

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

APPLICATION RECORD

January 27, 2017

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Court File No.

CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
 (COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

BETWEEN:



CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

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 on Wednesday, February 1, 2017, at 9:30 a.m., before a Judge at the Commercial List at 330 University Avenue, Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the 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 January 27 2017

Issued by: Maggie Sanka
Local Registrar Maggie Sanka

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APPLICATION

THE APPLICANT, Centurion Mortgage Capital Corporation (the "**Lender**"), makes this application for:

- (a) an Order abridging the time for service of the Notice of Application and the Application Record herein and dispensing with further service thereof;
- (b) an Order appointing BDO Canada Limited (the "**Receiver**") as the receiver and manager in respect of all of Terrasan 327 Royal York Rd. Limited's (hereinafter referred to as "**Terrasan**" or the "**Borrower**") assets, undertakings and properties pursuant to Section 101 of the *Courts of Justice Act* (the "**CJA**") and Section 243 of the *Bankruptcy and Insolvency Act* (the "**BIA**"); and
- (c) such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE APPLICATION ARE:

1. The Borrower is an Ontario corporation. The Borrower is the registered owner of those lands and premises located at 327 Royal York Road, Toronto, Ontario, legally described in **Schedule "A"** (the "**Property**").
2. The Lender is an Ontario Corporation, carrying on business in Ontario as *inter alia*, a commercial mortgage lender.
3. Pursuant to the terms of the Commitment Letter dated March 23, 2016 (the "**Commitment**"), the Lender agreed to loan the principal sum of \$21,800,000.00 to the Borrower in the form of a demand, non-revolving construction credit facility (the "**Loan**"). The purpose of the Loan was to finance the construction of the development of 242 residential condominium units, 193 residential parking stalls, 116 lockers and 8,245 square feet of retail/commercial space located at the Property (the "**Project**").
4. As security for its indebtedness and obligations to the Lender under the Loan, the

Borrower delivered *inter alia*, the following security, without limitation, to the Lender:

- (a) A second Charge/Mortgage in the amount of \$21,800,000.00 registered on title to the Property on April 14, 2016, as instrument number AT4192730 (the “**Centurion Mortgage**”);
- (b) a General Notice of Assignment of Rents registered on title to the Property on April 14, 2016, as instrument number AT4192731 (the “**Assignment of Rents**”);
- (c) a General Security Agreement dated March 30, 2016 (the “**GSA**”); and
- (d) the Guarantee (defined below).

(collectively the “**Security**”)

5. On March 30, 2016, the Lender made a registration pursuant to the *Personal Property Security Act* (the “**PPSA**”) with respect to all present and future security interests with respect to the Property.

6. The principal of the Borrower, Luigi Santaguida (the “**Guarantor**”), also provided the Lender an absolute and unconditional guarantee in respect of the full amount of the indebtedness under the Loan, dated March 30, 2016 (the “**Guarantee**”).

7. The Borrower is in default of the terms of the Loan, the particulars of which are described below. As at January 24, 2017, the Borrower owed the Lender \$11,747,220.99, plus per diem interest at the rate of \$3,205.52, plus costs, legal fees, disbursements and other expenses that have been incurred by the Lender to date.

8. The terms of the Centurion Mortgage and the GSA permit the Lender to appoint a receiver, in the event that the Borrower is in default of the Loan.

The Borrower's Defaults

9. The Borrower breached the terms of the Commitment and the Security in *inter alia*:
- (a) defaulting under the Duca Mortgage (defined below), which constituted a breach of the Commitment and the Security, including the Centurion Mortgage, for which Notice of Intention to Enforce Security and demand for repayment on the Duca Mortgage was delivered in favour of Duca;
 - (b) the unauthorized use by the Borrower of \$2,395,509.00 in loan funds previously advanced by Diversified, originally earmarked for payment of Project development charges, as part of the Borrower's required equity under the Commitment, which instead were paid to:
 - (i) Santerra Asset Management and Development Company in the amount of \$1,634,200 which did not pay or reimburse Project costs; and
 - (ii) Diversified (defined below) in the amount of \$761,309.00 in respect of interest costs under their subordinate mortgage, which was not a permitted Project cost; and
 - (c) failure on the part of the Borrower to fund immediately upon demand by the Lender from equity, "Cost-Overruns", as defined in the Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement (the "**Undertaking and Agreement**"), in the total amount of \$2,714,053 as at December 19, 2016, in breach of the terms of the Undertaking and Agreement and which constituted an event of default of the covenants and obligations under the Loan.

(collectively, the "**Defaults**")

Demand and BIA Notice

10. As a result of the Defaults, the Lender demanded repayment of the Loan by letter dated December 19, 2016 (the "**Demand Notice**").

11. The Lender also served a Notice of Intention to Enforce Security pursuant to the provisions of the BIA on December 19, 2016 (the "**BIA Notice**").

Payout of Duca Mortgage to the Lender

12. On April 14, 2016, Duca Financial Services Credit Union Ltd ("**Duca**"), registered a first Charge/Mortgage on title to the Property as Instrument No. AT4192670 (the "**Duca Mortgage**").

13. On or about January 3, 2017, the Lender paid out the Duca Mortgage and it was discharged from title to the Property. The Lender added the amounts it paid in respect of the Duca Mortgage to the indebtedness under the Centurion Mortgage.

Subsequent Encumbrancers

14. Set out below is a summary of the charges that are registered against the Property:

Creditor	Instrument Number	Amount of Charge Against the Properties
Lender	AT4192730	\$21,800,000
Diversified Capital Inc. (" Diversified ")	AT3235332 and AT4035434 (Transfer of Charge)	\$7,700,000
The Guarantee Company of North America (" GCNA ")	AT3841250	\$15,053,500
Olympia Trust Company/John Fletcher /Community Trust Company (" CTC ")	AT3539503 and AT4464383 (Transfer of Charge)	\$10,000,000

15. Aside from the Lender's PPSA registration, the only other subsequent PPSA registrations against the Borrower was registered by Diversified and GCNA.

16. As of January 26, 2017, there were no writs of execution issued against the Borrower in Toronto.

17. As of January 26, 2017, the following construction liens are registered on title to the Property:

- (a) CRH Canada Group Inc., in the amount of \$435,519 and registered as Instrument No. AT4455871;

- (b) Summit Concrete & Drain Ltd., in the amount of \$111,313 and registered as Instrument No. AT4458595;
- (c) Roni Excavating Limited, in the amount of \$504,413 and registered as Instrument No. AT4459539;
- (d) Bluescape Construction Management Inc., in the amount of \$469,827 and registered as Instrument No. AT4462727;
- (e) Mansteel Rebar Ltd., in the amount of \$228,336 and registered as Instrument No. AT4464740;
- (f) Desrosiers Geothermal Corporation in the amount of \$285,237 and registered as Instrument No. AT4467005;
- (g) R. Mancini and Associates Ltd. in the amount of \$34,881 and registered as Instrument No. AT4468556; and
- (h) R. Mancini and Associates Ltd. in the amount of \$29,826 and registered as Instrument No. AT4468557.

18. In or about March and April 2016, the Lender entered into Subordination, Assignment, Postponement and Standstill Agreements with Diversified and CTC as well as a Priority Agreement with GCNA.

19. By letters dated January 20, 2017 (the "**Payout Notice**"), the Lender provided notice to Diversified, GCNA and CTC that it had paid out the Duca Mortgage and that the Centurion Mortgage had become the first mortgage after the Duca Mortgage was discharged. The letters also advised of the Lender's intention to appoint a receiver in respect of the Borrower as a result of the defaults of the Borrower.

Agreements with Purchasers

20. To date, there are 208 agreements of purchase and sale that have been entered into with purchasers of units for the Project (the "**Purchase Agreements**"). The Lender is not able to

confirm the status of each of the Purchase Agreements. It is anticipated that the Receiver will be able to further investigate and report on the Purchase Agreements following its appointment.

The Need for a Court Appointed Receiver

21. The Lender brings this application for the Court appointment of the Receiver in order to maximize the recovery for all of the Borrower's creditors and other stakeholders through a Court supervised sale of the Property. The appointment of the Receiver is just and convenient in the circumstances because:

- (a) the sale of the Property may result in a shortfall for the third and fourth mortgagees and the Court supervised process will ensure that the interests of all creditors and other stakeholders of the Borrower, including the unit purchasers, are considered with a view to minimizing the shortfall and achieving the maximum realization on the Property;
- (b) the appointment of the Receiver will avoid any potential dispute regarding expenses incurred in relation to the sale of the Property and the value ultimately obtained for the Property;
- (c) ECMI, LP has been engaged by the Borrower to conduct, among other work, maintenance work and site monitoring/security of the Property, which is ongoing. The maintenance work includes dewatering of the Property in order to keep the excavated area dry. The Receiver, if appointed, will ensure that the maintenance work is completed, including the dewatering (which must be completed on an ongoing basis to avoid irreparable structural damage), continue with the site monitoring/security of the Property and commence the sale process as soon as possible; and
- (d) a court appointed receivership process will provide the best forum to deal with any priority issues as between the mortgagees, lien claimants and the unit purchasers.

22. Following its Court appointment, the Receiver will return to Court with recommendations on commencing a sales process for the partially constructed Property.

23. The Receiver has consented to its Court appointment.

24. The reasons in the Affidavit of Ryan Buzzell sworn January 27, 2017 (the “**Buzzell Affidavit**”).
25. Rule 41 of the *Rules of Civil Procedure* and section 101 of the *CJA* and section 243 of the *BIA*.
26. Such further and other grounds as the lawyers may advise.

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

1. The Buzzell Affidavit;
2. The consent of BDO Canada Limited to act as Receiver; and
3. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

January 27, 2017

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Lawyer for the Applicant

SCHEDULE "A"
LEGAL DESCRIPTION OF THE LANDS

PIN: 07617-0889 (LT)

Description: LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

CENTURION MORTGAGE
CAPITAL CORPORATION

-and- TERRASAN 327 ROYAL YORK RD.
LIMITED

Applicant

Respondent

Court File No. CV-17 - 11679-80CL

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

IN THE MATTER OF Section 101 of
the *Courts of Justice Act* and Section of the
243 of the *Bankruptcy and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

NOTICE OF APPLICATION

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Lawyer for the Applicant

Tab 2

Court File No. CV-17-11679-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

AFFIDAVIT OF RYAN BUZZELL

I, **RYAN BUZZELL**, of the City of Toronto, in the Province of Ontario **MAKE OATH**

MAKE OATH AND SAY:

1. I am the Director of Mortgage Investments and Joint Ventures of the Applicant, Centurion Mortgage Capital Corporation (the "**Lender**") and, as such, have knowledge of the matters contained in this Affidavit.
2. I am making this affidavit in support of an application by the Lender for the appointment of a BDO Canada Limited (the "**Receiver**"), as receiver over the assets, undertakings and property of the Respondent, Terrasan 327 Royal York Rd. Limited (the "**Borrower**"). Where this affidavit is based on information received from others, I verily believe that information to be true.

Parties

3. The Borrower is an Ontario corporation and the registered owner of those lands and premises located at 327 Royal York Road, Toronto, Ontario, legally described in **Exhibit "A"** attached hereto. (the "**Property**"). The Property is currently under construction, and was to be developed into a 242 residential condominium units, 193 residential parking stalls, 116 lockers and 8,245 square feet of retail/commercial space project located at the Property known as On the GO Mimico Condos (the "**Project**"). Attached as **Exhibit "B"** is a description of the anticipated development of the Project available on the Stanton Renaissance website.

4. To the best of my knowledge, the Borrower is a single purpose entity incorporated for the purposes of the development of the Project and has no other business. Attached as **Exhibit "C"** is a corporation profile report for the Borrower.

5. The Lender is an Ontario Corporation, carrying on business in Ontario as, *inter alia*, a commercial mortgage lender. Attached as **Exhibit "D"** is a corporate profile report for the Lender.

Credit Facility and Security

6. The Borrower is indebted to the Lender pursuant to the terms of the Commitment Letter dated March 23, 2016 (the "**Commitment**"), in which the Lender agreed to loan the principal sum of \$21,800,000.00 to the Borrower in the form of a demand, non-revolving construction credit facility. (the "**Loan**") The purpose of the Loan was to finance the construction of the Project. A copy of the Commitment Letter under which the Loan was advanced is attached as **Exhibit "E"**.

7. As security for its indebtedness and obligations to the Lender under the Loan, the Borrower delivered, *inter alia*, the following security without limitation to the Lender:

- (a) A second Charge/Mortgage in the amount of \$21,800,000.00 registered on title to the Property on April 14, 2016, as instrument number AT4192730 (the "**Centurion Mortgage**") including a Schedule which formed part of the Centurion Mortgage;
- (b) a General Notice of Assignment of Rents registered on title to the Property on April 4, 2016, as instrument number AT4192731 (the "**Assignment of Rents**");
- (c) a General Security Agreement dated March 30, 2016 (the "**GSA**"); and
- (d) the Guarantee (defined below).

(collectively the "**Security**").

Copies of these Security documents are attached as **Exhibit "F", "G", "H" and "I"** respectively.

8. On March 30, 2016, the Lender made a registration pursuant to the *Personal Property Security Act* (the "**PPSA**"), with respect to all present and future security interests with respect to the Property. A copy of the PPSA is attached as **Exhibit "J"**.

9. On March 30, 2016, the Borrower also signed and delivered in favour of the Lender:

- (a) an acknowledgement that Standard Charge Terms No. 201418 (the "**Standard Charge Terms**") was included in a Charge between the Borrower and Lender and that the Borrower received a copy of those Standard Charge Terms before signing the Centurion Mortgage, a copy of which is attached as **Exhibit "K"**; and
- (b) an Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement (the "**Undertaking and Agreement**") a copy of which is attached as **Exhibit "L"**.

10. The principal of the Borrower, Luigi Santaguida (the "**Guarantor**"), also provided the

Lender an absolute and unconditional guarantee in respect of the full amount of the indebtedness under the Loan, dated March 30, 2016 (the "**Guarantee**").

11. The Borrower is in default of the terms of the Loan, the particulars of which are described below. As at January 24, 2017, the Borrower owed the Lender \$11,747,220.99, plus per diem interest rate of \$3,205.52, plus costs, including the legal fees, disbursements and other expenses that have been incurred by the Lender to date. A copy of the Lender's mortgage statement dated January 24, 2017 is attached as **Exhibit "M"**.

12. The terms of the Centurion Mortgage and the GSA permit the Lender to appoint a receiver, in the event that the Borrower is in default of the Loan. Paragraph 35 of the Standard Charge Terms states as follows:

35. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the Charged Lands appoint in writing a Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the Charged Lands, or any part thereof: and of the rents and profits thereof, if any, and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, or pursuant to the Trustees Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee in its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Charged Lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the Charged Lands, including without limitation, charges and construction lien claims.

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

(a) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;

(b) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the Charged Lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;

(c) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the Charged Lands, and may be paid out of the income therefrom or the proceeds of sale thereof;

(d) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the Charged Lands or any part thereof;

(e) The Receiver shall have the power to rent any portion of the Charged Lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Charged Lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the Charged Lands;

(f) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor;

(g) Every such Receiver shall have full power to complete any unfinished construction upon the Charged Lands;

(h) Such Receiver shall have full power to manage, operate, amend, repair, or alter the Charged Lands or any part thereof in the name of the Chargor;

(i) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges which may be registered against the lands from time to time, whether or not such charges are prior to the interest of the Chargee in the Charged Lands; sale of the Charged Lands; borrowing money on the security of the Charged Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing any application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid the Chargor does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Charged Lands, and to commence, institute and prosecute all actions, suits and other proceedings

which may be necessary or expedient in and about the Charged Lands, as fully and effectually to all intents and purposes as the Chargor could do if personally present and acting therein; and

(j) The Receiver shall not be liable for any loss howsoever arising and the Receiver shall not be liable to the Chargor to account for monies received other than cash received by it in respect to the Charged Lands or any part thereof and out of such cash so received, every such Receiver shall pay in the following order: its remuneration; all payments made or incurred by it in the exercise of its powers hereunder; any payment of interest, principal and other money which may from time to time be or become charged upon the Charged Lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the Charged Lands or any part thereof.

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

13. Further, paragraph 13 of the GSA states as follows:

Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (Including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall, not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any Receiver his servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any Receiver may, to the exclusion of all others including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situated, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as the Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Secured Party, all monies received from time to time by any Receiver in carrying out his appointment shall be received in trust for and paid over the Secured Party. Every Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.

The Defaults and Demands made by the Lender

14. The Borrower breached the terms of the Commitment and the Security, *inter alia* by:
- (a) defaulting under the Duca Mortgage (defined below), for which a Notice of Intention to Enforce Security and demand for repayment on the First Mortgage was delivered on December 12, 2016, in favour of Duca, copies of which are attached collectively as **Exhibit "N"**;
 - (b) through the unauthorized use of \$2,395,509.00 in loan funds previously advanced by Diversified, originally earmarked for payment of Project development charges, as part of the Borrower's required equity under the Commitment, which instead were paid to:
 - (i) Santerra Asset Management and Development Company in the amount of \$1,634,200 which did not pay or reimburse Project costs; and
 - (ii) Diversified in the amount of \$761,309.00 in respect of interest costs under their subordinate mortgage, which was not a permitted Project cost; and
 - (c) failure on the part of the Borrower to fund immediately upon demand by the Lender from equity, "Cost-Overruns", as defined in the Undertaking and Agreement, in the total amount of \$2,714,053 as at December 19, 2016, in breach of the terms of the Undertaking and Agreement and which constitutes an event of default of the covenants and obligations under the Loan.
- (collectively, the "**Defaults**").
15. As a result of the Defaults, the Lender demanded repayment of the Loan on the Borrower and the Guarantor by letters dated December 19, 2016 (collectively the "**Demand Notice**"). A copy of the Demand Notice is attached as **Exhibit "O"**.
16. The Lender also served a Notice of Intention to Enforce Security pursuant to the provisions of the *Bankruptcy and Insolvency Act* on December 19, 2016 (the "**BIA Notice**"), a copy of which is attached as **Exhibit "P"**.

Payout of Duca Mortgage to Lender

17. On April 14, 2016, Duca Financial Services Credit Union Ltd. ("**Duca**"), registered a first Charge/Mortgage on title to the Property as Instrument No. AT4192670 (the "**Duca Mortgage**"), a copy of which is attached as **Exhibit "Q"**.

18. On or about January 3, 2017, the Lender paid out the Duca Mortgage and it was discharged from title to the Property. The Lender added the amounts it paid in respect of the Duca Mortgage to the indebtedness under the Centurion Mortgage. A copy of the discharge of the Duca Mortgage is attached as **Exhibit "R"**.

Subsequent Encumbrancers

19. Set out below is a summary of the charges that are registered against the Property, and the corresponding ranking priority:

Creditor	Instrument Number	Amount of Charge Against the Properties
Lender	AT4192730	\$21,800,000
Diversified Capital Inc. (" Diversified ")	AT3235332 and AT4035434 (Transfer of Charge)	\$7,700,000
The Guarantee Company of North America (" GCNA ")	AT3841250	\$15,053,500
Olympia Trust Company/John Fletcher /Community Trust Company (" CTC ")	AT3539503 and AT4464383 (Transfer of Charge)	\$10,000,000

Attached as **Exhibits "S", "T" and "U"** are copies of the subsequent charges.

20. Aside from the Lender's PPSA registration, as at January 25, 2017, the only other subsequent PPSA registration against the Borrower was registered by Diversified and GCNA. A copy of the January 25, 2017, PPSA search is attached as **Exhibit "V"**.

21. As of January 26, 2017, there were no writs of execution issued against the Borrower in Toronto. A copy of the January 26, 2017 execution search is attached as **Exhibit "W"**.

22. As of January 26, 2017, the following construction liens were registered on title to the Property:

- (a) CRH Canada Group Inc., in the amount of \$435,519 and registered as Instrument No. AT4455871;
- (b) Summit Concrete & Drain Ltd., in the amount of \$111,313 and registered as Instrument No. AT4458595;
- (c) Roni Excavating Limited, in the amount of \$504,413 and registered as Instrument No. AT4459539;
- (d) Bluescape Construction Management Inc., in the amount of \$469,827 and registered as Instrument No. AT4462727;
- (e) Mansteel Rebar Ltd., in the amount of \$228,336 and registered as Instrument No. AT4464740;
- (f) Desrosiers Geothermal Corporation in the amount of \$285,237 and registered as Instrument No. AT4467005;
- (g) R. Mancini and Associates Ltd. in the amount of \$34,881 and registered as Instrument No. AT4468556; and
- (h) R. Mancini and Associates Ltd. in the amount of \$29,826 and registered as Instrument No. AT4468557.

A copy of an updated parcel registrar of the Property reflecting the registration of these construction liens is attached as **Exhibit "X"**.

23. The Lender entered into Subordination, Assignment, Postponement and Standstill Agreements with Diversified and CTC in March 2016 as well as a Priority Agreement with GCNA. Copies of those agreements are attached collectively as **Exhibit "Y"**.

24. By letters dated January 20, 2017 (the "**Payout Notice**"), the Lender provided notice to Diversified, GCNA and CTC that it had paid out the Duca Mortgage and that the Centurion Mortgage will become the first mortgage once the Duca Mortgage was discharged. The letters also advised of the Lender's intention to appoint a receiver in respect of the Borrower as a result of the defaults of the Borrowers. Copies of the Payout Notice are collectively attached as **Exhibit "Z"**.

Agreements with Purchasers

25. I am advised by the Borrower that there are 208 agreements of purchase and sale that have been entered into with purchasers of units for the Project (the "**Purchase Agreements**"). The Lender is not able to confirm the status of each of the Purchase Agreements. It is anticipated that the Receiver will be able to further investigate and report on the Purchase Agreements following its appointment.

The Need for a Court Appointed Receiver

26. The Lender brings this application for the Court appointment of the Receiver in order to maximize the recovery for all of the Borrower's creditors and other stakeholders through a Court supervised sale of the Property. I believe that the appointment of the Receiver is just and convenient in the circumstances because:

- (a) the sale of the Property may result in a shortfall for the third and fourth mortgagees and the Court supervised process will ensure that the interests of all creditors and other stakeholders of the Borrower, including the Unit Purchasers, are considered with a view to minimizing the shortfall and achieving the maximum realization on the Property;
- (b) the appointment of the Receiver will avoid any potential dispute regarding expenses incurred in relation to the sale of the Property and the value ultimately obtained for the Property;

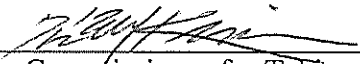
- (c) ECMI, LP has been engaged by the Borrower to conduct, among other work, maintenance work at, and site monitoring/security of the Property, which is ongoing. The maintenance work includes dewatering of the Property in order to keep the excavated area dry. The Receiver, if appointed, will ensure that the maintenance work is completed, including the dewatering (which must be completed on an ongoing basis to avoid irreparable structural damage), continue with the site monitoring/security of the Property and commence the sale process as soon as possible; and
- (d) a court appointed receivership process will provide the best forum to deal with any priority issues as between the mortgagees, lien claimants and the unit purchasers.

27. Following its Court appointment, the Receiver will return to Court with recommendations on commencing a sales process for the Property.

28. The Receiver has consented to its Court appointment. A copy of the executed consent is attached as **Exhibit "AA"**.

29. I make this affidavit in support of the within application to appoint a Receiver and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on January 27, 2017



 Commissioner for Taking Affidavits
(or as may be)

} 

RYAN BUZZELL

Derek Kim
 Keun Tae Kim, a Commissioner, etc.,
 Province of Ontario, while a Student-at-Law.
 Expires August 16, 2019.

THIS IS **EXHIBIT " A "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

P.I.N. 07617-0889 (LT)

Description: LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

THIS IS **EXHIBIT " B"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**



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On The Go Mimico Residential Condos

VISION

On The Go Mimico offers the city's ONLY residential condominium with access to the GO Transit service just steps from its property. You can work and play downtown and return home to your comfy Mimico neighbourhood with the GO station quickly accessible. But that's not all this trendsetting condominium has to offer. Stunning, contemporary design with unobstructed views of the lake and city, the latest finishing features, large stylish balconies, Italian designed and manufactured gourmet kitchens and one of the most exciting new technologies that will save residents significant money on heating and cooling costs. On The Go Mimico will incorporate Toronto's first high rise integrated GeoExchange and Cogeneration technology that works with nature to borrow the energy from the earth in the winter and put it back in the summer, redirecting and recycling to where it is needed. In fact residents at On The Go Mimico will save on utility costs and on monthly condo fees because of this progressive and innovative technology. The condominium features 242 suites from 537 sq. ft. to 2,700 sq. ft. including two levels of penthouses.



Mimico Is One Of The 10 Best Places To Live in The GTA!

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Surrounded by the warm and friendly community of Mimico, (identified as Toronto's top emerging community and one of the ten best places to live in the GTA) residents will enjoy an eclectic variety of shops, bakeries, cafes and restaurants as well as lush parks and lakefront trails. Mimico is a grand old neighbourhood with big old trees, big box stores and now a big opportunity to own a cutting edge condo - all just 15 minutes from Union Station!!

