
8-14 Grandview Avenue, Thornhill, Ontario

Locations of Real Property (Paragraph 5(a))

741 Lakelands Avenue, Innisfil, Ontario
7115 Yonge Street, Thornhill, Ontario
8-14 Grandview Avenue, Thornhill, Ontario

Account No. (if applicable)/N° de compte (si pertinent)

Registration Account Code/Code du compte d'enregistrement

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2022/11/24 328 01940
1590A20221124E

Registration No. (for office use only) /N° d'enregistrement (usage interne)

YYYY/AAAA MM/MM DD/JJ Time/Heure

Branch/Bureau

Sequence/Séquence

Ontario



Ministry of
Consumer and
Business
Services

Ministère des
Services aux
Consommateurs
et aux Entreprises

Form
Formule 3C

10553(03/95)

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Enregistré aux termes de (usage interne)

PPSA

31 Reference File Number/
N° de dossier de référence

788727231

Renewal (B) OR Discharge (C)
Renouvellement (B) OU Mainlevée (C)

Enter Number of Additional Years if Renewal (see reverse)
Indiquer le nombre d'années supplémentaires s'il s'agit d'un
renouvellement (voir au verso)

First Given Name/ Premier prénom

Initial/Initiale

Surname/Nom de famille

32 Individual Debtor (as recorded)
Débiteur particulier (tel qu'inscrit)

33 Business Debtor (as recorded)
Débiteur commercial (tel qu'inscrit)

MAJID TAVAKOLI HOLDINGS LTD.

Ontario Corporation No. /
N° matricule de la
personne morale en
Ontario

Secured Party/Lien Claimant/Registered Agent /Créancier garanti/Créancier privilégié/Agent d'enregistrement

Address/Adresse

City, etc./Ville, etc.

Prov./Prov. Postal Code/Code postal

Authorized Signature/Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured
Party/Lien Claimant AND Name and Signature of Agent of Secured
Party/Lien Claimant / Nom et signature du créancier garanti/créancier
privilégié OU Nom du créancier garanti/créancier privilégié ET nom et
signature de l'agent du créancier garanti/créancier privilégié

CHAITONS LLP (JW/75411)
5000 YONGE STREET, 10TH FLOOR
TORONTO ON M2N 7E9

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Verification Statement/État de vérification

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				1		2	2027/11/24
1C	1	00	788727231				
1C	1	01	CAUTION FILING/AVERTIS:			PAGE: 1 OF/DE: 2	MV SCHEDULE
1C	1	01	ATTACHED/LISTE VA:			REG NUM/NO ENREGIST: 20221124 0855 1590 9670	
1C	1	01	REG UNDER/T. ENREG: P			REG PERIOD/PERIODE: 5	
1C	1	03	MAJID TAVAKOLI HOLDINGS LTD.				
1C	1	04	1899 LESLIE STREET				
1C	1	04	TORONTO			ON M3B 2M3	
1C	1	08	EMPIRICAL CAPITAL CORP				
1C	1	09	4950 YONGE STREET, SUITE 1706				
1C	1	09	TORONTO			ON M2N 6K1	
1C	1	10	CONS GOODS/BIENS CONS:			INVTRY/STOCK: EQUIP/MATER:	
1C	1	10	ACCTS/COMPT: X			OTHER/AUTRE: X MV INCL/VA INCLUS:	
1C	1	10	AMOUNT/MONTANT:			DATE OF MATURITY/DATE ECHEANCE:	
1C	1	10	NO FIXED MAT DATE/D ECHE PAS DET:				
1C	1	13	CHARGE OF BENEFICIAL INTEREST IN FAVOUR OF THE SECURED PARTY IN				
1C	1	14	CONNECTION WITH THE PROPERTY MUNICIPALLY KNOWN AS 7115 YONGE STREET				
1C	1	15	AND 8-14 GRANDVIEW AVENUE, THORNHILL, ONTARIO AND LEGALLY DESCRIBED				
1C	1	16	CHAITONS LLP (JW/75411)				
1C	1	17	5000 YONGE STREET, 10TH FLOOR				
1C	1	17	TORONTO			ON M2N 7E9	

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

Account No. (if applicable) / N° de compte (si pertinent)