Local Amenities

IT'S IN YOUR NEIGHBOURHOOD



SHOPS & RESTAURANTS

- Canadian Tire
- Costco
- KEA
- Home Depot
- Jouju Hair Studio
- Sherway Gardens
- Santimo Bakery
- The Blue Goose Tavern
- Eversat Indian
- Maurya Roti
- Sweet Olania's
- Posticino Ristorante



SCHOOLS

- École Ste Marguerite d'Youville
- Etobicoke School of the Arts
- Ft. John Redmond Catholic Senior
- George R. Gault Junior
- High Park Centennial Montessori
- Humber College
- John English Junior Middle
- Karen Kahn School of the Arts
- Lakeshore Collegiate Institute
- Mimico Adult Centre
- Royal House of Music
- St. Leo Catholic



COMMUNITY CENTRES

- Assembly Hall Community Cultural Centre
- Etobicoke Yacht Club
- Gus Ryder Pool
- John English Community Centre
- Ken Cox Community Centre
- Mastercard Centre Arena
- Mimico Arena
- Mimico Tennis Club
- Mimico Centennial Public Library
- Ourland Community Centre + Pool



TRANSIT

- Mimico Go Station
- TTC Bus Stop
- TTC Street Car
- Royal York Subway Station
- Gardiner Expressway / QEW
- Highway 401
- Highway 427
- Lake Shore Boulevard
- The Queensway



SERVICES

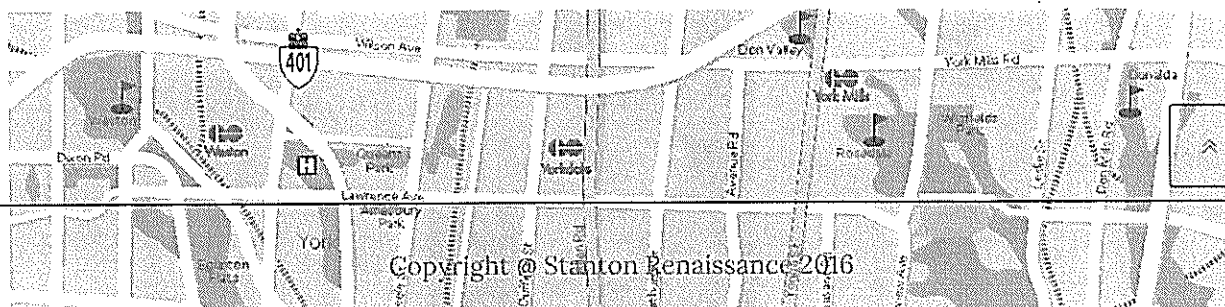
- BMO Bank of Montreal
- Dr. A. Hoer Family Dental
- Kassels Pharmacy
- Mimico Medical Centre
- Mimico Dental Oce
- State Farm Insurance



PARKS & TRAILS

- Coronation Park
- Christ Church Memorial Garden
- Mimico Waterfront Linear Park
- Amos Wailes Park
- Mimico Square
- Mimico Memorial Park
- Prince of Wales Park
- Cliff Lumsden Park
- Colonel Samuel Smith Park
- Ice Skating Trail

12



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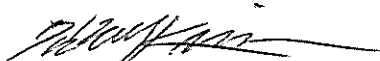
LIFESTYLE

LOCATION

DESIGN



THIS IS **EXHIBIT " C "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

Request ID: 019848094
Transaction ID: 63399717
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/01/26
Time Report Produced: 14:16:18
Page: 1

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2170134	TERRASAN 327 ROYAL YORK RD. LIMITED	2008/04/18
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
93 SKYWAY AVENUE	NOT APPLICABLE	NOT APPLICABLE
Suite # 210 TORONTO ONTARIO CANADA M9W 6N6	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address		Letter Date
93 SKYWAY AVENUE		NOT APPLICABLE
Suite # 210 TORONTO ONTARIO CANADA M9W 6N6	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	Date Commenced in Ontario
	00001 00010	NOT APPLICABLE
Activity Classification		Date Ceased in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 019848094
Transaction ID: 63399717
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2170134

TERRASAN 327 ROYAL YORK RD. LIMITED

Corporate Name History

Effective Date

TERRASAN 327 ROYAL YORK RD. LIMITED

2008/04/18

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

LUIGI
SANTAGUIDA

14 ST. MARGARETS DRIVE

TORONTO
ONTARIO
CANADA M4N 3E5

Date Began

First Director

2008/04/18

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

Request ID: 019848094
Transaction ID: 63399717
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/26
Time Report Produced: 14:16:18
Page: 3

CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2170134

TERRASAN 327 ROYAL YORK RD. LIMITED

Administrator:
Name (Individual / Corporation)

Address

LUIGI
SANTAGUIDA

14 ST. MARGARETS DRIVE

TORONTO
ONTARIO
CANADA M4N 3E5

Date Began

First Director

2008/04/18

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

PRESIDENT

Y

Administrator:
Name (Individual / Corporation)

Address

LUIGI
SANTAGUIDA

14 ST. MARGARETS DRIVE

TORONTO
ONTARIO
CANADA M4N 3E5

Date Began

First Director

2008/04/18

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

OFFICER

SECRETARY

Y

Request ID: 019848094
Transaction ID: 63399717
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/26
Time Report Produced: 14:16:18
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2170134

TERRASAN 327 ROYAL YORK RD. LIMITED

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/09/30

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS **EXHIBIT " D"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

Request ID: 019848159
Transaction ID: 63399905
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/26
Time Report Produced: 14:23:57
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
2368571	CENTURION MORTGAGE CAPITAL CORPORATION	2013/04/10	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE	
Registered Office Address	Date Amalgamated	Amalgamation Ind.	
25 SHEPPARD AVENUE WEST	NOT APPLICABLE	NOT APPLICABLE	
Suite # 710 TORONTO ONTARIO CANADA M2N 6S6	New Amal. Number	Notice Date	
	NOT APPLICABLE	NOT APPLICABLE	
Mailing Address	Letter Date		
25 SHEPPARD AVENUE WEST	NOT APPLICABLE		
Suite # 710 TORONTO ONTARIO CANADA M2N 6S6	Revival Date	Continuation Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Transferred Out Date	Cancel/Inactive Date	
	NOT APPLICABLE	NOT APPLICABLE	
	EP Licence Eff.Date	EP Licence Term.Date	
	NOT APPLICABLE	NOT APPLICABLE	
	Number of Directors Minimum Maximum	Date Commenced in Ontario	Date Ceased in Ontario
Activity Classification	00001 00010	NOT APPLICABLE	NOT APPLICABLE
NOT AVAILABLE			

Request ID: 019848159
Transaction ID: 63399905
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/01/26
Time Report Produced: 14:23:57
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2368571	CENTURION MORTGAGE CAPITAL CORPORATION

Corporate Name History	Effective Date
CENTURION MORTGAGE CAPITAL CORPORATION	2013/04/10

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
ROBERT ORR	25 SHEPPARD AVENUE WEST Suite # 710 TORONTO ONTARIO CANADA M2N 6S6

Date Began	First Director	
2013/04/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	CHIEF FINANCIAL OFFICER	

Request ID: 019848159
Transaction ID: 63399905
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2019/01/26
Time Report Produced: 14:23:57
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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
2368571	CENTURION MORTGAGE CAPITAL CORPORATION

Administrator: Name (Individual / Corporation)	Address
GREGORY GUNTER ROMUNDT	25 SHEPPARD AVENUE WEST Suite # 710 TORONTO ONTARIO CANADA M2N 6S6

Date Began	First Director	Resident Canadian
2013/04/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

Administrator: Name (Individual / Corporation)	Address
GREGORY GUNTER ROMUNDT	25 SHEPPARD AVENUE WEST Suite # 710 TORONTO ONTARIO CANADA M2N 6S6

Date Began	First Director	Resident Canadian
2013/04/10	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
OFFICER	PRESIDENT	Y

Request ID: 019848159
Transaction ID: 63399905
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2017/01/26
Time Report Produced: 14:23:57
Page: 4

CORPORATION PROFILE REPORT

Ontario Corp Number

2368571

Corporation Name

CENTURION MORTGAGE CAPITAL CORPORATION

Administrator:
Name (Individual / Corporation)

STEPHEN
STEWART

Address

25 SHEPPARD AVENUE WEST
Suite # 710
TORONTO
ONTARIO
CANADA M2N 6S6

Date Began

2013/04/10

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Administrator:
Name (Individual / Corporation)

STEPHEN
STEWART

Address

25 SHEPPARD AVENUE WEST
Suite # 710
TORONTO
ONTARIO
CANADA M2N 6S6

Date Began

2016/07/22

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 019848159
Transaction ID: 63399905
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2014/01/26
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2368571

CENTURION MORTGAGE CAPITAL CORPORATION

Last Document Recorded

Act/Code	Description	Form	Date
CIA	CHANGE NOTICE	1	2016/08/05 (ELECTRONIC FILING)

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

THIS IS **EXHIBIT " E"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**



CENTURION
MORTGAGE CAPITAL
CORPORATION

March 23, 2016

Terrasas 327 Royal York Rd. Limited
c/o Foundry Mortgage Capital Corp.
1880 O'Connor Drive
Suite 400
Toronto, Ontario M4A 1W9

Attention: Brennan Wood

Dear Sirs:

**Re: Construction Facility for On The Go Mimico Condominium Project
Terrasas 327 Royal York Rd. Limited – 327 Royal York Road, Toronto, ON**

We are pleased to advise that Centurion Mortgage Capital Corporation. (the “Lender”) has approved certain credit facilities in favour of Terrasas 327 Royal York Rd. Limited (the “Borrower”) for the development of 242 residential condominium units, 193 residential parking stalls, 116 lockers and 8,245 square feet of retail/commercial space located at 327 Royal York Road, Toronto (the “Project”) upon the terms and conditions described in this commitment letter (the “Commitment”) which upon execution will bind the parties hereto.

LENDER Centurion Mortgage Capital Corporation

BORROWER Terrasas 327 Royal York Rd. Limited

GUARANTOR Luigi Santaguida

SOURCES AND USES OF FUNDS

SOURCES AND USES OF FUNDS					
SOURCES of FUNDS	\$	%	USES of FUNDS	\$	%
Cash Equity	4,592,451	5.1%	Land Cost	11,213,553	12.5%
Appraisal Surplus	3,893,519	4.3%	Appraisal Surplus	3,893,519	4.3%
Mezz Loan - Direct Capital	10,000,000	11.1%	Hard Costs	42,819,047	47.7%
Mezz Loan - Diversified Capital	3,000,000	3.3%	Interest - DUCA	1,587,101	1.8%
2nd Mtg - Centurion	21,800,000	24.3%	Interest - Centurion	3,022,317	3.4%
Construction Loan	37,700,000	42.0%	Interest - Mezz (Direct)	3,150,409	3.5%
Purchaser Deposits	6,259,248	7.0%	Interest - Mezz (Diversified)	2,220,940	2.5%
Deferred Costs	2,562,380	2.9%	Other Soft Costs	19,152,982	21.3%
			Contingency - Hard @ 4.4%	1,776,818	2.0%
			Contingency - Soft @ 8.8%	970,912	1.1%
TOTAL SOURCES	89,807,598	100%	TOTAL PROJECT COSTS	89,807,598	100%

CONSTRUCTION FACILITY

The Lender hereby establishes a demand, non-revolving construction credit facility (the "**Construction Facility**") in the amount of \$21,800,000.00 in favour of the Borrower;

Notwithstanding compliance with the covenants and all the terms and conditions of this Commitment, the Construction Facility is repayable **ON DEMAND**.

PURPOSE

The Construction Facility will only be used to finance the Construction of the Project.

CLOSING DATE

The date of the first Advance which shall be no later than April 11, 2016 (the "**Closing Date**").

MATURITY DATE

The Construction Facility shall mature and any outstanding balance shall become due and payable in full on the earlier of: (a) thirty (30) months from the Closing Date; and (b) the date on which the Lender demands repayment of the Credit Facilities.

FUNDING

The Construction Facility shall be funded *pari passu* with the Primary Construction Loan after Centurion funds \$10,000,000.00 of Project Costs recommended by the Project Monitor and approved by the Primary Lender and the Lender, with the Primary Construction Loan funding 76.16% of each Advance and Centurion funding 23.84%, save and except for portions of each Advance which fund interest payments, in which case the Primary Lender and Centurion will each fund their own respective interest costs separately.

INTEREST RESERVE

\$3,022,317.00 of the principal amount of the Loan shall be available to fund interest and fees associated with the Loan as and when the same become due and payable. Upon the occurrence of a default under the Loan, the Lender shall not be obligated to fund any further funds from the remaining Interest Reserve portion of the Loan.

INTEREST RATE AND PAYMENTS

Construction Facility

The Borrower will pay interest on the Construction Facility at a rate per annum equal to 10.00% per annum calculated and payable monthly (the "**Interest Rate**") on the first day of each month not in advance both before and after maturity, default and judgment. Interest will accrue from the date of disbursement of Advance monies to the Lender's solicitors. Interest shall be payable on all past due interest from the due date of such interest at the Interest Rate, both before and after maturity, default and judgment.

REPAYMENTS AND PARTIAL DISCHARGES

Mandatory Repayment

- (1) Provided that the Borrower is in full compliance with the terms of the Loan Documents, the Borrower shall be entitled to a partial discharge of the Security as it relates to the applicable Units (and the corresponding parking, locker, communication units, sign units and common areas of the Project), upon payment to the Lender of the Net Sale Proceeds where a Unit is sold pursuant to the terms of a Condominium Sales Agreement Proceeds (provided that the proceeds from such sales are applied firstly to pay down the Primary Construction Loan), for application in accordance with Subsection (3) below.
- (2) Provided that the Borrower is in full compliance with the terms of the Loan Documents, the Borrower shall be entitled to a partial discharge or postponement of the Security as it relates to the applicable Retail Component upon:
 - (a) the sale of any Retail Component to a bona fide Arm's Length third party on terms approved in writing by the Lender and the payment to the Lender of the Net Retail Component Sale Proceeds (provided that the proceeds from such sales are applied firstly to pay down the Primary Construction Loan) for application in accordance with Subsection (3) below; or
 - (b) the Borrower obtaining term financing for the Retail Component from an Arm's Length lender and on terms approved in writing by the Lender and the payment to the Lender of the net proceeds of such financing (provided that the net proceeds from such financing are applied firstly to pay down the Primary Construction Loan), for application in accordance with Subsection (3) below.
- (3) Any payments received by the Lender pursuant to Subsections (1) or (2) above shall be applied towards repayment of the Loan outstanding under the Construction Facility and any such repayment shall result in a corresponding permanent reduction in the Construction Facility Commitment.
- (4) The Lender shall execute such releases or postponements of the Security in respect of any Unit or Retail Component or other component for which a partial discharge or postponement is sought pursuant to Subsections (1) or (2) above in form and substance as the Borrower may reasonably require and shall deliver the same to the Borrower's solicitors in escrow for delivery or release upon delivery to the Lender of the amount described in Subsections (1) or (2) above, as applicable.
 - (a) the Lender's legal fees not to exceed \$450 per unit plus HST and disbursements, a discharge fee to the Lender of \$150.00 per discharge document or \$500 per bulk discharge document, where 3 or more units are being discharged; and
 - (b) the Lender's administration fee in connection with such discharge not to exceed \$50.00 per discharge document

Voluntary Prepayments and Reductions

The Borrower may from time to time prepay Loan outstanding under the Construction Facility, in whole or in part, without penalty. Upon such prepayment, the Construction Facility Commitment shall be correspondingly permanently reduced by the amount of such prepayment.

AVAILABILITY

- (a) The Construction Facility is available by way of a fixed rate loan.
- (b) The Lender, jointly with the Primary Lender will engage CB Ross as Project Monitor to review the Plans and Specifications, approvals, permits, environmental reports, geotechnical reports, survey, contracts, the agreements of purchase and sale and all other material agreements pertinent to the development of the Project. The Project Monitor will provide a detailed total Project Budget to be approved by the Lender not exceeding \$89,807,598.00 which shall contain Deferred Costs not exceeding \$2,562,380.00 and otherwise in accordance with the Sources and Uses of Funds hereinbefore set out unless otherwise approved by the Lender. The cost of the Project Monitor shall be borne by the Borrower.
- (c) The Construction Facility will be funded by Advances to pay Project Costs. Advances will be made as recommended by the Project Monitor and approved by the Lender, on the basis of the Project Monitor verifying Costs-in-Place less Minimum Required Equity, accounts payable that will not be paid from the requested Advance, Interim Revenue received and utilized to fund Project Costs and Purchaser Deposits released to the Borrower and utilized to fund Project Costs, Cost Overruns and Holdbacks in accordance with the Construction Lien Act (the "**Costs-in-Place Margin**") subject to the unadvanced amount of the Construction Facility, the unadvanced amount of the Primary Construction Loan, Undistributed Purchaser Deposits, Deferred Costs and remaining Offsetting Income less Holdbacks and unpaid payables being equal to the Cost-to-Complete.
- (d) Holdbacks will be calculated by the Lender and the Project Monitor in accordance with the Construction Lien Act ("CLA") and not advanced and shall be deducted from amounts otherwise approved for each Advance. Partial or final releases of Holdbacks shall be approved by Lender's legal counsel and permitted in accordance with the CLA.
- (e) Any construction liens must be fully discharged or vacated by the Borrower from its own cash resources derived from outside the Project prior to any further Advances and no later than ten (10) days following written notice given to the Borrower of such lien(s). All Advances will be subject to an acceptable subsearch performed by the Lender's legal counsel.
- (f) No Advances shall be made until a Cost Overrun is funded by the Borrower to the Lender's satisfaction.

SECURITY

As general and continuing security for the payment and performance of the Obligations, the following security will be granted to the Lender in form satisfactory to the Lender and its solicitors:

- (1) the Charge, in the amount of \$21,800,000.00;
- (2) a general security agreement given by the Borrower to the Lender providing a second priority security interest over all the present and future assets, property and undertaking of the Borrower (other than Purchaser Deposits and Retail Deposits, in which case the security interest created by the general security agreement shall form a third priority interest thereon, subject only to any security interest in favour of DBC) including purchase and sale agreements, plans, contracts, drawings, agreements, permits, approvals, equipment, receivables, inventory, intellectual property and the pledge of \$1,000,000 held with the Primary Lender as security (the "**Pledge Account**");
- (3) an assignment of the Borrower's insurance policies;
- (4) a second-ranking general assignment of the Leases and rents, revenues and profits payable thereunder made by the Borrower in favour of the Lender;
- (5) a second-ranking assignment of the Material Project Agreements by the Borrower in favour of the Lender acknowledged by the counterparties as required by the Lender;
- (6) a second-ranking specific assignment of the Construction Management Agreement made by the Borrower in favour of the Lender;
- (7) a second-ranking assignment in favour of the Lender made by the Borrower of its rights under the Condominium Sales Agreements, as may be amended, modified or restated from time to time, together with the Purchaser Deposits (subject in the case of the Purchaser Deposits and Retail Deposits only, to any prior security interest of DBC and the Primary Lender);
- (8) a joint and several debt service, cost overrun and completion undertaking and guarantee made by the Borrower and Guarantor in favour of the Lender;
- (9) an irrevocable direction by the Borrower to its solicitors (acknowledged by such solicitors) to forward (a) all Purchaser Deposits released by DBC (save and except those Purchaser Deposits released into the Project account with the Primary Lender to be used for payment of Project expenses); and (b) all Net Closing Proceeds and Net Retail Component Sale Proceeds to the Lender for, in the case of (a) payment of Project Costs, and (b) repayment of the Loan as hereinbefore set out;
- (10) as may be required by the Lender, a second-ranking assignment of the Construction Contracts given by the Borrower to the Lender;
- (11) the DBC Priority Agreement;
- (12) the unconditional joint and several guarantee and postponement of claim by Luigi Santaguida of all Obligations owing by the Borrower to the Lender; this guarantee and postponement of claim is in addition to the Guarantor's obligations under the environmental indemnity and debt service, cost overrun and completion undertaking and guarantee;

- (13) a joint and several environmental indemnity to be provided by the Borrower and Guarantor in favour of the Lender;
- (14) standstills, subordinations, postponements and assignments of claim from any shareholder or stakeholder of the Borrower who is not a guarantor and any other Person the Lender may designate, acting reasonably;
- (15) such other security as the Lender or its solicitors require, which is contemplated by this Commitment or which security more fully gives effect to the security contemplated by this Commitment;
- (16) a specific second assignment of the Loan Agreement dated February 27, 2014 between J. Paul Fletcher, as bare trustee for the lender therein, and the Borrower for \$15,000,000.00 (the "**Syndicated Loan Agreement**") which will allow the Lender, subject to the rights of the Primary Lender, upon the Lender exercising its enforcement rights with respect to the Construction Facility, to have the right to call upon any remaining undrawn portion of the loan under the Syndicated Loan Agreement to be applied towards the requirements of the Construction Facility. For further clarity, any undrawn portion can be applied either for Project Costs, including Cost Overruns, or to pay down the Construction Facility. Such specific assignment of Loan Agreement shall be in a form satisfactory to the Lender and the Lender's solicitors and acknowledged by J. Paul Fletcher confirming the rights of the Lender herein;
- (17) Notice to, and Acknowledgement by the Primary Lender re: payment to Lender of Pledge Account after full repayment of Primary Construction Loan;
- (18) a postponement and standstill agreement with J. Paul Fletcher regarding the Syndicated Loan Agreement and related security on terms satisfactory to the Lender and its counsel, in their sole discretion;
- (19) a postponement and standstill agreement with Diversified Capital Inc. on terms satisfactory to the Lender and its counsel, in their sole discretion; and
- (20) estoppel certificates and subordination agreements from any retail leases.

Condominium Documents

Provided that the Borrower is fully in compliance with the terms of the Loan Documents, the Lender agrees, from time to time upon the request and at the expense of the Borrower, to execute and deliver a consent to the Borrower registering the Declaration pursuant to the Condominium Act, provided that all Condominium Documents are provided to and found in all respects satisfactory to the Lender and its solicitors substantially consistent with drafts approved by the Lender prior to the first Advance.

Trustee/Beneficial Owner

If the Borrower holds the Property as nominee and bare trustee for the sole use, benefit and advantage of another person (the "**Beneficial Owner**"), the Borrower and Beneficial Owner shall grant to the Lender a trustee and beneficial owner agreement (in form and content satisfactory to

the Lender and its solicitors) prior to the initial Advance, and all the covenants, agreements, rights, obligations, representations, warranties and other provisions set out in this Commitment relating to the Borrower shall apply, *mutatis mutandis*, to the Beneficial Owner.

CONDITIONS PRECEDENT TO FIRST ADVANCE

The obligation of the Lender to make the first Advance hereunder is subject to and conditional upon the prior satisfaction of the following conditions precedent:

- (1) duly executed copies of the Loan Documents and deliveries in connection therewith (including the DBC Priority Agreement) will have been delivered to the Lender and all such Loan Documents will have been duly registered, filed and recorded in all relevant jurisdictions where required by Applicable Law or where the Lender considers it necessary, in its sole discretion, to do so;
- (2) The Lender will have received a request for the Advance at least five Business Days prior to the proposed Advance date; Advance requests shall be no more frequently than monthly and for amounts greater than \$250,000.00;
- (3) The Borrower shall be fully in compliance with all the terms and conditions of the Loan Documents;
- (4) A Material Adverse Change will not have occurred and be existing or, in the reasonable opinion of the Lender, is threatened or pending;
- (5) The Lender will have received a policy of title insurance satisfactory to the Lender;
- (6) All corporate documentation requested by the Lender and its solicitors will have been received;
- (7) The Project Monitor shall have been engaged to act on behalf of the Lender throughout the duration of the Credit Facilities at the Borrower's expense;
- (8) The Lender will have completed its due diligence with respect to the Borrower, Guarantor and Project, and will have received all financial, corporate and other information requested by the Lender including receipt and satisfactory review of:
 - (a) the personal net worth statement of any individual Guarantor together with supporting documents;
 - (b) notice to reader financial statements of the Borrower and review engagement financial statements of any corporate Guarantor prepared by acceptable independent chartered accountants for the last two years;
 - (c) if requested by the Lender, corporate tax returns of the Borrower and any corporate Guarantor and personal tax returns for any individual Guarantor for the last two years together with notices of assessment confirming all Taxes are paid up-to-date;
 - (d) all Material Project Agreements;

- (e) all Condominium Sales Agreements in digital format together with pre-approved mortgage commitments or evidence supporting purchaser's financial ability to close, all in digital format;
- (f) Leases, if any;
- (g) current schedule of pre-sales, including purchaser name, current address, unit number of the Unit being acquired, square footage of the Unit, asking price, sale price, deposit status (including location of deposits, amount paid to date and amount and timing of deposits yet to be paid) closing date and any special conditions;
- (h) the most recent realty Taxes bill and evidence of payment thereof and that all realty Taxes levied against the Property are current;
- (i) an Appraisal with respect to the Property indicating an "as is" value of not less than \$14,000,000.00 and an "as completed" value of not less than \$94,000,000.00 net of HST which must be addressed to the Lender or accompanied by a transmittal / reliance letter from the Appraiser;
- (j) environmental reports on the Property satisfactory to the Lender in its sole discretion;
- (k) Record of Site Condition filed with Ministry of Environment acceptable to the Lender, in its sole discretion;
- (l) a satisfactory report from the Project Monitor containing:
 - (A) confirmation that it has reviewed and is satisfied with the Project Budget (including confirmation of Deferred Costs of \$2,562,380.00), Plans and Specifications and Construction Schedule and that the Project can be completed in accordance with the same;
 - (B) a projected cash flow estimate for the Construction;
 - (C) verification of the reputation, qualification and capabilities of all major trades and containing its recommendation with respect to the requirement for any Performance and Payment Bonds for major trades and suppliers (and where same have been required by the Lender, confirming the same are in form and content acceptable to the Project Monitor);
 - (D) confirmation that all necessary zoning and development approvals, including all necessary permits, have been obtained or will be issued as required pertaining to each stage of Construction (being first, up to excavation level; second, up to foundation stage; and third, superstructure);
 - (E) the site plan control agreement for the Project;
 - (F) confirmation of the Project Budget of not more than \$89,807,598 (including the Land Value of \$14,000,000.00 and \$6,259,248.00 in purchaser deposits available to fund costs);

- (G) confirmation that a minimum of 70% of the total estimated hard costs have been contractually committed with confirmation to follow within 90 days of the first advance that a minimum of 75% of the total estimated hard costs have been contractually committed;
- (H) confirmation of the amount of Costs-in-Place including Land Value, Hard Costs and Soft Costs incurred on the Project to date on a line by line basis and identifying whether such costs have been incurred in accordance with the Project Budget or are Cost Overruns;
- (I) confirmation of Cost-to-Complete and Holdbacks;
- (J) confirmation that the Project Equity is no less than the Minimum Required Equity;
- (K) confirmation that any Cost Overruns that have been incurred on the Project have been funded in their entirety by the Borrower and/or Guarantor from their own cash resources derived from outside the Project;
- (L) confirmation that the Borrower has made all required Holdbacks with respect to the Construction completed to date in compliance with the Construction Lien Act; and
- (M) recommendation of the requested Advance amount based on the Project Monitor's verification of the Costs-in-Place Margin subject to the unadvanced amount of the Construction Facility, the unadvanced amount of the Primary Construction Loan, Undistributed Purchaser Deposits, Undistributed Retail Deposits, Deferred Costs, Offsetting Income less Holdbacks and unpaid payables being equal to the Cost-to-Complete;
- (N) containing the Advance Certificate from a senior officer of the Borrower:
 - (i) certifying the amount of Costs-in-Place incurred on the Project to date, the Cost-to-Complete and Holdbacks on a line by line basis;
 - (ii) certifying the payments that have been made or will be made from the proceeds of the Advance and, where required by Project Monitor, attaching copies of all invoices in excess of \$100,000.00 that will be paid from the proceeds of the Advance;
 - (iii) certifying that all accounts payable that were to have been paid from prior Advances have been paid;
 - (iv) certifying that any Cost Overruns that have been incurred on the Project have been funded in their entirety by the Borrower and/or Guarantor from their own cash resources derived from outside the Project;

- (v) certifying compliance with (i) the Construction Lien Act, including that the Borrower has made all required Holdbacks with respect to the work completed to date; and (ii) applicable legislation relating to Taxes;
- (vi) certifying the amount of Project Equity, which must be no less than: (i) the Minimum Required Equity plus (ii) the amount of Interim Revenue received since the prior Advance; and (iii) Cost Overruns funded by the Borrower and/or Guarantor;
- (vii) confirming compliance with the pre-sales requirements set forth herein;
- (viii) certifying the amount of Purchaser Deposits held by DBC and any amount to be released by DBC in conjunction with the Advance;
- (ix) certifying as to such other information and accompanied by such back-up material, as the Lender or Project Monitor may reasonably request from time to time;
- (x) certifying that the Cost-to-Complete shall not exceed the aggregate of the unadvanced amount of the Construction Facility, the unadvanced amount of the Primary Construction Loan, Deferred Costs, Undistributed Purchaser Deposits, Undistributed Retail Deposits, Offsetting Income, Holdbacks and unpaid payables;
- (xi) certifying that the aggregate principal amount of the Loan under the Construction Facility shall not exceed the lesser of (i) the Construction Facility Commitment; and (ii) the Costs-In-Place Margin;
- (xii) containing the certificates signed by the relevant Consultant (where the architect is unable to provide such certification) certifying that all Construction to date has been completed in all material respects in accordance with the Plans and Specifications, and
- (xiii) such other matters as may be reasonably required and in respect of which the Consultant is qualified to certify;

(the "Advance Certificate")

- (O) certificates signed by the relevant Consultant certifying:
 - (i) that all Construction to date has been completed in all material respects in accordance with the Plans and Specifications; and
 - (ii) such other matters as may be reasonably required by the Project Monitor (and in respect of which the Consultant is qualified to certify);

- (P) except where the Lender will be an addressee of the relevant reports, an acknowledgement from the Consultant which will be providing certificates of substantial performance in respect of any portion of Construction for the purposes of the Construction Lien Act, that the Lender and Project Monitor will be relying on the reports and certificates provided by the Consultant and that they are entitled to do so;
- (Q) Performance and Payment Bonds, if any, required by the Lender with the recommendation of the Project Monitor;
- (R) a current survey prepared by the Borrower's architect, engineer or surveyor setting forth the boundaries, area and dimensions of the Property, the location of any encroachments, easements or rights of way and the proposed location of any improvements to the Property;
- (S) evidence satisfactory to the Lender that the Borrower's insurance is satisfactory and complies with Sections 6 and 7 of Positive Covenants of this Commitment and in respect of which an independent insurance consultant retained by the Lender shall have provided a written report to the Lender confirming the same;
- (T) all existing or draft Condominium Documents, which shall include the Disclosure Statement and have been reviewed and approved by Lender's solicitors;
- (U) the Standard Form Sales Agreement and have been reviewed and approved by Lender's solicitors;
- (V) verification of the schedule of pre-sales, including purchaser name, current address, unit number of the Unit being acquired, square footage of the Unit, asking price, sale price, deposit status (including location of deposits, amount paid to date and amount and timing of deposits yet to be paid), closing date and any special conditions;
- (W) confirmation that the Borrower has entered into 173 Eligible Pre-Sales as defined below to bona fide end users:
 - (i) providing for aggregate Gross Sale Proceeds of not less than \$69,100,895;
 - (ii) where minimum total deposits received shall be \$5,700,000 prior to the first advance.

Of those 104 Eligible Pre-Sales, as set out in Schedule "B", which require an Amendment to the Condominium Sales Agreements to amend the timing of deposit payments, in the form approved by the Lender, to bring them into good standing, the Lender is to receive a minimum of 70 executed Amendments, with the Borrower to provide its undertaking to deliver the remaining 34 executed Amendments within 60 days of the first Advance

"Eligible Pre-Sale" means the sale of a Unit meeting the following criteria:

- (1) such sale must be pursuant to a binding and unconditional Condominium Sales Agreement, a copy of which has been provided to the Lender and which is in the form of the Standard Form Sales Agreement or a form satisfactory to the Lender;
 - (2) the period in which any right of rescission or right to claim a return of a Purchaser Deposit by the purchaser under such Condominium Sales Agreement and pursuant to the provisions of the Condominium Act shall have expired;
 - (3) the purchaser under such Condominium Sales Agreement must:
 - (a) be a bona fide purchaser that is Arm's Length with the Borrower and Guarantor;
 - (b) each purchaser shall be obligated to make a Purchaser Deposit of not less than 5% of the Gross Sale Price prior to the first Advance and 10% on or prior to occupancy;
 - (c) not be in default of its payment obligations (including payments on account of the relevant Purchaser Deposit) under the Condominium Sales Agreement or in respect of any mortgage commitment; and
 - (d) have provided evidence to the Lender of approval for mortgage financing or has otherwise demonstrated his ability to close unless waived by the Lender.
 - (4) if the purchaser either individually or in conjunction with a spouse or child (or, in the case of Persons that are not individuals, together with affiliates thereof within the meaning of the *Business Corporations Act* (Ontario)) is purchasing more than one Unit, the sale of such Units will not be designated Eligible Pre-Sales unless approved in writing by the Lender; and
 - (5) all Purchaser Deposits are held in trust with the Primary Lender by a lawyer, notary, real estate agent or other surety acceptable to the Lender in accordance with the Condominium Sales Agreement (except those Purchaser Deposits that have been released in accordance with the terms of the DBC Agreements for application towards Project Costs).
- (X) copies of current plans and specifications including, without limitation, floor plans and any current market survey materials relating to the Project;
- (Y) the deposit trust agreement with DBC relating to all Purchaser Deposits and Retail Deposits together with a schedule indicating Purchaser Deposits and Retail Deposits held to date and a copy of the escrow account holding such deposits;

- (Z) the DBC Agreements and DBC Mortgage;
- (AA) the Tarion bond with respect to Purchaser Deposits and evidence that the Project is registered with Tarion and is in good standing;
- (BB) the Construction Management Agreement for the Project;
- (CC) all Condominium, servicing, development, site plan and similar agreements with Governmental Authorities that are required in order to ensure the completion or delivery of possession of the Project;
- (DD) any other documents related to the Project that the Lender or Project Monitor deems necessary, including pro forma offer to purchase documentation, purchaser directed upgrades, permits and development, regulatory and zoning approvals; and
- (EE) evidence that the Material Project Agreements relating to the Construction of the Project and the grant of necessary rights (including crane swing and shoring) by adjacent property owners, to the extent necessary, have been executed by all counterparties thereto;

and the results of such due diligence will be satisfactory to the Lender in its sole discretion.

- (9) the Lender will have received certified copies of all shareholder approvals and true copies of all regulatory governmental and other approvals, if any, required in order for the Borrower to enter into this Commitment and to perform its obligations hereunder;
- (10) the discharge/vacating orders of any existing mortgages (including, *inter alia*, a mortgage in favour of Marylou Santaguida and a lien in favour of YYZed Project Management for \$300,000.00) and all other releases, discharges and postponements that are required in the discretion of the Lender (in registrable form where necessary) with respect to all Encumbrances affecting the collateral Encumbered by the Security that are not Permitted Encumbrances, if any, will have been delivered to the Lender;
- (11) the Lender will have received the payment of all fees and expenses (including the fees and disbursements of the Lender's solicitors) payable to the Lender that are due and payable at such time;
- (12) a currently dated letter of opinion of the Borrower's and the Guarantor's solicitors as to such matters and in such form as the Lender's solicitors may reasonably require, including with respect to usual corporate matters and enforceability and the enforceability of the Condominium Sales Agreements, addressed to the Lender and its solicitors will have been delivered to the Lender;

- (13) the Lender shall have received written confirmation from its solicitors based on its subsearch and relying upon the title insurance policy dated the date of the first Advance and that: (a) the Borrower has good and marketable title to the Project, subject only to Permitted Encumbrances; and (b) based on its subsearch, the Charge constitutes a good and valid second charge on the Property, subject only to Permitted Encumbrances;
- (14) the Lender shall be satisfied that all Purchaser Deposits have been deposited in a designated trust account maintained at the Primary Construction Lender's head office located at 5290 Yonge Street, Toronto, Ontario M2N 5P9;
- (15) the Lender will have received identity certificates with respect to the Borrower and Guarantor in the form required by the Lender;
- (16) the Lender will have received all required identification and other due diligence materials required with respect to the Borrower 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 AMLA;
- (17) the Lender shall have received all other reports and deliveries required hereunder for the period prior to the date of the first Advance;
- (18) the Lender shall have received confirmation of the terms of the DBC Mortgage, which terms shall be satisfactory to Lender including loan balances outstanding together with confirmation of good standing;
- (19) such first Advance must have occurred no later than April 11, 2016;
- (20) receipt of a signed commitment letter for the Primary Construction Loan from the Primary Lender on terms and conditions acceptable to the Lender in its sole and unfettered discretion.
- (21) Subordination and Funding Agreement shall be entered into between the Primary Lender and the Lender, satisfactory to both parties;
- (22) receipt of confirmation from the Primary Lender's solicitor, satisfactory to the Lender, that the loan syndication agreement between the Primary Lender and its syndicates with respect to the Primary Construction Loan has been fully executed;
- (23) documentation with respect to the lawsuit with Meridian Credit Union shall be made available as reasonably requested by Lender and shall be satisfactory to the Lender, in its sole discretion;

and further provided that all documents delivered pursuant to the foregoing provisions hereof must be in full force and effect, and in form and substance satisfactory to the Lender and its solicitors.

CONDITIONS PRECEDENT TO ALL ADVANCES

The obligation of the Lender to make any Advance hereunder by way of a Loan is subject to and conditional upon the prior satisfaction of the following additional conditions precedent:

- (1) the Lender shall have received a request for Advance at least five Business Days prior to the proposed Advance date;
- (2) the representations and warranties set out in the Loan Documents will continue to be true and correct as if made on and as of the Advance date;
- (3) the Borrower shall be fully in compliance with all the terms and conditions of the Loan Documents;
- (4) a Material Adverse Change will not have occurred and be existing;
- (5) the Lender shall not have received notice of the existence of any claim for lien made under the Construction Lien Act and shall have been provided evidence satisfactory to the Lender that there are no such claims. To the extent there are any claims for lien, such liens must be discharged in their entirety by the Borrower and/or Guarantor from their cash resources derived from outside the Project;
- (6) the Borrower must have delivered to the Lender all reporting required hereunder;
- (7) the Lender shall have received confirmation from its solicitors based on a subsearch of title conducted on the Advance date confirming that no Encumbrances have been registered on title to the Property since the date of the prior Advance other than Permitted Encumbrances;
- (8) the Lender shall have received evidence that all Permits necessary for Construction which relate to (a) Construction in respect of which the Advance is being made, and (b) all prior Construction, are in place at the time of the Advance;
- (9) if any new Material Project Agreements have been entered into since the previous Advance, notice of such agreements shall have been given to the Lender and, if required by the Lender, specific assignments of such agreement shall be delivered to it;
- (10) the Lender shall have received copies of all new Condominium Sales Agreements and Leases entered into since the previous Advance and an updated schedule of pre-sales, including purchaser name, current address, Unit number being acquired, square footage of the Unit, asking price, sale price, deposit status (including location of deposits, amounts paid to date and amounts and timing of deposits yet to be paid, portion of deposits relating to purchaser upgrades), closing date and any special conditions;
- (11) the Lender shall have received a satisfactory report from the Project Monitor:
 - (a) confirming that the Project can be completed in accordance with the Project Budget, Plans and Specifications and Construction Schedule;
 - (b) containing the updated schedule of pre-sales per paragraph (10) above with copies of any new Condominium Sales Agreement since the prior Advance report;
 - (c) containing an updated projected cash flow estimate for the Construction where any event has caused the previously delivered estimate to have been revised in any material manner;

- (d) confirming that all necessary zoning and development approvals, including all necessary Permits, have been obtained or will be issued as required pertaining to each stage of Construction;
 - (e) verifying the reputation of any new major trades and containing its recommendation with respect to the requirement for any Performance and Payment Bonds to be required by the Lender in consultation with the Project Monitor for major trades and suppliers (and where the same have been required by the Lender, confirming the same are in form and content acceptable to the Project Monitor);
 - (f) verifying that all previous Advances have been applied towards the payment of Project Costs;
 - (g) recommending the requested Advance amount based on the Project Monitor's verification of the Costs-in-Place Margin subject to the unadvanced amount of the Construction Facility, the unadvanced amount of the Primary Construction Loan, Undistributed Purchaser Deposits, Undistributed Retail Deposits, Deferred Costs and Offsetting Income less Holdback and unpaid payables being equal to the Cost-to-Complete;
 - (h) confirming that any Cost Overruns that have been incurred on the Project have been funded in their entirety by the Borrower and/or Guarantor from their cash resources derived from outside the Project;
 - (i) confirming that the Borrower has made all required Holdbacks with respect to the Construction completed to date in accordance with the Construction Lien Act;
 - (j) where the underlying conditions have been satisfied, the Certificate of Total Completion; and
 - (k) the Advance Certificate.
- (12) Performance and Payment Bonds, if any, required by the Lender with the recommendation of the Project Monitor;
- (13) the Lender will have received payment of all fees payable to the Lender that are due and payable at such time;
- (14) the Lender shall be satisfied that after giving effect to the Advance:
- (a) the Cost-to-Complete does not exceed the aggregate of the unadvanced amount of the Construction Facility, the unadvanced amount of the Primary Construction Loan, Deferred Costs, Undistributed Purchaser Deposits, Undistributed Retail Deposits, Offsetting Income, Holdbacks and unpaid payables;
 - (b) the principal amount of the Loan under the Construction Facility shall not exceed the lesser of (i) the Construction Facility Commitment and (ii) the Costs-In-Place Margin; and
 - (c) the principal amount of the Loan under the Construction Facility shall not exceed the Construction Facility.

- (15) all other terms and conditions of the Commitment that have not been waived will have been fulfilled;

and provided further that all documents delivered pursuant to the foregoing provisions must be in full force and effect, and in form and substance satisfactory to the Lender and its solicitors.

The conditions precedent to the first Advance and to all Advances hereinbefore described are inserted for the sole benefit of the Lender any may be waived by the Lender, in whole or in part (with or without terms or conditions), in respect of any Advance without prejudicing the right of the Lender at any time to assert such conditions in respect of any subsequent Advance.

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as follows, and acknowledges and confirms that the Lender is relying upon such representations and warranties:

- (1) Existence and Qualification The Borrower (a) has been duly incorporated, amalgamated or continued, as the case may be, and is validly subsisting as a corporation under the laws of its jurisdiction of incorporation, amalgamation, or continuance, as the case may be; and (b) is duly qualified to carry on business in all jurisdictions in which it carries on its business.
- (2) Power and Authority The Borrower has the power, authority and right (a) to enter into and deliver, and to exercise its rights and perform its obligations under the Loan Documents to which it is a party and all other instruments and agreements delivered by it pursuant to any of the Loan Documents; and (b) to own its property and carry on its business as currently conducted and as currently proposed to be conducted by it. Without limiting the foregoing, the Borrower has all necessary power and authority to own its interest in the Property and to develop and complete the Project and is duly licensed, registered and qualified to carry out such activities.
- (3) Execution, Delivery, Performance and Enforceability of Documents The execution, delivery and performance of each of the Loan Documents to which the Borrower is a party, and every other instrument or agreement delivered by it pursuant to any Loan Document, has been duly authorized by all actions, if any, required on its part and by its directors, and each of such documents has been duly executed and delivered and constitutes a valid and legally binding obligation of the Borrower enforceable against it in accordance with its terms subject to bankruptcy, insolvency, reorganization, arrangement, winding-up, moratorium and other similar laws of general application limiting the enforcement of creditors' rights generally and to general equitable principles.
- (4) Loan Documents Comply with Applicable Laws and Contractual Obligations Neither the entering into nor the delivery of, and neither the consummation of the transactions contemplated in nor compliance with the terms, conditions and provisions of the Loan Documents by the Borrower conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of any Applicable Laws, or results or will result in the creation or imposition of any Encumbrance other than Permitted Encumbrances except in favour of the Lender upon or against the Project.
- (5) Consents Respecting Loan Documents The Borrower has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other

actions whatsoever required in connection with the execution and delivery by it of each of the Loan Documents to which it is a party and the consummation of the transactions contemplated in the Loan Documents.

- (6) Taxes The Borrower has paid or made adequate provision for the payment of all Taxes levied on it or on the Property or income that are due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes, and there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge threatened, by any Governmental Authority regarding any Taxes that is reasonably likely to cause a Material Adverse Change nor has it agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.
- (7) Judgments The Borrower is not subject to any judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation that has not been stayed or of which enforcement has not been suspended and that individually or in the aggregate constitutes, or is reasonably likely to cause a Material Adverse Change.
- (8) Absence of Litigation There are no actions, suits or proceedings pending or, to the best of the Borrower's knowledge and belief, threatened against or affecting the Borrower that are reasonably likely to cause, either separately or in the aggregate, a Material Adverse Change. The Borrower is not in default with respect to any Applicable Law in a manner or to an extent that could reasonably be expected to cause a Material Adverse Change.
- (9) Title to Property The Borrower is the registered and beneficial owner of the Property with good and marketable title thereto, and any other real and personal property of any nature which is part of the Project, in each case free and clear of all Encumbrances except Permitted Encumbrances, and no Person has any agreement or right to acquire an interest in the Project.
- (10) Compliance with Laws To the best of the knowledge of the Borrower, it is not in default under any Applicable Law where such default could reasonably be expected to cause a Material Adverse Change. To the best of the knowledge of the Borrower, the Property is in compliance in all material respects with all Applicable Laws. Further, there are no facts known or which ought reasonably to be known, which could give rise to a notice of non-compliance to such extent with any Applicable Law.
- (11) No Default The Borrower is not in default under any agreement, guarantee, indenture or instrument to which it is a party or by which it is bound, the breach of which could reasonably be expected to cause a Material Adverse Change.
- (12) Environmental Matters
 - (a) The Property is in full compliance in all material respects with all Environmental Law; the Borrower is not aware of, nor has it received notice of any past, present or future condition, event, activity, practice or incident that may interfere with or prevent the compliance or continued compliance of the Project or the Borrower in all respects with all Environmental Law; and the Borrower has obtained all licences, permits and approvals in connection with the Project that are currently required under all Environmental Law and is in full compliance with the provisions of such licences, permits and approvals.

- (b) Other than as disclosed in the environmental reports delivered by the Borrower to the Lender pursuant hereto, the Borrower is not aware that any Hazardous Substances exist on, about or within or have been used, generated, stored, transported, disposed of on, or Released from the Property other than in accordance and compliance with all Environmental Law.
 - (c) The use that the Borrower has made and intends to make of the Property will not result in the use, generation, storage, transportation, accumulation, disposal, or Release of any Hazardous Substances on, in or from the Property except in accordance and compliance with all Environmental Law.
 - (d) There is no action, suit or proceeding or, to its knowledge, any investigation or inquiry, before any Governmental Authority pending or, to its knowledge, threatened against the Borrower relating in any way to any Environmental Law that would or could reasonably be expected to cause a Material Adverse Change.
 - (e) The Borrower has not (A) with respect to the Property, incurred any current and outstanding liability for any clean-up or remedial action under any Environmental Law with respect to current or past operations, events, activities, practices or incidents relating thereto; (B) received any outstanding written request for information by any Person under any Environmental Law with respect to the condition, use or operation of the Property; (C) received any outstanding written notice or claim under any Environmental Law with respect to any material violation of or liability under any Environmental Law or relating to the presence of Hazardous Substances on or originating from the Property, that, would or could reasonably be expected to cause a Material Adverse Change; or (D) ever been convicted of an offence or subjected to any judgment, injunction or other proceeding for non-compliance with any Environmental Law with respect to the Property or been fined or otherwise sentenced or settled such prosecution or other proceeding short of conviction for non-compliance with any Environmental Law with respect to the Property.
 - (f) Copies of all material analysis and monitoring data for soil, ground water, surface water and the like and reports pertaining to any environmental assessments/audits, including any inspections, investigations and tests, relating to the Property that were obtained, are in the possession or control of, or were carried out on behalf of the Borrower have been delivered to the Lender.
 - (g) Since acquiring its interest in the Property, the Borrower has maintained all environmental and operating documents and records relating to the Property substantially in the manner and for the time periods required by Environmental Law.
 - (h) The Borrower has not defaulted in reporting to any applicable Governmental Authority in relation to the Property on the happening of an occurrence which it is or was required by any Environmental Law to report.
- (13) Zoning, Uses and Expropriation
- (a) Except as disclosed in writing to the Lender, the Project is zoned to permit the

Construction and operation of the Project.

- (b) The existing and proposed uses of the Project comply in all material respects with all Applicable Law.
 - (c) It has not received notice of any proposed rezoning of all or any part of the Project that would be reasonably likely to cause a Material Adverse Change in respect of the Construction of the Project or otherwise.
 - (d) It has not received notice of any expropriation of all or any part of the Property.
- (14) Insolvency The Borrower (a) has not committed any act of bankruptcy; (b) is not insolvent, or has not proposed or given notice of its intention to propose a compromise or arrangement to its creditors generally; (c) has not made any petition for a receiving order in bankruptcy, made a voluntary assignment in bankruptcy, taken any proceeding with respect to any compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound-up, taken any proceeding to have a receiver appointed of any part of its assets, or had any Encumbrancer take possession of its property; or (d) has not had an execution or distress become enforceable or become levied on any portion of its assets and property.
- (15) Full Disclosure All information provided or to be provided to the Lender in connection with the Credit Facilities is true and correct in all material respects and none of the documentation furnished to the Lender by the Borrower, omits or will omit as of such time, a material fact necessary to make the statements contained therein not misleading in any material way, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by the Borrower and any other Person who furnished such material on its behalf.
- (16) Residency The Borrower is not a non-resident for the purposes of Section 116 of the *Income Tax Act* (Canada).