Registration Account Code / Code du compte d'enregistrement

Financing Change Statement/Change Statement
État de modification du financement/État de modification2022/11/24 328 01943
1590A20221124E

Registration No. (for office use only) / N° d'enregistrement (usage interne)

YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

Ontario

Ministry of
Consumer and
Business
ServicesMinistère des
Services aux
Consommateurs
et aux EntreprisesForm
Formule 3C

10553(03/95)

Registered Under (office use only)
Enregistré aux termes de (usage interne)

PPSA

31 Reference File Number/
N° de dossier de référence

788727321

Renewal (B) OR Discharge (C) /
Renouvellement (B) OU Mainlevée (C)Enter Number of Additional Years if Renewal (see reverse) /
Indiquer le nombre d'années supplémentaires s'il s'agit d'un
renouvellement (voir au verso)

First Given Name / Premier prénom

Initial / Initiale

Surname / Nom de famille

32 Individual Debtor (as recorded) /
Débiteur particulier (tel qu'inscrit)33 Business Debtor (as recorded) /
Débiteur commercial (tel qu'inscrit)

MAJID TAVAKOLI HOLDINGS LTD.

Ontario Corporation No. /
N° matricule de la
personne morale en
Ontario

Secured Party / Lien Claimant / Registering Agent / Créancier garanti / Créancier privilégié / Agent d'enregistrement

Address / Adresse

City, etc. / Ville, etc.

Prov. / Prov. Postal Code / Code postal

Authorized Signature / Signature autorisée

Name and Signature of Secured Party / Lien Claimant OR Name and Signature of Secured
Party / Lien Claimant AND Name and Signature of Agent of Secured
Party / Lien Claimant / Nom et signature du créancier garanti / créancier
privilié OU Nom du créancier garanti / créancier privilégié ET nom et
signature de l'agent du créancier garanti / créancier privilégiéCHAITONS LLP (JW/75411)
5000 YONGE STREET, 10TH FLOOR
TORONTO ON M2N 7E9

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				1		2	2027/11/24
1C	1	00	788727321				
1C	1	01	CAUTION FILING/AVERTIS:	PAGE:	1	OF/DE: 2	MV SCHEDULE
1C	1	01	ATTACHED/LISTE VA:	REG NUM/NO ENREGIST:	20221124	0857 1590 9673	
1C	1	01	REG UNDER/T. ENREG:	P	REG PERIOD/PERIODE:	5	
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1C	1	04	1899 LESLIE STREET				
1C	1	04	TORONTO	ON	M3B 2M3		
1C	1	05	07SEP1982 MAJID		TAVAKOLI		
1C	1	07	741 LAKELANDS AVENUE				
1C	1	07	INNISFIL	ON	L9S 4E5		
1C	1	08	EMPIRICAL CAPITAL CORP				
1C	1	09	4950 YONGE STREET, SUITE 1706				
1C	1	09	TORONTO	ON	M2N 6K1		
1C	1	10	CONS GOODS/BIENS CONS:	INVTRY/STOCK: X	EQUIP/MATER: X		
1C	1	10	ACCTS/COMPT: X	OTHER/AUTRE: X	MV INCL/VA INCLUS: X		
1C	1	10	AMOUNT/MONTANT:	DATE OF MATURITY/DATE ECHEANCE:			
1C	1	10	NO FIXED MAT DATE/D ECHE PAS DET:				
1C	1	16	CHAITONS LLP (JW/75411)				
1C	1	17	5000 YONGE STREET, 10TH FLOOR				
1C	1	17	TORONTO	ON	M2N 7E9		

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

Financing Change Statement/Change Statement
État de modification du financement/État de modification2022/11/24 328 01945
1590A20221124E

Registration No. (for office use only) / N° d'enregistrement (usage interne)

YYYY/AAAA MM/MM DD/JJ Time/Heure

Branch/Bureau

Sequence/Séquence

Ontario

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Consumer and
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ServicesMinistère des
Services aux
Consommateurs
et aux EntreprisesForm
Formule 3C

10553(03/95)

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Enregistré aux termes de (usage interne)

PPSA

31 Reference File Number /
N° de dossier de référence

788727357

Renewal (B) OR Discharge (C) /
Renouvellement (B) OU Mainlevée (C)Enter Number of Additional Years if Renewal (see reverse) /
Indiquer le nombre d'années supplémentaires s'il s'agit d'un
renouvellement (voir au verso)

First Given Name / Premier prénom

Initial Initial

Surname / Nom de famille

22 Individual Debtor (as recorded) /
Débiteur particulier (tel qu'inscrit)23 Business Debtor (as recorded) /
Débiteur commercial
(tel qu'inscrit)

MAJID TAVAKOLI HOLDINGS LTD.

Ontario Corporation No. /
N° matricule de la
personne morale en
Ontario

Secured Party/Lien Claimant/Registered Agent /Créancier garanti/Créancier privilégié/Agent d'enregistrement

Address/Adresse

City, etc./Ville, etc.

Prov./Prov. Postal Code/Code postal

Authorized Signature/Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured
Party/Lien Claimant AND Name and Signature of Agent of Secured
Party/Lien Claimant / Nom et signature du créancier garanti/créancier
privilégié OU Nom du créancier garanti/créancier privilégié ET nom et
signature de l'agent du créancier garanti/créancier privilégiéCHAITONS LLP (JW/75411)
5000 YONGE STREET, 10TH FLOOR
TORONTO ON M2N 7E9

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1C	1	00	788727357				
1C	1	01	CAUTION FILING/AVERTIS:	PAGE:	1	OF/DE: 2	MV SCHEDULE
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1C	1	01	REG UNDER/T. ENREG:	P	REG PERIOD/PERIODE:	5	
1C	1	03	MAJID TAVAKOLI HOLDINGS LTD.				
1C	1	04	1899 LESLIE STREET				
1C	1	04	TORONTO	ON	M3B 2M3		
1C	1	05	07SEP1982 MAJID		TAVAKOLI		
1C	1	07	741 LAKELANDS AVENUE				
1C	1	07	INNISFIL	ON	L9S 4E5		
1C	1	08	EMPIRICAL CAPITAL CORP				
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1C	1	09	TORONTO	ON	M2N 6K1		
1C	1	10	CONS GOODS/BIENS CONS:	INVTRY/STOCK:	EQUIP/MATER:		
1C	1	10	ACCTS/COMPT: X	OTHER/AUTRE: X	MV INCL/VA INCLUS:		
1C	1	10	AMOUNT/MONTANT:	DATE OF MATURITY/DATE ECHEANCE:			
1C	1	10	NO FIXED MAT DATE/D ECHE PAS DET:				
1C	1	13	ASSIGNMENT AND POSTPONEMENT OF CLAIM IN RESPECT OF TERRABONA 7115				
1C	1	14	YONGE LTD.				
1C	1	16	CHAITONS LLP (JW/75411)				
1C	1	17	5000 YONGE STREET, 10TH FLOOR				
1C	1	17	TORONTO	ON	M2N 7E9		
			*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***				

This is Exhibit "K" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER



City of Markham
Corporate Services Commission
Financial Services Department
101 Town Centre Blvd.
Markham, ON L3R 9W3
Tel: (905) 475-4864
Fax: (905) 415-7544

Tax Certificate

No: 98041 Fee Paid: \$108.50

Date: November 20, 2024

Roll No: 36 01 0 010 52700 00000 08

Location: 14 GRANDVIEW AVE

Description: PL 2446 LT324

Owner: TERRABONA 7115 YONGE LTD

Reference: 11087-023

Garfinkle Biderman LLP
1 ADELAIDE STREET EAST
SUTIE 801
TORONTO ON M5C 2V9
CANADA

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2024		6,926.68					6,926.68
2023		6,746.35					6,746.35

Tax Information

* Future Instalments

Year	Tax Owing	Pen/Int Owing	Total Owing	
2024	1,967.28	91.25	2,058.53	
2023				
2022				
2021 & Prior				
Sub Total	1,967.28	91.25	2,058.53	
Tax Loans				
Total	1,967.28	91.25	2,058.53	

Additional Information

Subject to Local Improvement Charges

This information is provided for your convenience only and it does not form part of the certificate.

Collection Activity

Note: A penalty of 1.00% on the unpaid amount of an instalment will be added on the fourth day of default. A further 1.25% on the outstanding amount will be added as interest on the first day of each month thereafter as long as taxes remain unpaid.