The representations and warranties set out above survive the execution and delivery of the Loan Documents and will be deemed to be repeated by the Borrower as of each Advance date.

POSITIVE COVENANTS

So long as this Commitment is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower will:

- (1) Timely payment Make due and timely payment of the Obligations required to be paid by it hereunder.
- (2) Conduct of Business, Maintenance of Existence, Compliance with Laws Engage in business of the same general type as now conducted by it; carry on and conduct its business and operations in a proper, efficient and business-like manner in accordance with good business practice; preserve, renew and keep in full force and effect its existence; and take all reasonable action to maintain all rights, privileges and franchises necessary in the normal conduct of its business and to comply in all material respects with all Material Project Agreements, Material Licences and Applicable Law, including the Condominium Act and including the establishment and maintenance of a replacement reserve, where the same is required under the Condominium Act.

- (3) Access to Information Promptly provide the Lender and Project Monitor with all information reasonably requested by any of them from time to time at reasonable intervals in connection with this Commitment concerning its financial condition and the Project (including the Plans and Specifications, the Project Budget, the status of Construction, Material Project Agreements and Material Licences), and during normal business hours and from time to time at reasonable intervals upon reasonable notice, permit representatives of the Lender to inspect the Project and to examine and take extracts from its financial records, including records stored in computer data banks and computer software systems regarding the Project, and to discuss its financial condition with its senior officers and its auditors, the reasonable expense of all of which will be paid by the Borrower.
- (4) Obligations and Taxes Pay or discharge, or cause to be paid or discharged, before the same will become delinquent (a) all Taxes imposed upon it or upon its income or profits or in respect of its business or the Project and file all tax returns in respect thereof; (b) all lawful claims for labour, materials and supplies; (c) all required payments under any of its debt; and (d) all other obligations.
- (5) Use of Credit Facilities Use the proceeds of the Credit Facilities only for the purposes specified herein and not for the benefit of or on behalf of any Person other than the Borrower.
- (6) Construction Insurance From the date hereof until Total Completion of the Project, the Borrower shall maintain or cause to be maintained with insurance companies acceptable to the Lender on the advice of its insurance consultant:
- (a) all risks builder's risk (including coverage against the perils of earthquake, flood, testing and commissioning Hard and Soft Costs) coverage for the full replacement cost of the Project, excluding land costs. Such insurance shall:
 - (A) include a soft cost endorsement in an amount of not less than 25% of total recurring Soft Costs;
 - (B) name the Borrower as named insured thereunder and as additional insureds all those required to be named as additional insureds under any of the Material Project Agreements;
 - (C) name the Lender as second mortgagee and second loss payee and have attached the standard Insurance Bureau of Canada mortgage clause;
 - (D) provide that no cancellation or termination thereof, for any reason whatsoever (with the exception of cancellation due to non-payment of premium for which 15 days' statutory notice of cancellation may apply), shall take effect unless the insurer concerned has given the Lender not less than 30 days' prior written notice of such proposed action;
 - (E) contain a waiver by the insurer or insurers of all rights of subrogation or indemnity or any other claim to which such insurer or insurers might otherwise be entitled against the Lender; and
 - (F) otherwise be in such form as the Lender shall reasonably require or as

required under any of the Material Project Agreements.

- (b) wrap-up liability insurance with a minimum combined single limit of liability of not less than \$15,000,000.00 per occurrence. Such insurance shall:
- (A) name the Borrower as named insured and the Lender as an additional insured and name all others required to be named under any of the Material Project Agreements including architects, engineers, consultants, contractors, sub-contractors and trades of every tier as additional insureds;
 - (B) provide that no cancellation or termination thereof, for any reason whatsoever (with the exception of cancellation due to non-payment of premium for which 15 days' statutory notice of cancellation may apply), shall take effect unless the insurer concerned has given the Lender no less than 30 days' prior written notice of such proposed action;
 - (C) contain a waiver by the insurer of all rights of subrogation or indemnity or any other claim to which the insurer might otherwise be entitled against the Lender and others to whom the Borrower has granted such waivers under any of the Material Project Agreements;
 - (D) contain a cross-liability clause and a severability of interest clause; and
 - (E) otherwise be in such form as the Lender shall reasonably require or as required under any of the Material Project Agreements.

The Borrower will provide detailed certificates of insurance for all policies required hereunder to be purchased and maintained by the Borrower in form acceptable to the Lender on the advice of its insurance consultant.

- (7) Operating Insurance After Total Completion of the Project has been achieved, so long as the Borrower has an ownership interest in same and so long as any amounts are due hereunder, maintain or cause to be maintained all risks insurance (on a replacement cost, stated amount, no co-insurance basis), general liability insurance and such other insurance in form and in such amounts and with such deductibles as are customary in the case of owners of projects similar to the Project and in any event as are acceptable to the Lender. The Lender shall be named as second mortgagee and second loss payee or additional insured, as applicable, under such policies. The foregoing shall not apply with respect to the lands and buildings in respect of which a condominium corporation has been created by registration of a Declaration under the Condominium Act and which has obtained the insurance coverages required by the Condominium Act and the Condominium Documents.
- (8) Notice of Litigation Promptly notify the Lender on becoming aware of the occurrence of any actual or potential litigation, dispute, arbitration or other proceeding the result of which if determined adversely would be a judgment or award against the Borrower that would result in a Material Adverse Change to it, and from time to time provide the Lender with all reasonable information requested by it concerning the status of any such proceeding.
- (9) Environmental Compliance

- (a) Operate the Property in a manner such that no material obligation, including a clean-up or remedial obligation, will arise under any Environmental Law; provided, however, that if any such claim is made or any such obligation arises, it will immediately satisfy or contest such claim or obligation at its own cost and expense, and promptly notify the Lender upon learning of (A) the existence of Hazardous Substances located on, above or below the surface of the Property or contained in the soil or water constituting such land (except those being stored, used, contained or otherwise handled in substantial compliance with Environmental Law); or (B) the occurrence of any reportable Release of Hazardous Substances into the air, land, surface water or ground water that has occurred on or from such land; or (C) any other event or occurrence relating to the Project which, in the opinion of the Borrower, is likely to give rise to a notice of non-compliance in any material respect with any Environmental Law.
 - (b) Comply, and cause any other party that is acting under its authority to comply, in all material respects with all Environmental Law (including obtaining any Material Licences or similar authorizations) relating to the Project.
 - (c) Use its reasonable commercial efforts not to cause or permit a Release of any Hazardous Substance at, on, under, or near the Project except in compliance with Environmental Law.
 - (d) Provide the Lender with an environmental site assessment/audit report of the Project, or an update of such assessment/audit report (A) upon the written request of the Lender if, in its reasonable opinion, there is a concern about the Borrower's compliance as it relates to the Project or the Project's compliance with Environmental Law, all in scope, form and content satisfactory to the Lender; (B) if such assessment/audit report has been prepared at the request of or on behalf of any Governmental Authority; or (C) if an event of non-compliance relating to an environmental matter has occurred, and the Lender has made a written request to the Borrower for such an assessment/audit report or update, within 30 Business Days after such request, and all such assessments/audits reports or updates thereof shall be at the Borrower's expense and risk; an environmental site assessment/audit may include, for purposes hereof, any inspection, investigation, test, sampling, analysis, monitoring pertaining to air, land and water relating to the Project reasonably required under the circumstances giving rise to the request for the assessment/audit report.
 - (e) Not use the Project, or permit it to be used, to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances except in compliance with all Environmental Law.
 - (f) Maintain in all material respects all environmental and operating documents and records, including, without limitation, Material Licences and orders, relating to the Project in the manner and for the time periods required by Environmental Law.
- (10) Adequate Books Maintain adequate books, accounts and records in accordance with GAAP consistently applied.
- (11) Material Project Agreements and Permitted Encumbrances

- (a) At all times be and remain in full compliance in all material respects with all of its covenants, agreements and obligations in and diligently enforce all its material rights under all Material Project Agreements and Permitted Encumbrances if non-compliance could lead to a Material Adverse Change. The Borrower shall not alter, amend or waive, in any material respect, any of its rights under or permit any termination or surrender of any Material Project Agreement or Permitted Encumbrance, without the prior written consent of the Lender, unless such alterations, amendments, waivers, terminations or surrenders, as applicable, reflect, in all material respects, good business practice, are in the ordinary course of business, and such material terms as a prudent owner of a similar property would accept having regard to all relevant factors at the time.
- (b) Advise the Lender in writing of all new Material Project Agreements and Permitted Encumbrances (or any material amendments of existing Material Agreements or Permitted Encumbrances) entered into forthwith following the entering into thereof and shall deliver forthwith copies thereof to the Lender. The Borrower shall provide written notice to the Lender of any assignment made by a contracting party to a Material Project Agreement.
- (12) Access Permit the Lender (through its agents, officers or employees), for the purpose of monitoring compliance with the covenants and obligations of the Borrower hereunder, at its risk, to visit and inspect the Property to conduct tests, measurements and surveys in relation to the Project, provided that such tests, measurements and surveys are conducted in accordance with prudent industry practice and Applicable Law and/or are required as a result of the reasonable concerns of the Lender as to non-compliance with such covenant and obligation, and to be advised as to the same by the officers, engineers and advisers of the Borrower (or such other Persons as may be appropriate), all at such reasonable times and intervals as the Lender may desire upon reasonable prior notice and in the presence of the Borrower if it so desires. Such visits, inspections, measurements, reviews and tests shall be at the cost of the Borrower, provided such expenses are reasonably incurred. Any such visit, inspection, examination, discussion or tests shall not be deemed to be supervision, charge, management, control or occupation by the Lender for purposes of any environmental or other liabilities.
- (13) Consultants Permit the Lender, and it shall have the right, to appoint the Project Monitor and an independent insurance consultant to assist the Lender with (a) reviewing and approving the insurance policies maintained by the Borrower for the Project, the Project Budget, the Construction Schedule, the Plans and Specifications and the Material Project Agreements; (b) projecting the Cost-to-Complete and determining the Costs-in-Place Margin; (c) advising the Lender as to whether the Project has been constructed in accordance with prudent industry practice, Applicable Law, the Project Budget, the Plans and Specifications, the Material Project Agreements and the Material Licences; and (d) performing such additional functions as the Lender shall reasonably request. The Borrower shall pay all reasonable fees, costs and expenses of the Project Monitor and insurance consultant.
- (14) Management and Control of Project Diligently and continuously proceed with and manage the Construction of, and operate the Project in all material respects in accordance with (a) prudent industry practice; (b) the Material Project Agreements and Material Licences; (c) the Project Budget; (d) all warranties; (e) the Plans and Specifications; (f) the Construction Schedule; and (g) all insurance policies issued in respect of the Project.

Subject to Force Majeure, it shall not abandon (for a single period of 20 days or more), and shall ensure that there is no abandonment of the Project.

- (15) Construction Lien Act Comply with the provisions of the Construction Lien Act, including retaining the Holdbacks required thereby. In the event that any lien is registered under the Construction Lien Act against the Property (or notice of such lien is provided to the Lender), the Borrower shall cause such lien to be vacated or discharged within 10 days of the earlier of (a) the date of registration thereof or the date the Borrower has received written notice thereof; and (b) the date that the Borrower has been provided written notice thereof by the Lender, with any payment thereof being made from financial resources other than the Credit Facilities. The Borrower will not release the Holdbacks until (a) 45 days have elapsed following the publication of a certificate of substantial completion pursuant to the Construction Lien Act; and (b) the Lender shall be satisfied that no construction liens have been registered on title to the Property as of the expiry date of such period.
- (16) HST Refunds File on a monthly basis all returns and other documents necessary to obtain the refund of HST in respect of the Project and apply the amount of any such refund to payment of Project Costs.
- (17) "As Built" Survey – (Survey of Foundations) As soon as practicable, and in any event not later than completion of the foundations for any buildings on the Property, provide the Lender with a survey of the foundations of the buildings on the Property prepared and certified by a land surveyor qualified to practise in Ontario confirming the boundaries, area and dimensions of the Property, the location of the improvements to the Project and the location of any encroachments, easements or rights of way.
- (18) Project Equity, Margin Deficiencies and Cost Overruns Maintain Project Equity in an amount of no less than the Minimum Required Equity and fund any margin deficiencies and/or Cost Overruns on a line by line basis (after allocation of contingencies and demonstrable savings) by an additional contribution of Project Equity from resources outside the Project.
- (19) Signage Upon the request of the Lender, cause any sign to be provided by the Lender erected in respect of the Project to contain an acknowledgement of the financing provided by the Lender, the size and format of such acknowledgement (a) to be similar to that of other major providers of services in respect of the Project, and (b) to comply with municipal by-laws. Such sign shall be erected by the Borrower at its own cost and may be removed by the Borrower upon achievement of Total Completion.
- (20) Location of Operation Accounts Maintain the Project Account in an account with the Primary Lender during the term of this Commitment.
- (21) Non-Disturbance Agreement In respect of any Lease where the Lender requests, obtain from the tenant under such Lease an attornment and non-disturbance agreement in a form acceptable to the Lender.
- (22) Acknowledgement and Assignment of Consultant Contracts and Construction Contracts Use its commercially reasonable efforts to cause each counterparty to the Consultant Contracts and each Construction Contract (in the case of a Construction Contract, only where the contracted aggregate payments thereunder are in excess of \$1,000,000.00) to

cause such counterparty to execute and deliver an acknowledgment (in the form provided by the Lender or such other form as may be acceptable to the Lender) of the assignment thereof in favour of the Lender.

- (23) Maintenance of Eligible Pre-Sales/Amendment of Condominium Sales Agreements Maintain at all times a sufficient number of Condominium Sales Agreements (including those Condominium Sales Agreements that relate to parking units and storage lockers) that constitute Eligible Pre-Sales in accordance with Conditions Precedent (W) herein.
- (24) Performance and Payment Bonds Obtain and maintain all Performance and Payment Bonds required hereunder.
- (25) Building Permits Obtain all necessary Permits to facilitate Construction in accordance with the Construction Schedule having regard to the staged Construction of the Project (it being acknowledged that Permits will be required to be delivered in respect of Construction relating to the excavation phase, in respect of the foundation phase and in respect of the above-ground phase of Construction of the Project).

NEGATIVE COVENANTS

So long as this Commitment is in force and except as otherwise permitted by the prior written consent of the Lender, the Borrower will not:

- (1) No Sale of Project Other than (a) sales made pursuant to the terms of Condominium Sales Agreements; or (b) the Disposition of other premises pursuant to Leases as permitted hereunder, Dispose of the Project or any part thereof or interest therein except as contemplated herein, unless approved by the Lender in writing.
- (2) No Transfer of Interest in Borrower Permit any Disposition of any interest in the Borrower without giving 30 days' prior written notice to the Lender and obtaining the Lender's prior written consent.
- (3) No Consolidation, Amalgamation Consolidate, amalgamate or merge with any other Person, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution without the consent of the Lender in its sole and absolute discretion.
- (4) No Change of Name Change its name without providing the Lender with 30 days' prior written notice thereof.
- (5) No Distributions Make any Distribution until all Obligations under the Credit Facilities have been repaid in full and the Lender has no further obligation to make Advances hereunder.
- (6) Amendments to Material Project Agreements Except as otherwise contemplated herein, amend, vary or alter in any material way, consent to any assignment or transfer of, or waive or surrender any of its material rights or material entitlements under any Material Project Agreement.
- (7) Amendment of Project Budget Without the prior written consent of the Lender not to be

unreasonably withheld, and the concurrence of the Project Monitor, make cumulative positive or negative changes to the Project Budget including, for greater certainty, cumulative positive or negative changes to individual line items within such Project Budget (whether or not resulting in a change to the aggregate Budgeted Project Costs) and regardless of whether such changes are within the initial contingency budget, unless:

- (a) such changes do not exceed the lesser of (A) \$100,000 in the aggregate; (B) 10% of the approved Hard Costs portion of the Project Budget; and (C) 50% of the approved Hard Costs contingency portion of the Project Budget;
- (b) the Contingency Amount in such Project Budget continues to be reasonable and adequate to ensure Construction Completion of the Project as recommended by the Project Monitor; and
- (c) there is no adverse effect on the overall quality or change in the scope of the applicable Project stage a result of the changes.

Upon any revision of a Project Budget, the Borrower will forthwith provide a copy to the Lender and its Project Monitor.

- (8) Amendment of Plans and Specifications Revise the Plans and Specifications in any material respect, except with the consent of the Lender and its Project Monitor, such consent not to be unreasonably withheld. Upon revision of the Plans and Specifications, the Borrower will forthwith provide a copy to the Lender.
- (9) Amendment of Construction Schedule Revise the Construction Schedule to permit completion of Construction later than that contemplated in the then current Construction Schedule, except with the consent of the Lender and its Project Monitor, acting reasonably, and provided, if required, the Borrower can demonstrate that it has contributed additional Project Equity sufficient to cover any increased Budgeted Project Costs arising in connection therewith. Upon revision of the Construction Schedule, the Borrower will forthwith provide a copy to the Lender and its Project Monitor.
- (10) Unit Vendor Take Back Mortgage/Non-Cash Payments The Borrower shall not, without having received the written consent of the Lender, enter into any Condominium Sales Agreement which contains a provision allowing for partial or full payment of the purchase price payable thereunder by way of a vendor take back mortgage or other debt instrument in favour of the Borrower, the intent being that all net proceeds of the sale of Unit shall be in the form of cash.
- (11) Assignment of Condominium Sales Agreement The Borrower will not consent to any assignment by a purchaser under a Condominium Sales Agreement unless (a) the Borrower retains the Purchaser Deposits paid thereunder or a replacement Purchaser Deposit in at least the same amount has been received; and (b) the original purchaser is not released from its obligations thereunder unless the Lender provides its prior written consent.
- (12) Letters of Credit Obtain letters of credit required for the Project other than Letters of Credit issued by the Primary Lender under their LC Facility.

- (13) Leasing Enter into any Leases or renew, amend, terminate, forfeit or cancel any Leases unless such Leases, amendments, renewals, terminations, forfeitures or cancellations reflect in all material respects good business practice and such material terms as a prudent owner of a similar property would accept having regard to all relevant factors and the leasing practice in the market at the relevant time.
- (14) Concerning Leases Generally Accept or require payment of rent or other monies payable by a tenant under any Lease that would result in more than one month of such rent or other monies being prepaid under such Lease other than:
- (a) prepaid rent or deposits on account of rent which represent the portion of the cost of construction of the relevant demised premises which exceeds the portion of such cost which was used as the basis for determining the basic rental otherwise payable under such Lease; or
 - (b) an amount representing a bona fide pre-calculation of any amount that is required to be paid under such Lease in addition to basic rental, including amounts payable with respect to Taxes and maintenance of the Project and overage and percentage rentals; or
 - (c) lease surrender payments and security deposits made by the tenant under such Lease.
- (15) No Financial Assistance Guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations of any other Person, except as may be contemplated by the Loan Documents and the Primary Construction Loan Security and other than in the ordinary course of business of the Borrower.
- (16) Subordinated Debt Interest payments in respect of Fletcher Mortgages and the Diversified Mortgage may only be made from the Borrower and/or Guarantor's own cash resources derived from outside the Project.

CONSTRUCTION MANAGEMENT

If the construction management of the Project becomes unsatisfactory, in the Lender's sole opinion, acting reasonably, the Lender may, after giving the Borrower 30 days' written notice to correct any deficiency, appoint alternate construction management, with all costs in this regard being borne by the Borrower.

TAXES LEVIED AGAINST PROPERTY

With respect to Taxes levied against the Property (1) the Lender may deduct from any Advance an amount sufficient to pay the Taxes which have become or will become due and payable on the date of such Advance or are unpaid at the date of such Advance; (2) the Borrower will pay all Taxes as they fall due and will provide the Lender with receipts confirming payment of same as it may require; (3) the Borrower shall, if directed by the Lender, pay to the Lender in monthly instalments on the dates on which monthly instalments on the Loan is payable hereunder, sums which in the sole opinion of the Lender will be sufficient to enable it to pay the whole amount of Taxes on or

before the due date for payment thereof or, if such amount is payable in instalments, on or before the due date for payment of the first instalment thereof; (4) the Lender agrees to apply such deduction and payments to the Taxes levied against the Property so long as the Borrower is not in Default, but nothing herein contained shall obligate the Lender to apply such payments on account of Taxes more often than yearly; provided, however, that if before any sum so paid to the Lender shall have been so applied, there shall be default by the Borrower in respect of any monthly payments on the Loan, the Lender may apply such sum in or towards payment of the principal and/or interest in default; the Borrower shall transmit to the Lender the assessment notices, tax bills and other notices affecting the imposition of Taxes forthwith upon receipt; and (5) the Lender shall allow the Borrower interest on the average monthly balance standing in the account from time to time to the credit of the Borrower for payment of Taxes, at a rate per annum and at such times as the Lender may determine in its sole discretion, and the Borrower shall be charged interest at the Interest Rate on the debit balance, if any, of Taxes in the account outstanding after payment of Taxes by the Lender until such debit balance is fully repaid.

APPRAISALS AND ASSESSMENTS

All appraisals, inspections, assessments and information with respect to the Property provided to the Lender are provided only for the purpose of assisting it in determining whether to approve the Credit Facilities, and no acceptance, use of or adoption of such appraisals, inspections, assessments or information by the Lender shall be construed as any agreement by it as to the value or condition of the Property or Project. The Borrower is responsible for all appraisal and assessment fees.

REPORTING REQUIREMENTS

For the purposes of the Lender's annual review of the Credit Facilities and Project, the Borrower and Guarantor shall provide the following statements and information (collectively the "Statements") to the Lender:

- (1) review engagement financial statements prepared by accountants acceptable to the Lender for the Borrower and any corporate Guarantor within five months of each fiscal year end and, if requested by Lender, copies of all tax filings and notices of assessments to confirm all taxes are paid up-to-date;
- (2) updated net worth statement for any individual Guarantor together with supporting information as requested by the Lender within five months of each fiscal year end of the Borrower together with copies of all tax filings and notices of assessment to confirm all taxes are paid up-to-date as requested by the Lender;
- (3) current realty Taxes bill with confirmation that all required Taxes have been paid;
- (4) current insurance policy indicating the Lender as second mortgagee and as additional insured with respect to public liability insurance;
- (5) updated status report of the Construction, costs, sales, Purchaser Deposits, Retail Deposits occupancies, Interim Revenue and closings; and
- (6) such other information pertinent to the Property and Project as the Lender may request.

LATE REPORTING

In the event that any of the Statements are not provided to the Lender within the time limited therefor, the Lender will assess penalty charges against the Borrower or Guarantor. The Lender may request the Borrower or corporate Guarantor to provide the Lender with updated Statements at any time during a fiscal year of the Borrower or any corporate Guarantor.

ASSIGNMENT AND SYNDICATION

Neither the Borrower nor the Guarantor shall have the right to assign any of its respective rights or obligations under this Commitment or in respect of the Credit Facilities to any Person. The Borrower and Guarantor agree that the Lender may transfer and assign, without their consent and without notice to them, the Lender's rights and obligations under the Credit Facilities and Loan Documents to any Person. The Lender may, at any time before or after the first Advance, syndicate, securitize or grant participation interests in the Credit Facilities and Loan Documents without the consent of the Borrower and Guarantor or notice to them. All dealings with the Borrower will be by Lender only acting on behalf of all participants. The Borrower and Guarantor agree that the Lender may disclose confidential information relating to the Credit Facilities and Loan Documents, including any financial information provided by them at any time or otherwise relating to the Property and Project and any plans, drawings or other documentation or information regarding the Property and Project, to any Person in connection with any of the transactions contemplated in this paragraph.

CONSENT TO DISCLOSURE

The Borrower hereby consents (such consent to remain in force as long as the Credit Facilities are outstanding) to any Governmental Authority or other Person having information relating to HST or any other amount required to be paid by the Borrower, where the failure to pay such other amount could give rise to a claim ranking or capable of ranking in priority to the Security, releasing such information to the Lender at any time upon its request. The Borrower shall provide signed third party authorizations in support of the foregoing at any time upon the Lender's request.

LENDER'S EXPENSES AND ADMINISTRATION FEES

The Borrower shall pay all costs, charges and expenses incurred by the Lender in connection with the operation or enforcement of this Commitment or the Security, including costs of registration of financing statements or financing change statements and searches in connection therewith, periodic property inspections and Taxes verifications and other similar costs, and any fees or charges of agents or other persons retained by the Lender for the purpose of conducting such activities on its behalf. In addition the Borrower shall pay the administration fees in connection with the administration of the Credit Facilities by the Lender, including the provision of mortgage statements and discharges, processing late payments, and cheques or automatic debits which are dishonoured or not accepted, the amount of each such administration fee being a liquidated amount to cover administrative costs and not a penalty. If the Borrower fails to pay any such costs, charges or expenses upon demand, they will be added to the outstanding Loan and shall be secured by the Security.

LENDER'S RECORDS

The Lender shall keep accounts showing the status of the Credit Facilities and records of the sums borrowed, principal and interest repayments and all other sums due under this Commitment. In the absence of manifest error, the Lender's records shall constitute conclusive evidence of the

Borrower's indebtedness to the Lender hereunder.

PAYMENTS TO GOVERNMENT AUTHORITIES

As long as the Credit Facilities are outstanding, the Borrower shall pay, when due, all amounts owing to any Governmental Authority which, if unpaid, would give such authority recourse for such amounts ranking in priority to the Security.

TIME:

Time is of the essence hereof.

AMENDMENT

This Commitment shall only be amended by agreement in writing executed by all the parties hereto.

WAIVER

Any failure by the Lender to exercise any rights or remedies under the Loan Documents shall not constitute a waiver thereof.

GOVERNING LAW

This Commitment shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

SURVIVAL

The terms and conditions of this Commitment shall survive the execution and registration of the Security and there shall be no merger of these provisions or conditions in the Security; provided that in the event of any conflict between the provisions of this Commitment and the Security, the provisions of this Commitment shall prevail to the extent necessary to remove such conflict. Notwithstanding the foregoing, in the event that the Security contains remedies which are in addition to the remedies set forth in this Commitment, the existence of such additional remedies in the Security shall not constitute a conflict or inconsistency with the provisions of this Commitment.

NOTICES

Any notice or demand or other written communication hereunder shall be given by facsimile, letter or by electronic means of communication. A facsimile communication shall be deemed received on the Business Day following its transmission. A letter shall be deemed received when delivered to the receiving party at the Borrowers address being #210, 93 Skyway Avenue, Toronto, Ontario M9W 6N6 . An electronic communication shall be deemed received on the day of transmittal if a Business Day and before 5:00 p.m. or, if not, on the next Business Day. Each party shall be bound by any notice given as provided hereunder and entitled to act in accordance therewith.

INTERPRETATION

In this Commitment (1) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (2) the word "including" shall mean "including, without limitation,"; (3) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (4) any reference to this Commitment, the Security or other concomitant agreement or instrument shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (5) any reference to the Lender, Borrower, Guarantor and any other person shall include their respective heirs, estate trustees, legal representatives, successors and assigns; and reference to a "corporation" shall include a company or other form of body corporate; (6) all dollar amounts are expressed in Canadian dollars; (7) the division of this Commitment into separate sections and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Commitment; and (8) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and liabilities of the Borrower or Guarantor, then the obligations and liabilities of all such persons shall be joint and several. This Commitment is intended to supplement and not derogate from the Security or any other Loan Document.

ADDITIONAL LOAN TERMS

Schedule "A" – Definitions

Schedule "B" – List of Conditional Pre-Sales

LENDER APPROVED SOLICITORS

Robins Appleby LLP
 120 Adelaide Street West
 Suite 2600
 Toronto, Ontario M5H 1T1

Attention: Leor Margulies
 T: (416) 360-3372
 F: (416) 868-0306
 Email: lmargulies@robapp.com

COSTS AND FEES

Whether or not the transactions contemplated hereby are completed, the Borrower shall pay the reasonable legal fees and disbursements of the Lender's solicitors, and the reasonable costs incurred by the Lender or its consultants including, without limitation, connection with the Loan Documents, including those related to fire and title insurance, appraisal and environmental reports, survey, inspection, monitoring and progress Advances and discharges. Such fees, disbursements and costs may be deducted from any Advance.

PROGRESS ADVANCE FEE

A fee of \$250.00 is payable on each Advance.

DISCHARGE FEE

A fee of \$150.00 is payable on the discharge from or postponement of the Security of each Unit.

ANNUAL REVIEW FEE

The Lender shall conduct a review of the Credit Facilities and Project each year during continuation of the Credit Facilities. The first annual review will be performed on May 31, 2016. A minimum annual review fee of \$2,500.00 will be charged by the Lender to the Borrower.

COMMITMENT FEE

A fee of \$327,000 is payable from the first Advance.

ACCEPTANCE

The terms of this Commitment are open for acceptance by the Borrower and Guarantor by executing the original hereof where indicated below and delivering it to the Lender's head office at 25 Sheppard Avenue West, Suite 710, Toronto, Ontario, M2N 6S6, on or before 5:00 p.m. on March 24, 2016, after which date and time this Commitment shall lapse and become null and void.

Yours truly,

**CENTURION MORTGAGE CAPITAL
CORPORATION**

Per: 

Name: Ryan Buzzell

Title: Director, Authorized Signing Officer

Per: 

Name: Maria Accomando

Title: Director, Mortgage Administration and Compliance

I/We have the authority to bind the Corporation.

ACCEPTED on: March 23rd, 2016

TERRASAN 327 ROYAL YORK RD. LIMITED

Per: Luigi Santaguida
Name: Luigi Santaguida
Title: President

I/We have the authority to bind the Corporation.

The undersigned Guarantor has read, understands and accepts the terms and conditions of this Commitment.

ACCEPTED on: March 23rd, 2016

[Signature]
Witness

Luigi Santaguida
Luigi Santaguida

SCHEDULE "A"
ADDITIONAL LOAN TERMS

Attached to and forming part of a commitment letter dated March 18, 2016 between Centurion Mortgage Capital Corporation, as Lender, and Terrasan 327 Royal York Rd. Limited, as Borrower.

DEFINITIONS

For the purpose of this Commitment, the following terms and phrases shall have the following meanings:

"**Advance**" means any advance hereunder by way of a Loan.

"**AMLA**" means the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada).

"**Applicable Law**" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person, in each case whether or not having the force of law.

"**Appraisal**" means a report prepared by Mpire Real Estate Appraisers & Consultants Ltd. dated June 19, 2014 who will be engaged based on a mandate letter, and containing assumptions acceptable to the Lender.

"**Appraiser**" means an Accredited Appraiser Canadian Institute (AACI) designated real estate appraiser acceptable to the Lender including the appraisals of Mpire Real Estate Appraisers & Consultants Ltd.

"**Arm's Length**" has the meaning ascribed to such term as set out in section 251 of the *Income Tax Act* (Canada).

"**Borrower**" includes any beneficial owner of the Property.

"**Budgeted Project Costs**" means the costs associated with acquisition of the Property and all budgeted Hard Costs and Soft Costs described as a line item in the Project Budget, including any Contingency Amount of budgeted Hard Costs and Soft Costs reviewed by the Project Monitor and approved by the Lender.

"**Business Day**" means any day other than a Saturday, Sunday or any statutory or civic holiday observed in the Province of Ontario.

"**Centurion**" means Centurion Mortgage Capital Corporation

"**Centurion Mortgage**" means the subordinated mortgage in favour of Centurion registered against the Project in an outstanding amount not to exceed \$21,800,000, which shall be funded on a *pari passu* basis with the Primary Construction Loan pursuant to the Funding section on page 2, and a second priority Encumbrance.

"Centurion Subordination and Funding Agreement" means the subordination and funding agreement to be made with respect to the Centurion Mortgage between Centurion and the Primary Lender, in a form acceptable to the Lender, which will include the agreement of Centurion to subordinate the Centurion Mortgage and related security to the Charge and other Security granted to the Lender and shall set out the administrative funding process as between Centurion and DUCA.

"Certificate of Total Completion" means a certificate to be issued by the Project Monitor, certifying that all required work under each Construction Contract in respect of the Project has been fully completed (pursuant to the Form 5 Declaration of Last Supply under subsection 31 (5) of the Construction Lien Act obtained by the Project Monitor from each Contractor or the publication of a certificate of substantial performance under the Construction Lien Act), and accompanied by a certificate or report issued by each of the major Consultants involved in the Construction of the Project confirming that the construction of the Project that falls within the purview of its control, supervision or responsibility has been completed in accordance with the Ontario Building Code and the applicable zoning and building by-laws of the City of Toronto, in substantial conformity with the approved Plans and Specifications and related Material Project Agreements and, where applicable, the requirements of Tarion, and certificates of substantial performance pursuant to the Construction Lien Act have been published as required by such Act.

"Charge" means a mortgage /charge in the principal amount of \$21,800,000.00 to be granted by the Borrower in favour of the Lender constituting a second ranking charge on the Property and granting a second priority security interest over all present and future personal property of the Borrower related to the Project, subordinated only to the Primary Construction Lender Security (and with respect to Purchaser Deposits and Retail Deposits only, the security interest created by the mortgage/charge shall form a third priority security interest thereon, subject to any security interest in favour of DBC), including purchase and sale agreements, plans, contracts, drawings, agreements, permits, approvals, equipment, receivables, inventory, intellectual property and which shall contain an assignment of property insurance proceeds.

"Condominium Act" means the *Condominium Act* (Ontario).

"Condominium Documents" means the Declaration, condominium corporation by-laws (or agreements relating thereto), shared facility agreements, insurance trust agreement (if any) or other documents relating to the creation and operation of the Project.

"Condominium Sales Agreements" means bona fide Arm's Length purchase and sale agreements in respect of the Units.

"Construction" means the design and construction of the Project in accordance with the Plans and Specifications.

"Construction Completion" means the date on which:

- (1) Construction has been completed to the standard required for delivery under the related Condominium Sales Agreements; and
- (2) the Borrower has received all relevant occupancy permits and passed inspections required by Governmental Authorities (other than those inspections required to be made in respect of work undertaken by purchasers under Condominium Sales Agreements).

For greater certainty, Construction Completion can occur prior to the registration of the condominium on the Property.

"Construction Contracts" means all contracts, subcontracts and agreements entered into by or on behalf of the Borrower relating to the Construction, including contracts, subcontracts and agreements relating to the supply of materials or services to or for the Project.

"Construction Facility" means the demand, non-revolving construction credit facility in the amount of \$21,800,000.00 in favour of the Borrower.

"Construction Lien Act" means the *Construction Lien Act* (Ontario).

"Construction Management Agreement" means the construction management agreement made between the Construction Manager and Borrower, as the same may be modified, amended or restated as permitted by the Lender.

"Construction Manager" means the manager appointed by the Borrower under the Construction Management Agreement and approved by the Lender.

"Construction Schedule" means the construction schedule provided to and approved by the Lender and its Project Monitor, as it may be amended from time to time with the consent of the Lender.

"Consultant Contracts" means the contracts entered into by or on behalf of the Borrower and each of the Consultants.

"Consultants" means, as applicable, the architect, mechanical and electrical consultant, engineer, geotechnical and environmental engineer and other consultants retained by or on behalf of the Borrower in connection with the Construction, as approved by the Lender.

"Contingency Amount" means, with respect to the Project Budget, the amount, if any, of any contingency provided in respect of the calculation of Project Costs.

"Contractors" means the contractors, sub-contractors and suppliers retained by or on behalf of the Borrower in connection with the Construction of the Project.

"Cost Overruns" means the excess of the current Project Budget over the initial Project Budget.

"Costs-in-Place" means Land Value, Hard costs and Soft costs incurred at any time.

"Cost-to-Compete" means, at any given date, that amount calculated by the Project Monitor after consulting with the Borrower and approved by the Lender, which is the amount of all Project Costs not then incurred.

"Diversified Mortgage" means the subordinated mortgage in favour of Diversified Capital Inc. registered against the Project in an outstanding amount not to exceed \$3,000,000.00 and a fourth priority Encumbrance.

"DBC" means the deposit bonding and deposit insurance company, Guarantee Company of North America, or its successors or assigns or other deposit insurance or such other bonding

company acceptable to the Lender, acting reasonably, as (1) the surety for bonds and/or excess deposit insurance issued to Tarion and/or purchasers of Units pursuant to the terms of Condominium Sales Agreements for the deposits made by such purchasers thereunder; or (2) the surety for deposit insurance issued to purchasers of Retail Components pursuant to the terms of Retail Sales Agreements for deposits made by them thereunder.

“**DBC Agreements**” means the agreements entered into between DBC and the Borrower in respect of Purchaser Deposits, bonds issued in respect thereof and/or excess deposit insurance and/or Retail Deposits and deposit insurance.

“**DBC Mortgage**” means the subordinate mortgage in an amount to be approved by the Lender and granted by the Borrower in favour of DBC as collateral security for the obligations of the Borrower to DBC pursuant to the DBC Agreements (such mortgage constituting a third priority Encumbrance subject to the first priority Encumbrance of the Security) on the Project and a first priority Encumbrance on Purchaser Deposits and Retail Deposits (with the Security forming a second priority Encumbrance on Purchaser Deposits and Retail Deposits).

“**DBC Priority Agreement**” means the priority agreement to be made with respect to the DBC Mortgage between DBC and the Lender, in a form acceptable to the Lender, which will include the agreement of DBC to subordinate the DBC Mortgage and related security to the Charge and other Security (other than with respect to Purchaser Deposits and Retail Deposits only) and any Replacement Charge granted to the Lender.

“**Declaration**” means the declaration or declarations which, together with the description, shall be registered under the Condominium Act and will subject the Project or portions thereof to the provisions of the Condominium Act, and all amendments to such declaration or declarations.

“**Default**” means any non-compliance by the Borrower or Guarantor with the covenants, agreements, terms and conditions set out in the Loan Documents.

“**Deferred Costs**” means Budgeted Project Costs recommended by the Project Monitor and approved by the Lender which are to be incurred after all Obligations under the Loan and Loan Documents have been repaid in full (or, in the case of the LC Facility, any outstanding Letters of Credit have been fully cash collateralized on a dollar for dollar basis or are secured by the residual value in the Project such that the Net Sale Proceeds to be obtained from the unsold Units (based on the estimated market value thereof as determined by the Lender) secures the aggregate face amount of such Letters of Credit granted in connection with such Project phase on a 2:1 basis).

“**Disclosure Statement**” means the statement required pursuant to the Condominium Act.

“**Disposition**” means, with respect to a Person, any sale, assignment, transfer, conveyance, lease, license or other disposition of any nature or kind whatsoever of any property or of any right, title or interest in or to any property, and the verb “**Dispose**” has a corresponding meaning.

“**Distribution**” means:

- (1) any payment, declaration of dividend or other distribution, whether in cash or property to any holder of shares, limited partnership units or other equity interests of any class of such Person; or

- (2) any repurchase, redemption, retraction or other retirement or purchase for cancellation of shares of such Person, or of any options, warrants or other rights to acquire any of such shares,

and the verb "**Distribute**" has a corresponding meaning.

The definition of "**Distribution**" shall exclude an amount contained in the first Advance herein, representing the difference between the Project Equity as of the date of the first Advance and the Minimum Required Equity determined as of the date of the first Advance.

"**Eligible Pre-Sale**" has the meaning ascribed to it in Conditions Precedent to First Advance (W).

"**Encumbrance**" means, with respect to any Person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted by such Person or arising by operation of law, in respect of any of such Person's property, or any consignment by way of security or capital lease (or a lease that should be treated as such) of property by such Person as consignee or lessee, as the case may be, or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation, and "**Encumbrances**", "**Encumbrancer**", "**Encumber**" and "**Encumbered**" have corresponding meanings.

"**Environmental Law**" means any Applicable Law relating to the environment, including those pertaining to:

- (1) reporting, licensing, permitting, investigating, remediating and cleaning up in connection with any presence or Release, or the threat of the same of Hazardous Substances; and
- (2) the manufacture, processing, distribution, use, treatment, storage, disposal, transport, handing and the like of Hazardous Substances, including those pertaining to occupational health and safety.

"**Fletcher Mortgages**" means the subordinated mortgages in amounts the total of which shall not to exceed \$15,000,000 granted in favour of J. Paul Fletcher, as bare trustee for the Lender therein, registered against the Project and a fifth priority Encumbrance.

"**Force Majeure**" means any of the following events which prevents or materially impairs the Construction or operation of the Project and is not caused by and is beyond the reasonable control of the Borrower: acts of God, floods, earthquakes, tidal waves, hurricanes, windstorms, severe weather conditions, lightning, fire, wars (whether declared or not), riots, insurrections, rebellions, civil commotions, sabotage, partial or entire failure of utilities, strikes, walkouts or other labour disruptions, delays in transportation, accidents, shortages of and inability to procure labour, materials and supplies (after all commercially reasonable efforts have been made by the Borrower to obtain replacement for such labour, materials and supplies) or orders, legislation, regulations and directives of any Governmental Authorities. For greater certainty, lack of funds, the state of the market or any willful or negligent act or omission on the part of the Borrower does not constitute Force Majeure.

"**GAAP**" means those accounting principles that are from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute.

“Governmental Authority” means any federal, provincial, municipal or other form of government or any political subdivision or agency thereof, any body or authority exercising any functions of government, and any court;

“Gross Sale Price” or **“Gross Sale Proceeds”** means the gross sale price (inclusive of HST) set out in a Condominium Sales Agreement relating to the sale of a Unit (and any related parking and locker units) or in a Retail Sales Agreement relating to the sale of a Retail Component, net of any pricing incentives.

“Hard Costs” means amounts expended or to be expended for work, services or materials done, performed, placed or furnished in connection with the Construction of the Project, all as more particularly set out in the Project Budget.

“Hazardous Substance” means any substance or material that is prohibited, controlled or regulated by any Governmental Authority pursuant to any Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials, wastes (including solid non-hazardous wastes and subject wastes), petroleum and its derivatives and by-products and other hydrocarbons, all as defined in or pursuant to any Environmental Law.

“Holdback” means any amount required to be retained by or on behalf of the Borrower in respect of the value of work, services and materials actually done, performed, placed or furnished on or in the Project in accordance with the Construction Lien Act.

“HST” means the harmonized sales tax under the *Excise Tax Act* (Canada).

“Interim Revenue” means proceeds of sale, recovery of expenses or any other Project cash flow received or anticipated while any availability under the Credit Facilities exists or any Obligations remain outstanding under the Loan and Loan Documents recommended by the Project Monitor and approved by the Lender.

“Land Costs” means the purchase price of the land, remediation costs and other direct associated costs totaling \$10,106,481

“Land Value” means the deemed value of the Property, being \$14,000,000.

“Lease” means any lease, sublease, agreement to lease, offer to lease, licence or right of occupation granted from time to time by or on behalf of the Borrower entitling the lessee, sublessee or grantee thereunder to use or occupy all or any part of the Project.

“Loan” means any extension of credit by the Lender under this Commitment.

“Loan Documents” means (1) this Commitment; (2) the Security; and (3) all present and future agreements, documents, certificates and instruments delivered by the Borrower or Guarantor to the Lender pursuant to or in respect of this Commitment or the Security, in each case as the same may from time to time be amended, and **“Loan Document”** means any one of the Loan Documents.

“Material Adverse Change” means any event or occurrence which, when considered individually or together with other events or occurrences, has a material adverse effect on (1) the business, assets, liabilities, operations, results of operations, condition (financial or other) or

prospects of the Borrower, taken as a whole; (2) the Construction and/or operation of the Project; or (3) the ability of the Borrower to perform its Obligations under the Loan Documents in all material respects.

“Material Licences” means all licences, permits or approvals issued by any Governmental Authority, or any applicable stock exchange or securities commission, to the Borrower, and which are at any time on or after the date of this Commitment,

- (1) necessary or material to the business and operations of the Project (including the Construction of the Project), the breach or default of which would result in a Material Adverse Change, other than those not required or able to be obtained until a later stage of Construction or until Total Completion, provided those not obtained may be reasonably expected to be received in the ordinary course of business prior to the date when required to complete the transactions provided for in the Material Project Agreements and to construct and operate the Project; or
- (2) designated by the Lender as a Material Licence with respect to the Project provided that the Lender has notified the Borrower of such designation.

“Material Project Agreements” means:

- (1) the Construction Management Agreement;
- (2) the Consultant Contracts;
- (3) the Construction Contracts;
- (4) each other operating contract with respect to the Project having a term more than one year and which contemplates payments in excess of \$500,000 per annum;
- (5) any insurance trust agreement;
- (6) any shared facilities and/or reciprocal easement agreements;
- (7) the Plans and Specifications and all planning approvals, permits, licences, development agreements, and other material contracts with respect to the Project designated as Material Project Agreements by the Lender from time to time, provided that the Lender has notified the Borrower of such designation;
- (8) the Development Agreement with Stanton Renaissance.

“Minimum Required Equity” means an amount of Project Equity equal to the sum of:

- (1) \$21,485,970.00; and
- (2) Cost Overruns funded by the Borrower and/or Guarantor.

“Net Sale Proceeds” means the Gross Sale Proceeds relating to the sale of a Unit less deposits, net HST, sales commissions, reasonable legal costs, deferred costs and other typical closing adjustments plus recoveries as approved by the Lender.

“Net Retail Component Sale Proceeds” means the Gross Sale Proceeds relating to the sale of the Retail Component less deposits, gross HST, sales commissions, reasonable legal costs and other typical closing adjustments as approved by the Lender.

“Obligations” means all obligations of the Borrower to the Lender under or in connection with the Loan Documents, including all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender in any currency or remaining unpaid by the Borrower to the Lender under or in connection with this Commitment or the other Loan Documents whether arising from dealings between the Lender and the Borrower, or from any other dealings or proceedings by which the Lender may be or become in any manner whatsoever a creditor or obligee of the Borrower or any of them pursuant to this Commitment or the Loan Documents, and wherever incurred, and whether incurred by the Borrower alone or with another or others and whether as principal or surety, and all interest, fees, legal and other costs, charges and expenses relating thereto.

“Performance and Payment Bonds” means labour and material or performance bonds as may be required by the Lender in consultation with the Project Monitor (in each case, up to 50% of the amount of the relevant Construction Contract) issued by a surety acceptable to the Lender relating to all or a portion of the Construction, such bonds to be in customary form typically utilized within the construction industry and otherwise acceptable to the Lender (which bonds shall contain dual obligee riders in favour of the Lender) and in such amount as may be required hereunder.

“Permits” means all permits, consents, orders, waivers, applications, authorizations, licences, certificates, approvals, registrations, franchises, rights, privileges and exemptions or the like issued or granted by any Governmental Authority or by any third party with respect to the Project (including any Permits relating to Environmental Laws).

“Permitted Encumbrances” means, with respect to the Property, the following:

- (1) liens for Taxes, rates, assessments or other governmental charges or levies not yet due, or for which installments have been paid based on reasonable estimates pending final assessments;
- (2) undetermined or inchoate liens, rights of distress and charges incidental to construction, maintenance or current operations that have not at such time been filed or exercised and of which the Lender has not been given notice, or that relate to obligations not due or payable,;
- (3) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (4) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person as determined by the Lender's counsel, in its sole discretion;
- (5) the Security;

- (6) Leases relating to the Property that have been approved by the Lender or entered into in accordance with this Commitment and notices of them;
- (7) the first ranking mortgage in favour of the Primary Construction Lender;
- (8) the DBC Mortgage, provided that the DBC Priority Agreement satisfactory to the Lender has been executed and delivered to the Lender;
- (9) The Fletcher Mortgage and the Diversified Mortgage, provided that postponements and subordination/standstill agreements, satisfactory to the Lender's counsel, are registered and delivered;
- (10) such other Encumbrances as are agreed to in writing by the Lender;

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plans and Specifications" means the plans and specifications (including all structural, architectural, mechanical, electrical, landscape and interior design and specifications) pertaining to the development and Construction of the Project prepared by or at the direction of the Borrower and as approved by the Lender in consultation with the Project Monitor, as amended from time to time with the consent of the Lender.

"Primary Lender" means DUCA Financial Services Credit Union Ltd. and such other syndicate of lenders it selects, providing the Primary Construction Loan for the Project and receiving the Primary Construction Loan Security.

"Primary Construction Loan" means the Project construction loan in favour of the Primary Lender in an aggregate principal amount not to exceed \$37,700,000.00 plus advances for cost overruns.

"Primary Construction Loan Security" means the security to be provided to the Primary Lender to service the Primary Construction Loan.

"Project Account" means the account maintained by the Borrower with the Lender in respect of which all revenues and expenses relating to the Project (and only the Project) will be paid into and from, as applicable.

"Project Budget" means the budget of all Project Costs which has specified a line by line itemization of Project Costs, including Contingency Amounts, as prepared by the Borrower, reviewed by the Project Monitor and approved by the Lender, as amended from time to time with the consent of the Lender.

"Project Costs" means the aggregate of all Hard Costs and all Soft Costs expended or to be expended to achieve Construction Completion in accordance with the Plans and Specifications and Construction Schedule.

"Purchaser Deposits" means deposits paid by purchasers of Units under the Condominium Sales Agreements.

"Project Equity" means, at any time and from time to time, the equity of the Borrower in the Project which shall comprise of cash equity, appraisal surplus and mezzanine debt described under the heading of "Use of Funds" on page 1 of the Commitment and approved by the Lender and the Project Monitor.

"Project Monitor" means the consultant engaged by the Lender to advise and assist the Lender with respect to the Project or any part thereof.