This statement contains data stored on the City's database. This data, referenced by the Certificate Number (No.) identified above, is certified by the Treasurer as an accurate representation of all arrears of taxes against the lands described herein, and proceedings have (not) been commenced under Part XI of the Municipal Act, 2001, S.O.2001,c.25, as amended ("Municipal Act"). Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act, R.S.O. 1990, c.A.31, as amended, the Municipal Act, or other statutes, including those resulting from assessment appeals and reconsiderations, tax appeals pursuant to Part X of the Municipal Act, and adjustments pursuant to Part IX of the Municipal Act, which may be billed in future years, and other factors may not be included. E.& O.E. Certificate is subject to clearance of cheques through the bank E.& O.E.

For Treasurer:

- 



City of Markham
Corporate Services Commission
Financial Services Department
101 Town Centre Blvd.
Markham, ON L3R 9W3
Tel: (905) 475-4864
Fax: (905) 415-7544

Tax Certificate

Garfinkle Biderman LLP
801-1 ADELAIDE STREET EAST
TORONTO ON M5C 2V9
CANADA

No: 98042 Fee Paid: \$108.50

Date: November 20, 2024

Roll No: 36 01 0 010 72200 00000 01

Location: 7115 YONGE ST

Description: PL 2446 LT18-19 PT LT17 PT LANE
PT L0T 321 RS65R15683 PTS 2 3

Owner: TERRABONA 7115 YONGE LTD

Reference: 11087-023

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2024		52,513.04					52,513.04
2023		51,874.12					51,874.12

Tax Information

* Future Instalments

Year	Tax Owing	Pen/Int Owing	Total Owing	
2024	28,455.27	476.64	28,931.91	January 26, 2025 349.00
2023				
2022				
2021 & Prior				
Sub Total	28,455.27	476.64	28,931.91	
Tax Loans				* included in total owing
Total	28,455.27	476.64	28,931.91	

Additional Information

Subject to Local Improvement Charges

There is a pending Vacancy Rebate on this account.

This information is provided for your convenience only and it does not form part of the certificate.

Collection Activity

Note: A penalty of 1.00% on the unpaid amount of an instalment will be added on the fourth day of default. A further 1.25% on the outstanding amount will be added as interest on the first day of each month thereafter as long as taxes remain unpaid.

This statement contains data stored on the City's database. This data, referenced by the Certificate Number (No.) identified above, is certified by the Treasurer as an accurate representation of all arrears of taxes against the lands described herein, and proceedings have (not) been commenced under Part XI of the Municipal Act, 2001, S.O.2001,c.25, as amended ("Municipal Act"). Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act, R.S.O. 1990, c.A.31, as amended, the Municipal Act, or other statutes, including those resulting from assessment appeals and reconsiderations, tax appeals pursuant to Part X of the Municipal Act, and adjustments pursuant to Part IX of the Municipal Act, which may be billed in future years, and other factors may not be included. E.& O.E. Certificate is subject to clearance of cheques through the bank E.& O.E.

For Treasurer: — 



City of Markham
Corporate Services Commission
Financial Services Department
101 Town Centre Blvd.
Markham, ON L3R 9W3
Tel: (905) 475-4864
Fax: (905) 415-7544

Tax Certificate

No: 98043 Fee Paid: \$108.50

Date: November 20, 2024

Roll No: 36 01 0 010 52500 00000 06

Location: 10 GRANDVIEW AVE

Description: PL 2446 LT322

Owner: TERRABONA 7115 YONGE LTD TRU

Reference: 11087-023

Garfinkle Biderman LLP
801-1 ADELAIDE STREET EAST
TORONTO ON M5C 2V9
CANADA

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2024		7,661.58					7,661.58
2023		7,462.07					7,462.07

Tax Information

* Future Instalments

Year	Tax Owing	Pen/Int Owing	Total Owing	
2024	2,199.16	101.83	2,300.99	
2023				
2022				
2021 & Prior				
Sub Total	2,199.16	101.83	2,300.99	
Tax Loans				
Total	2,199.16	101.83	2,300.99	

Additional Information

Subject to Local Improvement Charges

This information is provided for your convenience only and it does not form part of the certificate.

Collection Activity

Note: A penalty of 1.00% on the unpaid amount of an instalment will be added on the fourth day of default. A further 1.25% on the outstanding amount will be added as interest on the first day of each month thereafter as long as taxes remain unpaid.

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For Treasurer:

- 



City of Markham
Corporate Services Commission
Financial Services Department
101 Town Centre Blvd.
Markham, ON L3R 9W3
Tel: (905) 475-4864
Fax: (905) 415-7544

Tax Certificate

No: 98044 Fee Paid: \$108.50

Date: November 20, 2024

Roll No: 36 01 0 010 52400 00000 05

Location: 8 GRANDVIEW AVE

Description: PL 2446 E PT LT321

Owner: TERRABONA CACOELI 7115 YONGE

Reference: 11087-023

Garfinkle Biderman LLP
801-1 ADELAIDE STREET EAST
TORONTO ON M5C 2V9
CANADA

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2024		6,953.90					6,953.90
2023		6,772.85					6,772.85

Tax Information

* Future Instalments

Year	Tax Owing	Pen/Int Owing	Total Owing	
2024	1,974.92	91.59	2,066.51	
2023				
2022				
2021 & Prior				
Sub Total	1,974.92	91.59	2,066.51	
Tax Loans				
Total	1,974.92	91.59	2,066.51	

Additional Information

Subject to Local Improvement Charges

This information is provided for your convenience only and it does not form part of the certificate.

Collection Activity

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For Treasurer:

— 



City of Markham
Corporate Services Commission
Financial Services Department
101 Town Centre Blvd.
Markham, ON L3R 9W3
Tel: (905) 475-4864
Fax: (905) 415-7544

Tax Certificate

No: 98045 Fee Paid: \$108.50

Date: November 20, 2024

Roll No: 36 01 0 010 52600 00000 07

Location: 12 GRANDVIEW AVE

Description: PL 2446 LT323

Owner: TERRABONA 7115 YONGE LTD

Reference: 11087-023

Garfinkle Biderman LLP
1 ADELAIDE STREET EAST
SUTIE 801
TORONTO ON M5C 2V9
CANADA

Levy Information

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2024		6,899.46					6,899.46
2023		6,719.84					6,719.84

Tax Information

* Future Instalments

Year	Tax Owing	Pen/Int Owing	Total Owing	
2024	1,959.61	90.88	2,050.49	
2023				
2022				
2021 & Prior				
Sub Total	1,959.61	90.88	2,050.49	
Tax Loans				
Total	1,959.61	90.88	2,050.49	

Additional Information

Subject to Local Improvement Charges

This information is provided for your convenience only and it does not form part of the certificate.

Collection Activity

Note: A penalty of 1.00% on the unpaid amount of an instalment will be added on the fourth day of default. A further 1.25% on the outstanding amount will be added as interest on the first day of each month thereafter as long as taxes remain unpaid.

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For Treasurer:

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This is Exhibit “L” referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER



Statement of Balance Owning January 1, 2025

Empirical Capital Corp. loan to TerraBona 7115 Yonge Ltd.
with respect to 7115 Yonge Street and 8-14 Grandview Avenue

Loan Principal	\$	31,000,000.00
Interest Due from May 2, 2024 to June 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	315,945.21
Subtotal	\$	31,315,945.21
Less balance of interest reserve as at June 1, 2024		(63,586.63)
	\$	31,252,358.58
Interest Due from June 2, 2024 to June 5, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	41,098.99
Interest Due from June 6, 2024 to July 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	261,577.96
Subtotal	\$	31,555,035.53
Interest Due from July 2, 2024 to July 24, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	233,636.94
Interest Due from July 25, 2024 to August 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	79,535.98
Subtotal	\$	31,868,208.45
Interest Due from August 2, 2024 to September 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	311,260.72
Subtotal	\$	32,179,469.17
Interest Due from September 2, 2024 to September 4, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	30,416.21
Interest Due from September 5, 2024 to October 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	267,794.90
Subtotal	\$	32,477,680.28
Interest Due from October 2, 2024 to October 23, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	220,225.37
Interest Due from October 24, 2024 to November 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	86,088.10
Subtotal	\$	32,783,993.74
Interest Due from November 2, 2024 to December 1, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	289,666.79
Subtotal	\$	33,073,660.54
Interest Due from December 2, 2024 to December 11, 2024 calculated at the greater of 10.25% or Prime + 4.80%	\$	97,408.73
Interest Due from December 12, 2024 to January 1, 2025 calculated at the greater of 10.25% or Prime + 4.80%	\$	195,043.98
Subtotal	\$	33,366,113.25
Appraisal fee		10,565.50
Planning letter fee (for letter dated July 5, 2024)		666.70
Legal fees (invoice dated August 31, 2024)		5,717.00
Legal fees (invoice dated October 28, 2024)		14,798.47
Legal fees (invoice dated November 26, 2024)		18,581.76
Title search fees		578.38
Mortgage statement fee		350.00
Annual review fee x 3 years		1,500.00
Bank processing fee		500.00
TOTAL *	\$	33,419,371.06
per diem after January 1, 2025 @ 10.25%		9,369.94

* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS AND DISBURSEMENTS FOR DISCHARGE I.E. LEGAL FEES, ETC.

* NOTE: 2) ERRORS AND OMISSIONS EXCEPTED.

This is Exhibit "M" referred to in the Affidavit of Abraham Strahl sworn at the Town of Markham, in the Province of Ontario, on January 6, 2025, before me in the City of Hollywood, in The State of Florida, in the United States of America in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

WENDY GREENSPOON-SOER

Court File No. CV-24-00731923-00CL

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

BETWEEN:

EMPIRICAL CAPITAL CORP.
Applicant

-and-

TERRABONA 7115 YONGE LTD.
Respondent

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

CONSENT

The undersigned, MSI Spergel Inc. ("MSI") hereby consents to the appointment of MSI as Receiver, without security, of all present and future property, assets and undertakings of TerraBona 7115 Yonge Ltd., including, without limitation, the real property described municipally as 7115 Yonge Street and 8-14 Grandview Avenue, Markham, Ontario pursuant to the provisions of subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended, and the terms of an order substantially in the form filed in the above proceeding.

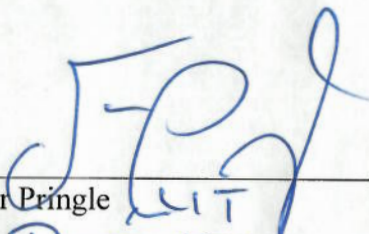
DATED at ~~Toronto~~ this 6TH day of January, 2025.

HAMILTON

Per:

Trevor Pringle

Title:


PATRICK

EMPIRICAL CAPITAL CORP.
Applicant

TERRABONA 7115 YONGE
and LTD.
Respondent

Court File No. CV-24-00731923-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
APPLICATION UNDER SUBSECTION 243(1) OF THE
BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3,
AS AMENDED AND SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS
AMENDED

Proceeding commenced at Toronto

CONSENT

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario

M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

wgreenspoon@garfinkle.com

Tel: 416-869-1234

Fax: 416-869-0547

Lawyers for the Applicants,
Empirical Capital Corp.

File Number: 11097-23

EMPIRICAL CAPITAL CORP.

TERRABONA 7115 YONGE LTD.

Applicant

and

Respondent

Court File No. CV-24-00731923-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
APPLICATION UNDER SUBSECTION 243(1) OF THE
***BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-**
3, AS AMENDED AND SECTION 101 OF THE
***COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS**
AMENDED
Proceeding commenced at Toronto

AFFIDAVIT OF ABRAHAM STRAHL**GARFINKLE BIDERMAN LLP**

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

Tel: 416-869-1234

Email: wgreenspoon@garfinkle.comLawyers for the Applicant,
Empirical Capital Corp.**File Number: 11087-023**

TAB 3

Court File No. CV-24-00731923-00C

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	MONDAY, THE 10 TH DAY
)	
JUSTICE)	OF FEBRUARY, 2025

B E T W E E N:

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

**ORDER
(appointing Receiver)**

THIS APPLICATION, made by Empirical Capital Corp. ("**Empirical**") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**"), appointing MSI Spergel Inc. ("**MSI**") as receiver (in such capacity, the "**Receiver**"), without security, of all present and future property, assets and undertakings of TerraBona 7115 Yonge Ltd., (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, including, without limitation, the real property described municipally as 7115 Yonge Street and 8-14 Grandview Avenue, Markham, Ontario, (the "**Property**"), was heard this day by judicial videoconference via Zoom.