"Release" means any release or discharge of any Hazardous Substance including any discharge, spray, injection, inoculation, abandonment, deposit, spillage, leakage, seepage, pouring, emission, emptying, throwing, dumping, placing, exhausting, escape, leach, migration, dispersal, dispensing or disposal, and the word **"Released"** has a corresponding meaning.

"Retail Component" means that portion of the Project for use as commercial parking stalls, storage and retail space.

"Retail Sales Agreements" means purchase and sale agreements in respect of the Retail Components.

"Security" means the documents creating an Encumbrance in favour of the Lender, or any collateral held from time to time by the Lender in each case securing or intended to secure repayment of the Obligations, including all security described herein.

"Soft Costs" means all amounts expended or to be expended in respect of the Project for consultants, architects, taxes, surveys, construction insurance, bonding costs, legal fees, promotions of the Project, financing, leasing, pre-operating costs and all other costs related to the Project except Hard Costs and the cost of acquiring the Property (for greater certainty, Soft Costs includes fees, excluding reimbursements for Hard Costs, payable pursuant to the terms of Consultant Contracts).

"Standard Form Sales Agreement" means the standard form agreement of purchase and sale to be utilized in respect of the sale of the Units, approved as to form by the Lender.

"Subordination and Funding Agreement" means the subordination and funding agreement to be made between the Primary Lender and the Lender, in a form acceptable to the Lender, which will include the agreement of the Lender to subordinate the Charge and related security to the Primary Construction Lender Security and shall set out the administrative funding process as between the Lender and the Primary Lender as set out under the "Funding" Section on page 3.

"Tarion" means Tarion Warranty Corporation, its successors and assigns.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Total Completion" means the date on which the Project Monitor is able to deliver the Certificate of Total Completion.

"Undistributed Purchaser Deposits" means, on any given date, the amount, if any, by which \$6,259,248.00 exceeds the amount of Purchaser Deposits released on or before such date for application to Project Costs (with a negative result being deemed to be zero) and further

provided that if at any time DBC pursuant to the terms of the DBC Agreements ceases to release Purchaser Deposits, then until such time as DBC again releases Purchaser Deposits, the Undistributed Purchaser Deposits amount shall be deemed to be zero.

“Unit” means a “unit” (as defined in the Condominium Act) comprising part of the Project for use as a residence, parking and/or storage together with the common and exclusive use interests appurtenant thereto.

robapp\3358019.1

Schedule "B" - Eligible Pre-sales Requiring Amendments re Timing of Deposits

	Suite	Type	Sq. Ft.	List or Purchase Price
1	401 ✓	1B	540	\$280,900
2	402 ✓	1B	534	\$277,900
3	403	1B+D	639	\$332,900
4	404 ✓	2B	815	\$421,900
5	407	1B+D	620	\$319,900
6	408	2B	828	\$423,900
7	410	1B	537	\$278,900
8	501 ✓	1B	540	\$281,900
9	502 ✓	1B	534	\$278,900
10	503	1B+D	639	\$333,900
11	504 ✓	2B	815	\$422,900
12	506	1B+D	641	\$330,900
13	507	1B+D	620	\$320,900
14	508	2B+D	828	\$424,900
15	509	2B+S	994	\$509,900
16	510	1B	537	\$279,900
17	603	1B+D	639	\$334,900
18	604 ✓	2B	815	\$423,900
19	606	1B+D	641	\$331,900
20	607	1B+D	620	\$321,900
21	608	2B+D	828	\$425,900
22	609	2B+S	994	\$511,900
23	610	1B	537	\$280,900
24	702 ✓	1B	534	\$280,900
25	703 ✓	1B+D	639	\$335,900
26	704 ✓	1B+D	815	\$424,900
27	706 ✓	1B+D	641	\$332,900
28	708 ✓	2B+D	828	\$426,900
29	709 ✓	2B+S	994	\$510,900
30	710 ✓	1B	537	\$281,900
31	801 ✓	1B	540	\$284,900
32	802 ✓	1B	534	\$281,900
33	803 ✓	1B+D	639	\$336,900
34	804 ✓	2B	815	\$425,900
35	806 ✓	1B+D	641	\$333,900
36	807 ✓	1B+D	620	\$322,900
37	808 ✓	2B+D	828	\$427,900
38	809 ✓	2B+S	994	\$512,900
39	902 ✓	1B	534	\$282,900
40	903 ✓	1B+D	639	\$337,900
41	904 ✓	2B	815	\$426,900
42	908 ✓	2B+D	828	\$428,900
43	909 ✓	2B+S	994	\$495,900
44	910 ✓	1B	537	\$283,900
45	1003 ✓	1B+D	639	\$338,900
46	1004 ✓	2B	815	\$427,900
47	1006 ✓	1B+D	641	\$335,900

AGREEMENT
 REVISION 20 as of
 FEBRUARY 2008

48	1009 ✓	2B+S	994	\$514,800
49	1103 ✓	1B+D	639	\$323,900
50	1104 ✓	1B+D	815	\$428,900
51	1107 ✓	1B+D	620	\$326,900
52	1108 ✓	2B+D	828	\$430,900
53	1109 ✓	2B+S	994	\$513,900
54	1110 ✓	1B	537	\$285,900
55	1203 ✓	1B+D	639	\$340,900
56	1208 ✓	2B+D	828	\$431,900
57	1302 ✓	1B	534	\$286,900
58	1303 ✓	1B+D	639	\$341,900
59	1304 ✓	2B	815	\$430,900
60	1307 ✓	1B+D	620	\$328,900
61	1308 ✓	2B+D	828	\$433,900
62	1309 ✓	2B+S	994	\$517,900
63	1310 ✓	1B	537	\$287,900
64	1402 ✓	1B	534	\$287,900
65	1403 ✓	1B+D	639	\$341,900
66	1404 ✓	2B	815	\$433,900
67	1408 ✓	2B+D	828	\$433,900
68	1409 ✓	2B+S	994	\$518,900
69	1502 ✓	1B	534	\$288,900
70	1504 ✓	2B	815	\$432,900
71	1506 ✓	1B+D	641	\$340,900
72	1508 ✓	2B+D	828	\$434,900
73	1509 ✓	2B+S	994	\$519,900
74	1603 ✓	1B+D	639	\$344,900
75	1604 ✓	2B	815	\$433,900
76	1608 ✓	2B+D	828	\$435,900
77	1610 ✓	1B	537	\$290,900
78	1703 ✓	1B+D	639	\$345,900
79	1704 ✓	2B	815	\$434,900
80	1707 ✓	1B+D	620	\$332,900
81	1708 ✓	2B+D	828	\$436,900
82	1709 ✓	2B+S	994	\$521,900
83	1803 ✓	1B+D	639	\$346,900
84	1804 ✓	2B	815	\$435,900
85	1807 ✓	1B+D	620	\$346,900
86	1808 ✓	2B+D	828	\$437,900
87	1901 ✓	1B	540	\$295,900
88	1903 ✓	1B+D	639	\$347,900
89	1907 ✓	1B+D	620	\$334,900
90	1908 ✓	2B+D	828	\$438,900
91	1909 ✓	2B+S	994	\$523,900
92	2003 ✓	1B+D	639	\$348,900
93	2007 ✓	1B+D	620	\$335,900
94	2008 ✓	2B+D	828	\$439,900
95	2103 ✓	1B+D	639	\$349,900
96	2105 ✓	1B+D	640	\$346,900
97	2106 ✓	1B+D	641	\$346,900
98	2107 ✓	1B+D	620	\$336,900
99	2108 ✓	2B+D	828	\$440,900
100	2109 ✓	2B+S	994	\$525,900
101	2203 ✓	1B+D	639	\$350,900
102	2208 ✓	2B+D	828	\$441,900
103	2209 ✓	2B+S	994	\$526,900
104	2210 ✓	1B	537	\$296,900

THIS IS **EXHIBIT " F"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

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

yyyy mm dd Page 1 of 2

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Properties

PIN 07617 - 0050 LT *Interest/Estate* Fee Simple
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO; SUBJECT TO AN
EASEMENT AS IN AT3989173
Address 327 ROYAL YORK RD
ETOBICOKE

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 TERRASAN 327 ROYAL YORK RD. LIMITED
Address for Service 93 Skyway Avenue
Toronto ON M9W 6N6

I, Luigi Santaguida, President, have the authority to bind the corporation.

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

Chargee(s)*Capacity**Share*

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

Statements

Schedule: See Schedules

Provisions

Principal \$ 21,800,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date On Demand
Interest Rate 10% per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms 201418
Insurance Amount full insurable value
Guarantor

Signed By

Cindy Marie Applegath 2600-120 Adelaide St. West acting for Signed 2016 04 14
Toronto
M5H 1T1 Chargor(s)
Tel 416-868-1080
Fax 416-868-0306

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

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

yyyy mm dd Page 2 of 2

Submitted By

ROBINS APPLEBY LLP

2600-120 Adelaide St. West
Toronto
M5H 1T1

2016 04 14

Tel 416-868-1080

Fax 416-868-0306

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

**SCHEDULE TO CHARGE/MORTGAGE OF LAND
LAND REGISTRATION REFORM ACT, 1990**

This Schedule forms part of a Charge under the Land Registration Reform Act, R.S.O., 1990, C.L.4 as amended made by Terrasan 327 Royal York Rd. Limited as Chargor in favour of Centurion Mortgage Capital Corporation ("Centurion") as Chargee.

1. **Commitment to Prevail:**

IT IS UNDERSTOOD AND AGREED that notwithstanding the registration of the Charge and the advance of any moneys, the terms and conditions of the letter of commitment dated March 23, 2016 and as may be further amended from time to time between the parties hereto (the "Commitment Letter") shall remain binding and effective on the parties hereto and thereto and shall not merge in this Charge nor in any document executed and/or delivered on closing of this transaction and the terms thereof are incorporated herein by reference. A breach of the Commitment Letter or any other document giving contractual relationship as between the Chargor and the Chargee shall constitute a breach and event of default hereunder, and in the event of a conflict or inconsistency between the terms of this Charge and the Commitment Letter, the Commitment Letter shall prevail. In the event of a conflict between the terms of this Schedule and the Standard Charge Terms, the terms of this Schedule shall prevail.

2. **Definitions:**

In this Charge, unless something in the subject matter or context is inconsistent therewith:

"Applicable Laws" means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licences, authorizations and approvals.

"Environmental Laws" means all present and future Applicable Laws, permits, certificates, licences, agreements, standards and requirements relating to environmental or occupational health and safety matters, including the presence, release, reporting, investigation, disposal, remediation and clean-up of Hazardous Substances.

"Borrower Entity" means the Chargor, each Guarantor, each Indemnitor, and any Person having a beneficial ownership interest in all or any part of the Charged Property from time to time.

"Control" means the legal and beneficial ownership of shares of a corporation entitling the holder or holders thereof to 50% or more of the votes and shall include shares, warrants, options or other rights to purchase such securities or obligations convertible into or exchangeable for such securities, or any shareholders and shall include any agreement by which one or more persons may control or veto decisions made the board of directors or shareholders of a corporation.

"Change in Control" means the issuance of additional shares, the sale, transfer, assignment or other disposition of outstanding shares, the redemption or cancellation of outstanding shares, the amalgamation or merger of a corporation with another corporation or an agreement entered into or amended or terminated which results in a change in the person or persons who Control a corporation.

"Costs" means all reasonable fees, costs, charges and expenses of any Lender Entity for or incidental to (i) preparing, executing and registering the Loan Documents and making each advance of the Loan; (ii) collecting, enforcing and realizing on or under the Loan or the Loan Documents; (iii) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, managing, selling or leasing the Property, including curing any defaults under or renewing any leasehold interest; (iv) appointing a

receiver (under this Charge or otherwise) and such receiver's fees and expenses (including all agents' and legal fees and disbursements); (v) obtaining any environmental audits or other inspections, tests or reports with respect to the Property; (vi) complying with any notices, orders, judgments, directives, permits, licences, authorizations or approvals with respect to the Property; (vii) performing the obligations of any Borrower Entity under the Loan Documents; (viii) all reasonable legal fees and disbursements in connection with the Loan, on a full indemnity basis, and (ix) any other fees, costs, charges or expenses payable to any Lender Entity under any of the Loan Documents or Applicable Laws. "Costs" include interest at the interest rate applicable to the Loan on all such fees, costs, charges and expenses.

"Governmental Authority" means any federal, provincial, municipal or other form of government or any political subdivision or agency thereof, any body or authority exercising any functions of government, and any court.

"Hazardous Substance" means any substance or material that is prohibited, controlled or regulated by any Governmental Authority including any contaminants, pollutants, asbestos, lead, polychlorinated by-phenyl or hydrocarbon products, any materials containing the same or derivatives thereof, underground storage tanks, dangerous or toxic substances or materials, controlled products, and hazardous wastes.

"Lender Entity" means the Lender and each Person having an ownership interest in the Loan from time to time, any receiver and their respective employees, officers and directors.

"Loan" means the credit facility provided by the Chargee to the Chargor in the principal amount of \$21,80,000.00 pursuant to the Commitment Letter.

"Loan Documents" means, collectively, all documents, instruments, agreements and opinions now or hereafter evidencing, securing, guaranteeing and/or relating to the Loan and the Loan Indebtedness or any part thereof, including the Commitment Letter.

"Loan Indebtedness" means the aggregate of (i) the Principal Amount, (ii) all interest and compound interest at the Interest Rate, (iii) Costs, (iv) any amount, cost, charge, expense or interest added to the Loan Indebtedness under the Loan Documents or Applicable Laws or which is otherwise due and payable thereunder or secured thereby from time to time, and (v) the payment, performance, discharge and satisfaction of all other obligations of any Borrower Entity under or in respect of the Loan and Loan Documents.

"Person" means any individual, general or limited partnership, joint venture, sole proprietorship, corporation, unincorporated association, trust, trustee, estate trustee, legal representative or Governmental Authority.

3. **Capitalized Terms**

Any terms used but not defined herein shall have the same meanings as in the Commitment Letter.

4. **Interest Rate and Term:**

The interest rate and payments applicable to the Loan are as follows:

- (a) The Chargor will pay interest on the Loan at a rate equal to 10.00% per annum calculated and payable monthly (the "Interest Rate") on the first day of each month not in advance both before and after maturity, default and judgment. Interest will accrue from the date of disbursement of Advance monies to the Chargee's solicitors. Interest shall be payable on all past due interest from the due date of such interest at the Interest Rate, both before and after maturity, default and judgment.

- (c) The whole of the said principal sum indicated of this Charge shall become due and payable on DEMAND and interest at the Interest Rate calculated as aforesaid as well after as before maturity and both before and after default on such portion of the principal as remains from time to time unpaid as indicated on this Charge.
- (d) In the event that any payment permitted or required to be made under this Charge, is made after 2:00 pm on any particular day, that payment date is deemed to have been made on the Banking Day next following. A "Banking Day" shall be a day when the head office of Centurion in the City of Toronto is open for normal business.

5. **Term:**

The Loan shall mature and any outstanding balance shall become due and payable in full on the earlier of: (a) thirty (30) months from the date of the first Advance; and (b) the date on which the Chargee demands repayment of the Credit Facilities.

6. **Prepayment Provision:**

The Chargor shall have the privilege of prepaying the whole, or any part of the principal sum hereby secured in whole, or in part, at any time, without penalty.

7. **Due on Sale:**

If the Chargor at any time shall directly or indirectly sell, convey, transfer, further encumber (other than as agreed to pursuant to the Commitment Letter) or dispose of the Charged Property, or any part thereof, or any interest therein, or agree so to do, without the written consent of the Chargee being first obtained, in its absolute discretion, then the Charge, at the option of the Chargee herein, shall immediately become due and payable in full with accrued interest and unpaid interest due hereon. The decision to accelerate the Loan shall be at the sole option of the Chargee. The consent to one such transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions. For the purposes hereof, the expression "indirectly" shall include a "Change in Control" of the Chargor or any of their beneficiaries.

8. **Realty Taxes:**

Notwithstanding Section 9 of the Standard Charge Terms, as long as the Chargor remains the registered owner of the Charged Property and there has been no default under the Charge, the Chargor will be allowed to pay realty taxes in respect of the Charged Property directly to the taxing authority, provided the Chargor gives the Chargee, within 30 days from the date on which each tax instalment is due, a receipt or such other verification as the Chargee may require as evidence that all realty taxes have been paid in full by their due date. If at any time there is a default under the Charge or the Chargor fails to make payments and provide evidence thereof in accordance with this paragraph, the provisions of this paragraph shall cease to apply. A preauthorized withdrawal as shown on a bank statement shall be satisfactory evidence.

In consideration of the foregoing, the Chargor agrees that it shall not make any arrangement or agreement with the taxing authority to defer payment of any realty taxes assessed in respect of the Charged Property.

9. **Representations Regarding Environmental Matters**

The Property and all activities conducted thereon comply with all Environmental Laws. The Property contains no Hazardous Substances and there is no prior, existing or threatened investigation, action, proceeding, notice, order, conviction, fine, judgment, claim, directive or Lien of any nature or kind against or affecting the Property or the Chargor arising under or relating to Environmental Laws (each, an "Environmental Proceeding"). All existing environmental assessments, audits, tests and reports relating to the Property have been delivered to the Chargee. To the best of the Chargor's knowledge and belief, there are no pending or proposed changes to Environmental Laws or any Environmental Proceedings which would render illegal or

affect the present use and operation of the Property. Neither the Chargor nor any other Person under its control has used or permitted the use of the Property to generate, manufacture, refine, treat, transport, store, handle, dispose, transfer, produce or process Hazardous Substances or as a waste disposal site.

10. **Covenants Regarding Environmental Matters**

The Chargor shall (i) ensure that the Property and the Chargor comply with all Environmental Laws at all times; (ii) not permit any Hazardous Substance to be located, manufactured, stored, spilled, discharged or disposed of at, on or under the Property, except in the ordinary course of business of the Chargor or any tenant and in compliance with all Environmental Laws; (iii) notify the Chargee promptly of any threatened or actual Environmental Proceedings that may arise from time to time and provide particulars thereof; (iv) remediate and cure in a timely manner any non-compliance by the Property or the Chargor with Environmental Laws, including removal of any Hazardous Substances; and (v) provide the Chargee promptly upon request with such information and documents and take such other steps (all at the Chargor's expense) as may be required by the Chargee to confirm and/or ensure compliance by the Property and the Chargor with Environmental Laws.

robapp\3372045.1

THIS IS **EXHIBIT " G"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

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

yyyy mm dd Page 1 of 10

99

Properties

PIN 07617 - 0050 LT
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO; SUBJECT TO AN EASEMENT AS IN AT3989173
Address 327 ROYAL YORK RD
 ETOBICOKE

Applicant(s)

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

Name TERRASAN 32Y ROYAL YORK RD. LIMITED
Address for Service 93 Skyway Avenue
 Toronto ON M9W 6N6

I, Luigi Santaguida, President, have the authority to bind the corporation.

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

Party To(s)*Capacity**Share*

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

Statements

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

This notice may be deleted by the Land Registrar when the registered instrument, AT4192730 registered on 2016/04/14 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Cindy Marie Applegath 2600-120 Adelaide St. West acting for Signed 2016 04 14
 Toronto Applicant(s)
 M5H 1T1

Tel 416-868-1080

Fax 416-868-0306

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

Cindy Marie Applegath 2600-120 Adelaide St. West acting for Signed 2016 04 14
 Toronto Party To(s)
 M5H 1T1

Tel 416-868-1080

Fax 416-868-0306

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

Submitted By

ROBINS APPLEBY LLP 2600-120 Adelaide St. West 2016 04 14
 Toronto
 M5H 1T1

Tel 416-868-1080

Fax 416-868-0306

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

Fees/Taxes/Payment

Statutory Registration Fee \$62.85

Total Paid \$62.85

Schedule of Required Clauses
 For Attachment to Notice of Assignment of Rents- General

SCHEDULE

FOR THE VALUE RECEIVED, the Assignor doth hereby assign to the Assignee, all right, privileges, advantages and benefits whatsoever including all rental and other income arising pursuant to leases and/or agreements to lease and/or tenancies, (herein referred to as the "Leases"), now or hereafter affecting the lands and premises more particularly described in the Notice of Assignment of Rents - General attached hereto.

This assignment is given as additional security for the payment of the sum recorded on the related Charge/Mortgage and all other sums secured by a charge/mortgage between the Assignor as Chargor/Mortgagor and the Assignee as Chargee/Mortgagee, charging/mortgaging the premises of which those demised in said Leases form all or part and which Charge/Mortgage is herein referred to as the "Mortgage". The security of this assignment is and shall be primary and on a parity with the real estate charged by said Mortgage and not secondary. All amounts collected hereunder, after deducting expense of collection, shall be applied on account of the indebtedness secured by said Mortgage, or in such other manner as may be provided in such Mortgage. Nothing herein contained shall be construed as constituting Assignee as trustee or mortgagee in possession.

The Assignor does hereby empower the Assignee, its agents or attorneys, to collect, sue for, settle, compromise and give acquittances for all of the rents that may become due under the said Leases and avail itself of and pursue all remedies for the enforcement of said Leases and Assignor's rights in and under the said Leases as the Assignor might have pursued but for this assignment.

The Assignor warrants that said Leases are in full force and effect, the copies thereof heretofore delivered to the Assignee are true and correct copies, the Assignor has not heretofore assigned or pledged the same or any interest therein, and no default exists on the part of the Lessees, or the Assignor, or Lessor, in the performance on the part of either, of the terms, covenants, provisions or agreements in said Leases contained; that no rent has been paid by any of the Lessees in advance, and that the payment of none of the rents to accrue under said Leases comprised by the Assignor directly or indirectly by assuming any Lessee's obligations with respect to other premises; that no security deposit has been made by Lessees under any of the Leases.

The Assignor waives any rights of set-off against the Lessees.

The Assignor covenants and agrees:

(a) the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder; and that it will not transfer or convey the fee title to said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured by the Mortgage in accordance with the terms, covenants and conditions contained in the Mortgage;

(b) that if Leases provide for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Assignor shall furnish rental insurance to the Assignee, the policies to be in an amount and form and written by such Insurance companies as shall be satisfactory to the Assignee;

(c) not to terminate, modify or amend said Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Assignee and that any attempted termination, modification or amendments of said Leases without such written consent shall be null and void;

(d) not to collect any of the rent, income and profits arising or accruing under said Leases in advance of the time when the same become due under the terms thereof;

(e) not to discount any future accruing rents;

(f) not to execute any other assignments of said Leases or any interest therein or any of the rents thereunder;

(g) to perform all of the Assignor's covenants and agreements as Lessor under said Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights of the Lessees to withhold payment of rent; and to give prompt notices to the Assignee of any notice of default on the part of the Assignor with

respect to said Leases received from the Lessees thereunder, and to furnish Assignee with complete copies of said notices;

(h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Assignee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;

(i) if so requested by the Assignee, to enforce said Leases and all remedies available to the Assignor against Lessees, in case of default under said Leases by the Lessees;

(j) that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by this assignment;

(k) that notwithstanding any variation of the terms of the Mortgage or any extension of time for payment hereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;

(l) not to alter, modify or change the terms of any guarantees of any said Leases or cancel or terminate such guarantees without prior written consent of the Assignee;

(m) not to consent to any assignment of said Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Assignee;

(n) not to request, consent to, agree to or accept a subordination of said Leases to any mortgage or other encumbrance now or hereafter affecting the premises;

(o) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or, have the effect of shortening the stated term of the lease; and

(p) to pay the costs, charges and expenses of any incidental to the taking, preparation and filing of this Agreement or any notice hereof which may be required and of every renewal related thereto.

Upon any vesting of title to the properties secured under the Mortgage in the Chargee/Mortgagee or other party by the Court order, operation of law, or otherwise or upon delivery of a deed or deeds pursuant to the Chargee/Mortgagee's exercise of remedies under the Mortgage, all right, title and interest of the Assignor in and to the Leases shall by virtue of this instrument thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Assignor. Assignor hereby irrevocably appoints 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 or grantees.

In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee, all such liability being hereby expressly waived and released by the Assignor. 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 shall and does hereby agree 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 or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reasons 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 under or by reason of this assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Assignor shall reimburse the Assignee therefore immediately upon demand.

Although it is the intention of the parties that this instrument shall be a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding that the Assignee shall not exercise any of the rights or powers herein conferred upon it until a default shall occur under the terms and provisions of this assignment or of the Mortgage, but upon the occurrence of any such default, the Assignee shall be entitled upon notice to the Lessees, to all rents and other amounts then due under the Leases and thereafter accruing, and this assignment shall constitute a direction to and full authority to the Lessees to pay all such amounts to the Assignee without proof of the default relied upon. 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 rental or other sums which may be thereafter become due under the Leases regardless whether any default under the Mortgage has actually occurred or is then existing.

This assignment is intended to be additional to, and not in substitution for, or in derogation of, any assignment of rents contained in the Mortgage or in any other document.

The 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.

This instrument 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.

ASSIGNMENT OF
RENTS

THIS ASSIGNMENT made this ____ day of March, 2016 (the "Assignment").
BETWEEN:

TERRASAN 327 ROYAL YORK
RD. LIMITED
(the "Assignor")

- and -

CENTURION MORTGAGE CAPITAL CORPORATION
(the "Assignee")

WHEREAS, by a mortgage dated March ____, 2016 and registered in the Toronto Land Registry Office (No. 80) as Instrument No. _____ the Assignor herein did grant and mortgage unto the Assignee herein the lands and premises more particularly described in Schedule "A" hereto annexed (the "Property") which mortgage secures payment of the sum of \$21,800,000.00 and interest as therein mentioned and is hereinafter referred to as the "Mortgage". Whenever in this assignment reference is made to the Mortgage, it shall be deemed to include any renewals or extensions thereof and any mortgage taken in substitution, replacement or reinstatement thereof or therefor, either in whole or in part;

AND WHEREAS it is a condition of the lending of the monies secured or to be secured by the Mortgage, that the Assignor should assign to the Assignee, its successors and assigns, the rents reserved and payable or intended to be reserved and payable under, and all advantages and benefits to be derived from 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 "B" hereto annexed (which rents, advantages and benefits are hereinafter collectively called the "Rents" and which leases and specific leases are hereinafter collectively called the "Leases") as additional security for the payment of the monies secured by the Mortgage, and for the performance of the covenants contained therein;

AND WHEREAS it is agreed that notwithstanding anything in this Assignment contained, the Assignee is not to be bound to advance the said Mortgage monies or any unadvanced portion thereof;

NOW THEREFORE THIS ASSIGNMENT WITNESSES that the Assignor, in consideration of the premises, the making of the Mortgage, and the sum of \$ 10.00 now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged), covenants and agrees with the Assignee as follows:

1. The Assignor hereby irrevocably transfers, assigns, and sets over to the Assignee all Rents

reserved and payable under the Leases to hold and receive the same unto the said Assignee, its successors and assigns.

2. The Assignor covenants and agrees with the Assignee that the Assignor will not, without the consent in writing of the Assignee (a) permit any prepayment of Rents under the Leases; (b) permit any material variation of the terms, covenants, provisos or conditions of any of the Leases; or (c) permit any cancellation or surrender of any of the Leases.

3. The Assignor covenants with the Assignee to perform and observe all its covenants, conditions and obligations under the Leases.

4. The Assignor covenants and agrees irrevocably with the Assignee that the Assignee shall have the right to sue for payment or enforcing anything in this Assignment herein contained (a) in its own name; (b) in the name of the Assignor; or (c) in the names of both the Assignor and Assignee jointly.

5. The Assignor agrees to assign any of the Leases to the Assignee upon request should the Assignee deem such assignment advisable for the protection of its security, such assignment to be on a form to be prepared by the Assignee's solicitors in such case.

6. PROVIDED, however, that until notified to the contrary in writing the tenants under the Leases ("Tenants") shall pay the Rents reserved under the Leases (but only to the extent that the same may be due and payable thereunder) to the Assignor and any notice to the contrary required by this proviso may be effectively given by sending the same by registered mail to any Tenant at its premises on the Property or by delivering the same personally to any Tenant or an officer thereof.

7. The Assignor hereby declares that any direction or request from the Assignee to pay the Rents reserved to the Assignee shall be sufficient warrant and authority to the Tenant to make such payments, and the payments of such Rents to the Assignee shall be and operate as a discharge of the said Rents to the Tenant.

8. The Assignor covenants and agrees with the Assignee not to renew or extend any of the Leases at rents of lesser amounts than are now payable under the Leases, unless compelled to do so as the result of an arbitration award or with the consent of the Assignee.

9. The Assignee covenants and agrees with the Assignor to release this Assignment upon payment in full of the Mortgage in accordance with the terms thereof. The delivery to the Assignor of a discharge of the Mortgage shall operate as a release and reassignment of Rents.

10. The Assignor hereby covenants and agrees to and with the Assignee that this Assignment and everything herein contained shall be irrevocable without the consent of the Assignee.

11. PROVIDED that nothing in this Assignment contained shall be deemed to have the effect of making the Assignee responsible for the collection of Rents or any part thereof or for the performance of any covenants, terms or conditions either by the Assignor or by the Tenants contained in any of the Leases, and that the Assignee shall not by virtue of this Assignment be deemed a mortgagee in possession of the Property, and the Assignee shall not be liable to account for any monies other than those actually received by it by virtue of this Assignment.

12. IT IS AGREED that waiver of or failure to enforce at any time or from time to time any of the rights of the Assignee under or by virtue of this Assignment shall not prejudice the Assignee's rights

in the event of the breach, default or other occasion for the exercise of such rights again occurring.

IT IS HEREBY DECLARED AND AGREED that this Assignment and everything herein contained shall enure to the benefit of and be binding upon the parties hereto and each of their respective heirs, estate trustees, personal legal representatives, successors and assigns.

SCHEDULE
"A"
(Description of Property)

Municipal Address:

327 Royal York Road, Toronto, Ontario

Legal Description:

Lots 159, 160 and 161, Plan 164, Etobicoke, City of Toronto, as more particularly described in PIN 07617-0050 (LT)

SCHEDULE
"B"
(Specific Leases)

Leases

Registration Number

robapp\3373487 1

THIS IS **EXHIBIT " H "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

GENERAL SECURITY AGREEMENT1. SECURITY INTEREST

1.1 For value received, Terrasan 327 Royal York Rd. Limited (the "Debtor") hereby grants to CENTURION MORTGAGE CAPITAL CORPORATION (the "Secured Party") a security interest (the "Security Interest") in the present and future undertaking and property, both real and personal, of the Debtor (collectively the "Collateral") and as further general and continuing security for the payment and performance of the indebtedness, the Debtor hereby assigns the Collateral to the Secured Party and mortgages and charges the Collateral as and by way of a fixed and specified mortgage and charge to the Secured Party. Without limiting the generality of the foregoing, Collateral shall include all the right, title and interest that the Debtor now has or may hereafter have, be possessed of, be entitled to, or acquire in all property of the following kinds: all goods (including all parts, accessories, attachments, special tools, additions and accessions thereto), accounts, chattel paper, documents of title (whether negotiable or not), equipment, instruments, intangibles, inventory, money and securities and in all proceeds and renewals thereof, accretions thereto and substitutions therefor and including the following:

- all inventory of whatever kind and wherever situated;
- all equipment (other than inventory) of whatever kind and wherever situated, including all machinery, tools, apparatus, plant, furniture, fixtures and vehicles of whatsoever nature or kind;
- all accounts and book debts and generally all debts, dues, claims, choses in action and demands of every nature and kind howsoever arising or secured including guarantees, indemnities, letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor (hereinafter collectively called "Debts");
- all deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, chattel paper or documents of title or by which such are or may hereafter be secured, evidenced, acknowledged or made payable;
- all contractual rights, licences and insurance claims and all goodwill, patents, trademarks, copyrights, and other intellectual property and industrial property and any rights of renewal or extension thereof;
- all monies other than trust monies lawfully belonging to others including the pledge of \$1,000,000 held with DUCA Financial Services Credit Union Ltd.; and
- all property described in any schedule now or hereafter annexed hereto.

1.2 The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such last day in

trust to assign the same to any person acquiring such term, including, without limitation, the Secured Party.

- 1.3 The terms "accessions", "account", "chattel paper", "document of title", "equipment", "goods", "instrument", "intangible", "inventory", "money", "personal property", "proceeds" and "security" whenever used herein have the meanings given to those terms in the *Personal Property Security Act* (Ontario) (the "P.P.S.A."). Provided always that the term "goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A., and the term "inventory" when used herein shall include livestock and the young thereof after conception, crops that become growing crops, fish after they are caught, minerals or hydrocarbons after they are extracted and timber after it is cut. Any reference herein to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".

2. INDEBTEDNESS SECURED

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

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

- 3.1 The Debtor represents and warrants and so long as this Agreement remains in effect shall be deemed to continuously represent and warrant that,
- (a) the Collateral is genuine and owned by the Debtor free of all security interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest and those Encumbrances approved in writing, prior to their creation or assumption, by the Secured Party (hereinafter collectively called "Permitted Encumbrances"); provided, that nothing in the foregoing definition of "Permitted Encumbrances" or otherwise in this Agreement shall (i) be construed as evidencing an intention or agreement on the part of the Secured Party that the Security Interest or the Indebtedness be or have been subordinated to any such Permitted Encumbrances; or (ii) cause any such subordination to occur.
 - (b) to the best of the knowledge, information and belief of the Debtor, (i) each Debt, chattel paper and instrument constituting the Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Secured Party from time to time as owing by each Account Debtor or by all Account

Debtors will be the correct amount actually and unconditionally owing by such Account Debtor or Account Debtors, except for normal cash discounts where applicable; and (ii) no Account Debtor now has any defence, set off, claims or counterclaim against the Debtor which can be asserted against the Secured Party, whether in any proceeding to enforce the Collateral or otherwise; and

- (c) the locations specified in Schedule "A" attached hereto as to the location of the business operations and records of the Debtor are accurate and complete and, with respect to goods (including inventory) constituting the Collateral, the locations specified in Schedule "A" are accurate and complete, save for goods in transit to such locations and inventory on lease or consignment; and all fixtures or goods about to become fixtures and all crops and all oil, gas or other minerals to be extracted and all timber to be cut which forms part of the Collateral will be situated at one of such locations;

4. COVENANTS OF DEBTOR

4.1 So long as this Agreement remains in effect the Debtor covenants and agrees,

- (a) to defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein; to keep the Collateral free from all Encumbrances, except for the Security Interest and the Permitted Encumbrances; and not to sell, exchange, transfer, assign, lease, or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Secured Party; provided always that, until default, the Debtor may, in the ordinary course of the Debtor's business, sell or lease inventory and, subject to section 7.01 hereof, use monies available to the Debtor and the Debtor may sell or otherwise dispose of equipment which has become worn out or damaged or otherwise unsuitable for its purpose on condition that the Debtor shall substitute therefor, subject to the Security Interest, property of equal or greater value so that the Collateral shall not thereby be in any way reduced or impaired;
- (b) to notify the Secured Party in writing promptly of,
 - (i) any change in the information contained herein relating to the Debtor, the Debtor's business or the Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting the Debtor or the Collateral;
 - (iv) any significant loss of or damage to the Collateral;
 - (v) any material default by any Account Debtor in payment or other performance of its obligations with respect to the Collateral; and
 - (vi) the return to or repossession by the Debtor of the Collateral;
- (c) to keep the Collateral in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law,

rule, regulation or ordinance;

- (d) to do, execute, acknowledge and deliver such financing statements, financing change statements and further assignments, transfers, documents, acts, matters, information and things as may be reasonably requested by the Secured Party with respect to the Collateral in order to give effect to this agreement and to pay all costs for searches and filings in connection therewith;
- (e) to pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Debtor or the Collateral as and when the same become due and payable;
- (f) to insure the Collateral for such periods, in such amounts, on such terms and against loss or damage by fire and such other risks as the Secured Party shall reasonably direct with loss payable to the Secured Party and the Debtor, as insureds, as their respective interests may appear, and to pay all premiums therefor;
- (g) to prevent the Collateral, save inventory sold or leased as permitted hereby, from being or becoming an accession to other property not charged by this Agreement;
- (h) to carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning the Collateral, and mark in the manner specified by the Secured Party from time to time any and all such records and the Collateral at the Secured Party's request so as to indicate the Security Interest; and
- (i) to deliver to the Secured Party from time to time promptly upon request,
 - (i) any documents of title, instruments, securities and chattel paper constituting, representing or relating to the Collateral;
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;
 - (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
 - (iv) all policies and certificates of insurance relating to the Collateral; and
 - (v) such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

- 5.1 Subject to compliance with the Debtor's covenants contained herein and section 7.01 hereof, the Debtor may, until default, possess, operate, collect, use and enjoy and deal with the Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof; provided always that the Secured Party shall have the right at any time and from time to time to verify the existence and state of the

Collateral in any manner the Secured Party may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where the Collateral may be located and to all premises occupied by the Debtor.

6. SECURITIES

- 6.1 If the Collateral at any time includes shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee. If the Collateral at any time includes Securities, other than shares in any affiliates of the Debtor, the Debtor authorizes the Secured Party, upon default, to transfer the same or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear of record as the sole owner thereof. After any transfer as aforesaid, the Debtor waives all right to receive any notices or communications received by the Secured Party or its nominee as such registered owner. Subject to the foregoing, upon the request of the Secured Party, the Debtor will instruct the issuer, clearing agency, custodian or nominee to make an entry in its records of the Secured Party's security interest in the Securities so as to effect delivery to and possession by the Secured Party of those securities.

7. COLLECTION OF DEBTS

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

8. INCOME FROM AND INTEREST ON COLLATERAL

- 8.1 Until default, the Debtor reserves the right to receive any monies constituting income from or interest on the Collateral and if the Secured Party receives any such monies prior to default, the Secured Party shall either credit same against the Indebtedness or pay the same promptly to the Debtor.
- 8.2 After default, the Debtor will not request or receive any monies constituting income from or interest on the Collateral and if the Debtor receives any such monies, without any request by the Secured Party, the Debtor will pay the same promptly to the Secured Party.

9. INCREASES, PROFITS, PAYMENTS OR DISTRIBUTIONS

- 9.1 Whether or not default has occurred, the Debtor authorizes the Secured Party,
- (a) to receive any increase in or profits on the Collateral (other than money) and to hold the same as part of the Collateral. Money so received shall be treated as income for the purposes of sections 8.01 and 8.02 hereof and dealt with

accordingly; and

- (b) to receive any payment or distribution upon redemption or retirement or upon dissolution and liquidation of the issuer of the Collateral; to surrender such Collateral in exchange therefor; and to hold any such payment or distribution as part of the Collateral.

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

10. DISPOSITION OF MONIES

10.1 Subject to any applicable mandatory requirements of the P.P.S.A., all monies collected or received by the Secured Party pursuant to or in exercise of any right it possesses with respect to the Collateral shall be applied or reapplied on account of the Indebtedness in such manner as the Secured Party deems best in its sole discretion or, in the discretion of the Secured Party, may be held unappropriated in a collateral account or released to the Debtor, all without prejudice to the liability of the Debtor or the rights of the Secured Party hereunder, and any surplus shall be accounted for as required by law.

11. EVENTS OF DEFAULT

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

- (a) the non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of the Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision or condition contained in this Agreement or any other agreement between the Debtor and the Secured Party;
- (b) the death of or a declaration of incompetency by a court of competent jurisdiction with respect to an individual Debtor;
- (c) the bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment or proposal for the benefit of Secured Parties by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor; or the institution by or against the Debtor of any other type of insolvency proceeding under the *Bankruptcy and Insolvency Act* (Canada) or otherwise;
- (d) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor;
- (e) if any Encumbrance affecting the Collateral becomes enforceable against the Collateral;
- (f) if the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy;

- (g) if any execution, sequestration, extent or other process of any court becomes enforceable against the Debtor or if a distress or analogous process is levied upon the assets of the Debtor or any part thereof; or
- (h) if any certificate, statement, representation, warranty or audit report heretofore or hereafter furnished by or on behalf of the Debtor pursuant to or in connection with this Agreement, or otherwise (including the representations and warranties contained herein) or as an inducement to the Secured Party to extend any credit to or to enter into this Agreement or any other agreement with the Debtor, proves to have been false or inaccurate in any material respect at the time as of which the facts therein set forth were stated or certified, or proves to have omitted any substantial contingent or unliquidated liability or claim against the Debtor; or if upon the date of execution of this Agreement, there shall have been any material adverse change in any of the facts disclosed by any such certificate, representation, statement, warranty or audit report, which change shall not have been disclosed to the Secured Party at or prior to the time of such execution.

12. ACCELERATION

- 12.1 The Secured Party, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand, to be immediately due and payable without demand or notice of any kind, in the event of default, or if the Secured Party in good faith believes and has commercially reasonable grounds to believe that a material adverse change has occurred in the financial and business position of the Debtor. The provisions of this section 12.01 are not intended in any way to affect any right of the Secured Party with respect to Indebtedness which may now or hereafter be payable on demand.

13. REMEDIES

- 13.1 Upon default, the Secured Party may appoint or reappoint by instrument in writing, any person or persons, whether an officer or officers or an employee or employees of the Secured Party or not, to be a receiver (hereinafter called a "Receiver", which term when used herein shall include a receiver and manager) of the Collateral (including any interest, income or profits therefrom) and may remove any Receiver so appointed and appoint another in his stead. Any Receiver shall, so far as concerns responsibility for his acts, be deemed the agent of the Debtor and not the Secured Party, and the Secured Party shall not be in any way responsible for any misconduct, negligence, or non-feasance on the part of any Receiver, his servants, agents or employees. Subject to the provisions of the instrument appointing him, any Receiver shall have power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of the Debtor and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral. To facilitate the foregoing powers, any Receiver may, to the exclusion of all others including the Debtor, enter upon by peaceable or forcible means at any time of the day or night, use and occupy all premises owned or occupied by the Debtor wherein the Collateral may be situated, maintain the Collateral upon such premises, borrow money on a secured or unsecured basis and use the Collateral directly in carrying on the Debtor's business or as security for loans or advances to enable him to carry on the Debtor's business or otherwise, as the Receiver shall, in his discretion, determine. Except as may be otherwise directed by the Secured Party, all monies received from time to time by any Receiver in

carrying out his appointment shall be received in trust for and paid over to the Secured Party. Every Receiver may, in the discretion of the Secured Party, be vested with all or any of the rights and powers of the Secured Party.

- 13.2 Upon default, the Secured Party may, either directly or through its agents or nominees, exercise all the powers and rights given to a Receiver by virtue of section 13.01 hereof.
- 13.3 The Secured Party may take possession of, collect, demand, sue on, enforce, recover and receive the Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Secured Party may sell, lease or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Secured Party may seem reasonable.
- 13.4 In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Secured Party and in addition to any other rights the Secured Party may have at law or in equity, the Secured Party shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Secured Party shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of the Collateral or to institute any proceedings for such purposes. Furthermore, the Secured Party shall have no obligation to take any steps to preserve rights against prior parties to any instrument or chattel paper, whether Collateral or proceeds and whether or not in the Secured Party's possession, and shall not be liable or accountable for failure to do so.
- 13.5 The Debtor acknowledges that the Secured Party or any Receiver appointed by it may take possession of the Collateral wherever it may be located and by any method permitted by law, and the Debtor agrees upon request from the Secured Party or any Receiver to assemble and deliver possession of the Collateral at such place or places as directed.
- 13.6 In the event of default, the Debtor agrees to pay all costs, charges and expenses reasonably incurred by the Secured Party or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors' and auditors' costs, other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in enforcing this Agreement, taking and maintaining custody of, preserving, repairing, processing, preparing for dispositions and disposing of the Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses together with any monies owing as a result of any borrowing by the Secured Party or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of the Collateral and shall be secured hereby.
- 13.7 Unless the Collateral in question is perishable, the Secured Party believes on reasonable grounds that the Collateral in question will decline speedily in value, the Collateral in question is of the type customarily sold on a recognized market, the cost and storage of the Collateral is disproportionately large relative to its value or a court of competent jurisdiction orders otherwise, the Secured Party will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of the Collateral is to be made, as may be required by the P.P.S.A.

14. MISCELLANEOUS

- 14.1 The Debtor hereby authorizes the Secured Party to file such financing statements, financing change statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying the Collateral or any permitted Encumbrances affecting the Collateral or identifying the locations at which the Debtor's business is carried on and the Collateral and records relating thereto are situate) as the Secured Party may deem appropriate to perfect on an ongoing basis and continue the Security Interest, to protect and preserve the Collateral and to realize upon the Security Interest and the Debtor hereby irrevocably constitutes and appoints any officer or director from time to time of the Secured Party the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.
- 14.2 Without limiting any other right of the Secured Party, whenever Indebtedness is immediately due and payable or the Secured Party has the right to declare Indebtedness to be immediately due and payable (whether or not it has so declared), the Secured Party may, in its sole discretion, set off against such Indebtedness any and all monies then owed to the Debtor by the Secured Party in any capacity, whether or not due, and the Secured Party shall be deemed to have exercised such right of setoff immediately at the time of making its decision to do so, even though any charge therefor is made or entered on the Secured Party's records subsequent thereto.
- 14.3 Upon the Debtor's failure to perform any of its duties hereunder, the Secured Party may, but shall not be obligated to do so, perform any or all of such duties, and the Debtor shall pay to the Secured Party, forthwith upon written demand therefor, an amount equal to the expense incurred by the Secured Party in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate of 18% per annum.
- 14.4 The Secured Party may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, debtors of the Debtor, sureties and others and with the Collateral and other security as the Secured Party may see fit without prejudice to the liability of the Debtor or the Secured Party's right to hold and realize the Security Interest. Furthermore, after default, the Secured Party may demand, collect and sue on the Collateral in either the Debtor's or the Secured Party's name, at the Secured Party's option, and may endorse the Debtor's name on any and all cheques, commercial paper, and any other instruments pertaining to or constituting the Collateral.
- 14.5 No delay or omission by the Secured Party in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Secured Party may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Secured Party granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.

- 14.6 The Debtor waives protest, notice of protest, notice of presentment and notice of dishonour of any instrument constituting the Collateral at any time held by the Secured Party on which the Debtor is in any way liable and subject to section 13.07 hereof, notice of any other action taken by the Secured Party.
- 14.7 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, estate trustees, personal legal representatives, successors and assigns. In any action brought by an assignee of this Agreement and the Security Interest or any part thereof to enforce any rights hereunder, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or hereafter may have against the Secured Party.
- 14.8 Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this Agreement shall be made except by a written agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- 14.9 Subject to the requirements of section 13.07 hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given if delivered by mail to the party for whom it is intended at the last known address of such party or if sent by prepaid registered mail addressed to the party for whom it is intended at the last known address of such party. Either party may notify the other pursuant hereto of any change in its address to be used for the purposes hereof.
- 14.10 This Agreement and the security created hereby is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and is and is intended to be a continuing Agreement and shall remain in full force and effect until all Indebtedness contracted for or created, and any extensions or renewals thereof, together with interest accruing thereon shall be paid in full and this Agreement is discharged. If all the Indebtedness has been paid and satisfied and the Debtor has otherwise observed and performed all its obligations under this Agreement and is not then in default hereunder, then the Secured Party shall at the request and expense of the Debtor release and discharge the Security Interest and execute and deliver such deeds and other instruments as shall be requisite therefor.
- 14.11 In this Agreement (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" shall mean "including, without limitation,"; (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) reference to the Debtor, the Secured Party and any other person shall include their respective heirs, estate trustees, personal legal representatives, successors and assigns; (e) the division of this Agreement into separate Sections, Subsections and Schedules, and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; (f) the Secured Party's right to give or withhold any consent or approval, make any determination or exercise any discretion shall be exercised by the Secured Party acting reasonably unless otherwise expressly provided, except that following default the Secured Party shall be entitled to exercise the same in its sole discretion; (g) if more than one person is named as, or otherwise becomes liable for or assumes the obligations and

liabilities of the Debtor, then the obligations and liabilities of all such persons shall be joint and several; (h) time shall be of the essence; and (i) all obligations of the Debtor in this Agreement will be deemed to be covenants by the Debtor in favour of the Secured Party.

14.12 In the event any provisions of this Agreement shall be deemed invalid or void, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain in full force and effect.

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

14.14 The Security Interest created hereby shall attach when this Agreement is signed by the Debtor and delivered to the Secured Party. The Debtor and the Secured Party acknowledge that value has been given and the Debtor has rights in the Collateral.

14.15 The Debtor acknowledges and agrees that in the event it amalgamates with any other company or companies it is the intention of the parties hereto that the term "Debtor" when used herein shall apply to each of the amalgamating companies and to the amalgamated company, such that the Security Interest granted hereby,

(a) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating companies and the amalgamated company at the time of amalgamation and to any "Collateral" thereafter owned or acquired by the amalgamated company; and

(b) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating companies and the amalgamated company to the Secured Party at the time of amalgamation and any "Indebtedness" of the amalgamated company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating with the Debtor, and by the amalgamated company, at the time of amalgamation, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated company when such becomes owned or is acquired.

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

15. COPY OF AGREEMENT

15.1 The Debtor hereby acknowledges receipt of a copy of this Agreement and all financing statements in respect hereof. In the event that the Secured Party pays to the Debtor any penalties pursuant to subsection 46(7) of the P.P.S.A. then the Debtor shall indemnify and hold harmless the Secured Party from all costs, expenses, penalties or charges arising in connection with any action by or on behalf of the Debtor pursuant to subsection 46(7) of the P.P.S.A.

IN WITNESS WHEREOF the Debtor has executed this Agreement as of the 30th day of March 2016.

TERRASAN 327 ROYAL YORK RD. LIMITED

Per:

Name: Luigi Santaguida

Title: President

I have authority to bind the corporation.