ON READING the Application Record of the Applicant, including the affidavit of Abraham Strahl sworn January 6, 2025 and the exhibits thereto, including, without limitation, the consent of MSI to act as the Receiver, and on hearing the submissions of counsel for Empirical and such other counsel as were present, no one appearing for any other stakeholder although duly served as appears from the affidavit of service of Monika Gugu sworn January 6, 2025,

-2-

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, MSI is hereby appointed Receiver, without security, of the Property.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants,

-3-

managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

-4-

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

(i) without the approval of this Court in respect of any transaction not exceeding \$250,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required;

(1) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

(p) to file an assignment into bankruptcy, and to act as trustee in bankruptcy,

-5-

on behalf of the Debtor;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its respective current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

-6-

affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of

-7-

the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days' notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. **THIS COURT ORDERS** that all rights and remedies against the Debtor, the Receiver or affecting the Property are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter,

-8-

interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, license or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including, without limitation, the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

14. **THIS COURT ORDERS** that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA AND ANTI-SPAM LEGISLATION

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

16. **THIS COURT ORDERS** that any and all interested stakeholders in this proceeding and their counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in this proceeding, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to such other interested stakeholders in this proceeding and their counsel and advisors. For greater certainty, any such distribution or service

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shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act* or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or willful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,000,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings**")

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Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SERVICE AND NOTICE

26. • **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at [https://www.ontariocourts.ca/sc_j/practice/regional-practice-directions/eservice-commercial/#Part III The E-Service List](https://www.ontariocourts.ca/sc_j/practice/regional-practice-directions/eservice-commercial/#Part%III%The%E-Service%List)) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (the "**Rules**") this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules. Subject to Rule 3.01(d) of the Rules and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol and shall be accessible by selecting the Debtor's names from the engagement list at the following URL: <https://www.spergelcorporate.ca/engagements/>.

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27. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

28. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside

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Canada.

32. **THIS COURT ORDERS** that Empirical shall have its costs of this application against the Debtor, up to and including entry and service of this Order, provided for by the terms of Empire's security or, if not so provided by Empire's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

34. **THIS COURT ORDERS** that this Order and all of its provisions are effective as today's date and is enforceable without the need for entry or filing.

Date of issuance _____
(to be completed by registrar)

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _ _ _ _ _

AMOUNT\$.....

1. THIS IS TO CERTIFY that MSI Spergel Inc., the receiver and manager (the "**Receiver**") without security, of all present and future property, assets and undertakings of TerraBona 7115 Yonge Ltd., (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, which property includes, without limitation, the real property described municipally as 7115 Yonge Street and 8-14 Grandview Avenue, Markham, Ontario, (the "Property"), appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 10th day of February, 2025 (the "**Order**") made in an application having Court file number CV-24-00731923-00C, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$ _____, being part of the total principal sum of \$1,000,000.00 which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of _____, 2025

MSI Spergel Inc., solely in its capacity as Receiver
of the Property, and not in its personal capacity

Per: _____
Name:
Title:

EMPIRICAL CAPITAL CORP.

TERRABONA 7115 YONGE LTD.

Applicant

and

Respondent

Court File No. CV-24-00731923-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
APPLICATION UNDER SUBSECTION 243(1) OF THE
***BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-**
3, AS AMENDED AND SECTION 101 OF THE
***COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS**
AMENDED

Proceeding commenced at Toronto

ORDER
(APPOINTING RECEIVER)

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario M5C 2V9

Wendy Greenspoon-Soer – LSO#: 34698L

Tel: 416-869-1234

Email: wgreenspoon@garfinkle.com

Lawyers for the Applicant,
 Empirical Capital Corp.

File Number: 11087-023

EMPIRICAL CAPITAL CORP.

TERRABONA 7115 YONGE LTD.

Applicant

and

Respondent

Court File No. CV-24-00731923-00CL

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

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

Proceeding commenced at Toronto

**APPLICATION RECORD
(Appointment Hearing Returnable February 10, 2025)**

GARFINKLE BIDERMAN LLP

Barristers & Solicitors

1 Adelaide Street East, Suite 801

Toronto, Ontario M5C 2V9

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Empirical Capital Corp.

File Number: 11087-023