SCHEDULE "A"
(Locations)

1. **Business Locations**

93 Skyway Avenue, Suite 210, Toronto, Ontario, M9W 6N6

2. **Location of Records relating to Collateral**

93 Skyway Avenue, Suite 210, Toronto, Ontario, M9W 6N6

3. **Locations of Collateral**

327 Royal York Road, Toronto, Ontario

robapp\3372827.1

THIS IS **EXHIBIT " I "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

GUARANTEE

THIS GUARANTEE is made as of this 30th day of March, 2016 (the "Guarantee").

BETWEEN:

CENTURION MORTGAGE CAPITAL CORPORATION
(the "Lender")

- and -

LUIGI SANTAGUIDA
(the "Guarantor")

WHEREAS the Lender is making a loan of \$21,800,000.00 (the "Loan") to Terrasan 327 Royal York Rd. Limited (the "Borrower") pursuant to a commitment letter dated March 23, 2016, governing the Loan between the Borrower and the Lender (the "Commitment Letter") and secured by a second mortgage and charge (the "Mortgage") of certain lands and premises situated in the City of Toronto, Province of Ontario, legally described in Schedule "A" attached hereto. As a condition of the Loan, the Guarantor has agreed to provide this Guarantee to the Lender. Unless otherwise defined herein, the capitalized terms and expressions used in this Guarantee shall have the same meanings as set out in the Commitment Letter.

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, the sum of \$2.00 now paid by the Lender to the Guarantor and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Guarantor covenants and agrees with the Lender as follows:

ARTICLE 1 - GUARANTEE

1.1 Guarantee. The Guarantor hereby unconditionally and irrevocably guarantees payment and performance by the Borrower to the Lender of all the debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Borrower to the Lender on account of the Loan or remaining unpaid or unsatisfied by the Borrower to the Lender in respect thereof including, without limitation, all "Loan Indebtedness" as defined in the Mortgage (hereinafter collectively referred to as the "Obligations") together with interest thereon as provided in Section 4.1.

1.2 Indemnity. If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Lender from and against all losses resulting from the failure of the Borrower to perform such Obligations.

1.3 Primary Obligation. If any or all of the Obligations are not duly performed by the Borrower and are not performed under Section 1.1 or the Lender is not indemnified under Section 1.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

1.4 Guarantee Absolute. The liability of the Guarantor hereunder shall be absolute and unconditional and shall not be affected by:

- (a) any lack of validity or enforceability of any agreements between the Lender and the Borrower, including any of the Loan Documents or any change in the time, manner or place of payment of or in any other term of such agreements or the failure on the part of the Borrower to carry out any of its obligations under such agreements;
- (b) any impossibility, impracticability, frustration of purpose, illegality, *force majeure* or act of government;
- (c) the bankruptcy, winding-up, liquidation, dissolution or insolvency of the Borrower or any party to any agreement to which the Lender is a party;
- (d) any lack or limitation of power, incapacity or disability on the part of the Borrower or the Lender, or of the directors, partners or agents thereof, or any other irregularity, defect or informality on the part of the Borrower in its obligations to the Lender; or
- (e) any other law, regulation or other circumstance which might otherwise constitute a defence available to, or a discharge of the Borrower in respect of any or all of the Obligations.

The liability of the Guarantor hereunder shall be for the full amount of the Obligations without apportionment, limitation or restriction of any kind. If more than one Person is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Guarantor hereunder, then the obligations and liabilities of all such persons shall be joint and several.

ARTICLE 2 - DEALINGS WITH BORROWER AND OTHERS

2.1 No Release. The liability of the Guarantor hereunder shall not be released, discharged, limited or in any way affected by anything done, suffered or permitted by the Lender in connection with any duties or liabilities of the Borrower to the Lender or any security therefor including any loss of or in respect of any security received by the Lender. Without limiting the generality of the foregoing and without releasing, discharging, limiting or otherwise affecting in whole or in part the Guarantor's liability hereunder, the Lender may discontinue, reduce, increase or otherwise vary the credit of the Borrower in any manner whatsoever without the consent of or notice to the Guarantor and may, either

with or without consideration and both before and after an Event of Default,

- (a) make any change in the time, manner or place of payment under, or in another term of any agreement between the Borrower and the Lender;
- (b) grant time, renewals, extensions, indulgences, releases and discharges to the Borrower;
- (c) take or abstain from taking or enforcing securities or collateral from the Borrower or from perfecting securities or collateral of the Borrower;
- (d) accept compromises from the Borrower;
- (e) apply all money at any time received from the Borrower or from securities upon such part of the Obligations as the Lender may see fit or change any such application in whole or in part from time to time as the Lender may see fit; and
- (f) otherwise deal with the Borrower and all other Persons and securities as the Lender may see fit.

ARTICLE 3 - CONTINUING GUARANTEE

3.1 Continuing Guarantee. This Guarantee shall be a continuing guarantee of the Obligations and shall apply to and secure any ultimate balance due or remaining due to the Lender and shall not be considered as wholly or partially satisfied by the payment or liquidation at any time of any sum of money for the time being due or remaining unpaid to the Lender. The Guarantor shall not be released or discharged from any of its obligations hereunder except upon payment of the total amount guaranteed hereunder together with interest thereon as provided in Section 4.1. This Guarantee shall continue to be effective even if at any time any payment of any of the Obligations is rendered unenforceable or is rescinded or must otherwise be returned by the Lender upon the occurrence of any action or event including the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though such payment had not been made. Any account settled or stated in writing by or between the Lender and the Borrower shall be *prima facie* evidence that the balance or amount thereof appearing due to the Lender is so due.

ARTICLE 4 - DEMAND AND INTEREST

4.1 Demand and Interest. The Lender shall be entitled to make demand upon the Guarantor at any time upon the occurrence of any Event of Default (as defined in the Mortgage) and upon such Event of Default the Lender may treat all Obligations as due and payable and may forthwith collect from the Guarantor the total amount guaranteed hereunder whether or not such Obligations are yet due and payable at the time of demand for payment hereunder. The Guarantor shall make payment to the Lender of the total amount guaranteed hereunder forthwith after demand therefor is made to the Guarantor. The Guarantor shall pay interest to the Lender at the Interest Rate (as defined in the Mortgage) on the unpaid portion of all amounts payable by the Guarantor under this Guarantee, such interest to accrue from and

including the date of demand by the Lender on the Guarantor. The Lender shall not be bound or obligated to exhaust its recourse against the Borrower or other Persons or any securities or collateral it may hold or take any other action before being entitled to demand payment from the Guarantor hereunder. In any claim by the Lender against the Guarantor, the Guarantor may not assert any set-off or counterclaim that either the Guarantor or the Borrower may have against the Lender. The Guarantor shall pay all reasonable costs and expenses incurred by the Lender in enforcing this Guarantee.

ARTICLE 5 - ASSIGNMENT, POSTPONEMENT AND SUBROGATION

5.1 Assignment, Postponement and Subrogation. All debts and liabilities, present and future, of the Borrower to any party comprising the Guarantor are hereby assigned to the Lender and postponed to the Obligations, and all money received by any party comprising the Guarantor in respect thereof shall be held in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way lessening or limiting the liability of the Guarantor hereunder and this assignment and postponement is independent of the Guarantee and shall remain in full force and effect until, in the case of the assignment, the liability of the Guarantor under this Guarantee has been discharged or terminated and, in the case of the postponement, until all Obligations are performed and paid in full. The Guarantor will not be entitled to subrogation until the Obligations are performed and paid in full.

ARTICLE 6 - GENERAL

6.1 Benefit of the Guarantee. The Guarantor acknowledges and agrees that the Lender may hold the Loan, this Guarantee and the Loan Documents as custodian and agent for all persons having an ownership interest in the Loan from time to time and this Guarantee shall enure to the benefit of the Lender and each such person and their respective successors and assigns. The Guarantor agrees that all enforcement actions or proceedings may be brought by the Lender under the Loan and this Guarantee on behalf of all persons having an ownership interest in the Loan and waives any requirement that any such person be a party thereto. This Guarantee shall be binding upon the Guarantor and its heirs, estate trustees, legal representatives, successors and assigns. Where any reference is made in this Guarantee to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to the trustees of the trust. This Guarantee may be transferred or assigned by the Lender without restriction and without notice to or the consent of the Guarantor.

6.2 Entire Agreement. This Guarantee constitutes the entire agreement between the Guarantor and the Lender with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between such parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties with respect to the subject

matter of this Guarantee except as expressly set forth herein. The Lender shall not be bound by any representations or promises made by the Borrower to the Guarantor and possession of this Guarantee by the Lender shall be conclusive evidence against the Guarantor that the Guarantee was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with.

6.3 Amendments and Waivers. No amendment to this Guarantee will be valid or binding unless set forth in writing and duly executed by the Guarantor and the Lender. No waiver of any breach of any provision of this Guarantee will be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided in the written waiver, will be limited to the specific breach waived.

6.4 Severability. If any provision of this Guarantee is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

6.5 Notices. Any demand, notice or other communication to be made or given to the Guarantor in connection with this Guarantee may be made or given by personal delivery, by registered mail or by facsimile transmission addressed to the last known address of the Guarantor as shown in the Lender's records. Any demand, notice or communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof, and if given by registered mail, on the third Business Day following deposit thereof in the mail, and if given by facsimile transmission, on the first Business Day following the transmittal thereof.

6.6 Financial Statements and Release of Information. Subject to the terms of the Commitment Letter, the Guarantor shall furnish to the Lender promptly upon demand by Lender from time to time financial statements detailing the assets and liabilities of the Guarantor, in form and substance reasonably acceptable to the Lender. The Guarantor hereby represents and warrants to the Lender that all financial statements and other information previously provided or to be provided to the Lender with respect to the Guarantor are and will be complete and correct in all material respects and include all material facts and circumstances concerning the financial or other condition or status of the Guarantor, its business and operations necessary to ensure all such statements and information are not misleading as of the date of delivery to the Lender or as of such other date specified therein. The Guarantor acknowledges and agrees that the Loan may be syndicated without further notice to or the consent of the Guarantor or the Borrower. The Lender may release, disclose, exchange, share, transfer and assign from time to time, as it may determine in its sole discretion, all information and materials (including financial statements and information concerning the status of the Loan, such as existing or potential Loan defaults, lease defaults or other facts or circumstances which might affect the performance of the Loan) provided to or obtained by the Lender relating to the Guarantor or the Borrower, the Property or the Loan (both before and after the Loan advance and/or default) without restriction and without notice to or the consent of the Guarantor or the Borrower as follows: (i) to any other lender; (ii) to any subsequent or proposed purchaser of the Loan, including any subsequent or proposed lender and their respective third party advisers and agents such as lawyers, accountants, consultants, appraisers, credit verification sources and servicers; and (iii) to any other person in connection with the sale or assignment of the Loan or in connection with any collection or enforcement proceedings taken under or in respect of the Loan and/or the Loan Documents.

The Guarantor irrevocably consents to the collection, obtaining, release, disclosure, exchange, sharing, transfer and assignment of all such information and materials.

6.7 Governing Law. This Guarantee shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein without application of any principle of conflict of laws which may result in laws other than the laws in force in such Province applying to this Guarantee; and the Guarantor consents to the jurisdiction of the courts of such Province and irrevocably agrees that, subject to the Lender's election in its sole discretion, all actions or proceedings arising out of or relating to this Guarantee shall be litigated in such courts and the Guarantor unconditionally accepts the non-exclusive jurisdiction of the said courts and waives any defense of *forum non-conveniens*, and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Guarantee, provided nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of the Lender to bring proceedings against the Guarantor or the Borrower in the courts of any other jurisdiction.

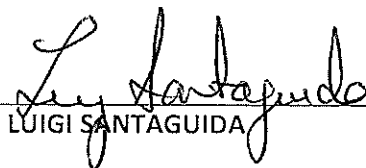
6.8 General. The Guarantor acknowledges having received and reviewed a copy of the Commitment Letter, the Mortgage and each of the other Loan Documents.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee and acknowledges receipt of a fully executed copy thereof.

SIGNED, SEALED AND DELIVERED
in the presence of

Witness



)
)
)
)

LUIGI SANTAGUIDA

SCHEDULE "A"

(Legal Description of Lands)

Municipal Address:

327 Royal York Road, Toronto, Ontario, M8Y 2P8

Legal Description:

Lots 159, 160 and 161, Plan 164, Etobicoke, City of Toronto, as more particularly described in PIN 07617-0050 (LT)

robapp\3373077.1

THIS IS **EXHIBIT " J "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

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

2016/04/12 103 03527
 1793A20160412G **132**

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



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

Form **3C**
 Formule

10553(03/95)

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

Reference File Number / N° de dossier de référence **715589415** Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C) Enter Number of Additional Years to Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

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

Business Debtor (as recorded) / Débiteur commercial **TERRASAN 327 ROYAL YORK RD. LIMITED**

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

ROBINS APPLEBY LLP (CINDY APPELGATH)
120 ADELAIDE ST. WEST SUITE 2600
TORONTO ON M5H1T1

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

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Verification Statement/État de vérification

Page / Page	OF / DE	Total Pages / Nombre de pages	Expiry Date / Date d'expiration
1	2	2	2021/04/12

Line / Ligne	Description
1 00	715589415
1 01	CAUTION FILING/AVERTIS: PAGE: 1 OF/DE: 2 MV SCHEDULE
1 01	ATTACHED/LISTE VA: REG NUM/NO ENREGIST: 20160412 1404 1793 2842
1 01	REG UNDER/T. ENREG: P REG PERIOD/PERIODE: 5
1 03	TERRASAN 327 ROYAL YORK RD. LIMITED
1 04	93 SKYWAY AVENUE, SUITE 104
1 04	TORONTO ON M9W6N6
1 08	CENTURION MORTGAGE CAPITAL CORPORATION
1 09	25 SHEPPARD AVE WEST, SUITE 710
1 09	TORONTO ON M2N6S6
1 10	CONS GOODS/BIENS CONS: INVTRY/STOCK: X EQUIP/MATER: X
1 10	ACCTS/COMPT: X OTHER/AUTRE: X MV INCL/VA INCLUS:
1 10	AMOUNT/MONTANT: DATE OF MATURITY/DATE ECHEANCE:
1 10	NO FIXED MAT DATE/D ECHE PAS DET:
1 13	ALL PRESENT AND FUTURE SECURITY INTEREST WITH RESPECT TO 327 ROYAL
1 14	YORK ROAD, TORONTO ONTARIO, INCLUDING BUT NOT LIMITED TO A GENERAL
1 15	SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS RELATED THERETO
1 16	ROBINS APPLEBY LLP (CINDY APPELGATH)
1 17	120 ADELAIDE ST. WEST SUITE 2600
1 17	TORONTO ON M5H1T1

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

GENERAL INSTRUCTIONS

This form is to be used only for renewals and discharges.

For instructions on how to complete this form please refer to the Personal Property Security Registration and Enquiry Guide. A copy of the Guide is available from any Branch Registry Office or by writing to :

Personal Property Registration
Central Registration Branch
P.O. Box 21100, Station "A"
Toronto, Ontario
M5W 1W6

A self addressed envelope of minimum size 255mm x 330mm (10" x 13") stamped with sufficient postage to cover weight of 325g, for each Guide must accompany your request.

Typing Instructions

Use capital letters only, 10 or 12 pitch type and black ink of sufficient density to facilitate microfilming.

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Error Correction

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Line 31

Complete the appropriate box as indicated:

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Note that under the RSLA the total registration period including renewals must not exceed 3 years.

Complete lines 08/16 and 09/17.

Authorized Signature

Mandatory -- See Guide for samples.

Method of Registration

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Central Registration Branch
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M5W 1W6

NOTICE TO REGISTRANT

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INSTRUCTIONS GÉNÉRALES

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Pour les instructions sur la façon de remplir cette formule, veuillez consulter le Guide pour l'enregistrement et la recherche des sûretés mobilières. Des exemplaires sont disponibles dans tous les bureaux d'enregistrement régionaux ou vous pouvez en faire la demande en écrivant à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

Votre demande doit être accompagnée d'une enveloppe d'un format minimum de 255mm x 330mm (10" x 13") et affranchie pour un poids de 365g pour chaque exemplaire ou guide.

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Remplir la case appropriée en écrivant:

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Veuillez noter qu'aux termes de la Loi sur le privilège des réparateurs et des entreposeurs, la période d'enregistrement, y compris les renouvellements, ne peut dépasser trois ans.

Remplir les lignes 08/16 et 09/17.

Signature autorisée.

La signature est obligatoire. Consulter les exemples donnés dans le guide.

Méthode d'enregistrement

Présenter cette formule et payer les frais applicables à n'importe quel bureau régional d'enregistrement (consulter l'annexe du guide) ou poster le tout accompagné d'un chèque (à l'ordre du ministre des Finances) à l'adresse suivante:

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Toronto ON M5W 1W6

AVIS AU DÉPOSANT

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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

2016/04/12 103 03528 **134**
 1793A20160412G

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



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

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

Reference File Number / N° de dossier de référence: **715589415** Renewal (B) OR Discharge (C) / Renseignements (B) OU Mainlevée (C) Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires si il s'agit d'un renouvellement (voir au verso)

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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

ROBINS APPLEBY LLP (CINDY APPELGATH)
120 ADELAIDE ST. WEST SUITE 2600
TORONTO ON M5H1T1

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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rm pdf 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
				2		2	2021/04/12
C	2	00	715589415				
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			*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***				

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THIS IS **EXHIBIT " K "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

[Signature]
 DEPUTY DIRECTOR
 OF TITLE

SET OF STANDARD CHARGE TERMS

**FILED BY: ATRIUM MORTGAGE INVESTMENT CORPORATION and
CANADIAN MORTGAGE SERVICING CORPORATION**

The following set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in Section 9 of the Land Registration Reform Act, R.S.O. 1990, C. L.4:

1. NON-MERGER

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

2. STATUTORY COVENANTS

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

3. PROVISIO FOR REDEMPTION

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge. The principal sum secured hereunder together with interest thereon and all other sums payable by the Chargor or any other party under the Commitment Letter hereunder shall collectively be referred to as the "Indebtedness".

4. CHARGE

IN CONSIDERATION of the amounts advanced or to be advanced by the Chargee to the Chargor or to third parties whose indebtedness is referenced in the Commitment Letter, the receipt of which is acknowledged, the Chargor grants, mortgages and charges unto the Chargee forever the lands and all of each parcel of land and premises described in the Charge (the "Charged Lands") as security for the repayment to the Chargee of the Indebtedness with interest at the Interest Rate set out herein.

TO HAVE AND TO HOLD the same with the appurtenances unto and to the use of the Chargee forever, subject to the proviso for redemption thereof hereafter contained.

5. ADVANCE OF FUNDS

THE CHARGOR agrees that neither the preparation, execution nor registration of this Charge shall bind the Chargee to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of this Charge by the Chargor.

6. PAYMENT PROVISIONS

UNLESS otherwise specified in a schedule to this Charge, the following payment provisions shall apply.

Interest at the interest rate stipulated in the Commitment Letter on the amount advanced from time to time shall be computed monthly from the date of such advances and shall become due and be paid on the first day of each and every month.

PROVIDED that the Chargee may require the aforesaid interest on the principal advances from time to time, computed and calculated monthly from the date of such advance, to become due and payable in monthly instalments on the first day of the month following the first advance and on the first day of each and every month thereafter and the balance, if any, of the aforesaid interest on advances shall become due and be paid on the date for adjustment of interest. At the option of the Chargee, interest so due and payable may be deducted from any or all of such advances.

EACH payment when received is to be applied firstly to interest calculated as aforesaid on the principal sum from time to time unpaid and the balance if any of the said monthly instalments shall be applied on account of and in reduction of the principal.

NOTWITHSTANDING the foregoing, in the case of default by the Chargor, the Chargee may then apply any payments received in whatever order it may elect as between taxes, interest, repairs, insurance premiums, any other advance or payments made by the Chargee on behalf of the Chargor hereunder and the unpaid balance of the principal.

AND it is hereby agreed that in the case default shall be made in payment of any sum 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 within one (1) month from the time of default, a rest shall be made, and compound interest at the rate aforesaid 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 Charged Lands.

7. CHARGOR'S COVENANTS

- (a) THE CHARGOR covenants with the Chargee that the Chargor will pay the Indebtedness herein and interest and observe the proviso for redemption herein, will pay as they fall due all taxes, rates and assessments, whether municipal, local, parliamentary or otherwise which now are or may hereafter be imposed, charged or levied upon the Charged Lands and when required by the Chargee, shall transmit the receipts therefor to the Chargee, subject to Section 9 hereof;
- (b) THE CHARGOR further covenants with the Chargee that the Chargor will pay all amounts which are payable hereunder or which are capable of being added to the principal sum herein pursuant to the provisions of this Charge including, without limiting the generality of the foregoing, all servicing or other fees, costs or charges provided for herein; all insurance premiums; the amount paid for the supply of any fuel or utilities to the Charged Lands; all costs, commissions, fees and disbursements incurred by the Chargee in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Charged Lands when permitted herein; all costs incurred by the Chargee, including legal costs on a solicitor and his own client basis, with respect to the Charge or the enforcement thereof or incurred by the Chargee arising out of or in any way related to this Charge; any amounts paid by the Chargee on account of any encumbrance, lien or charge against the Charged Lands and any and all costs incurred by the Chargee arising out of, or in any way related to, the Chargee realizing on its security by sale or lease or otherwise;
- (c) AND THAT THE CHARGOR has a good title in fee simple to the Charged Lands and has good right, full power and lawful and absolute authority to charge the Charged Lands and to give his Charge to the Chargee upon the covenants contained in this Charge;
- (d) AND THAT THE CHARGOR has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Charged Lands, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the appropriate land registry office disclose;

- (e) AND THAT THE CHARGOR will execute such further assurances of the Charged Lands as may be requisite.

8. UTILITIES

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

9. TAXES

Unless otherwise waived by the Chargee, with respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the Charged Lands, the Chargor covenants and agrees with the Chargee that:

- (a) The Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.
- (b) The Chargee may at its sole option estimate the amount of taxes chargeable against the Charged Lands and payable in each year and the Chargor shall forthwith upon the demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on each monthly payment date during the term of this Charge. The Chargee shall apply such payments to the taxes so long as the Chargor is not in default, but nothing herein contained shall obligate the Chargee to apply such payments on account of taxes more often than yearly. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee there shall be default by the Chargor hereunder, the Chargee may at its option apply such sum or sums in or towards curing the default. In no event shall the Chargee be liable for any interest on any amount paid to it and the monies so received may be held with its own funds pending payment or application thereof.
- (c) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency.
- (d) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the Charged Lands forthwith after receipt, together with such receipts or evidence of payment of taxes as the Chargor may require in the event the Chargor pays taxes directly to the taxing authority.
- (e) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (f) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

10. INSURANCE

THE CHARGOR shall insure the Charged Lands and all buildings and structures thereon, in accordance with the terms of the Commitment Letter, as may be approved by the insurance consultant engaged on behalf of the Chargee at the cost of the Chargor.

11. COMPLIANCE WITH LAWS AND REGULATIONS

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

12. REPAIR

SUBJECT TO the redevelopment of the lands as disclosed to and approved by the Chargee which is being performed by the Chargor (the "Redevelopment") the Chargor covenants and agrees that it will keep the Charged Lands, including the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the Charged Lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the Charged Lands in good condition and repair, or commits or permits any act of waste on the Charged Lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the Charge shall, at the option of the Chargee, forthwith become due and payable in full, and the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the costs, charges and expenses including servicing fees for the time and services of any employee of the Chargee with interest at the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the lands prior to all claims thereon subsequent to this Charge.

13. LANDS INCLUDE ALL ADDITIONS

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

14. CHANGE OF USE

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

15. SALE OR CHANGE OF CONTROL

THE CHARGOR covenants and agrees with the Chargee that in the event of any change of ownership or de facto control (beneficial or otherwise) of the Chargor or any beneficial owner of the Charged Lands including change of partners or change of control of an incorporated Chargor, transfer or sale of the Charged Lands, or part thereof ("Transfer") without the Chargee's prior written consent which may be withheld in its sole and absolute discretion, at the Chargee's option, all or part of the monies secured with accrued interest thereon together with a bonus

equal to three (3) months interest shall forthwith become due and payable at the sole discretion of the Chargee.

16. SUBSEQUENT ENCUMBRANCES

In the event of the Chargor further encumbering the Charged Lands without the prior written consent of the Chargee, in its sole and absolute discretion, such further encumbering shall constitute a default under this Mortgage and in such event, at the sole option of the Chargee, all money owing under the herein Mortgage shall immediately become due and payable.

17. EVENTS OF DEFAULT

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

- (a) Failure of the Chargor or Guarantors or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the Charged Lands, on the date upon which any of the payments for same become due;
- (b) Failure of the Chargor or Guarantors to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application for this Charge or the letter of commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein, or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading;
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Charged Lands, whether or not it has priority over this Charge;
- (d) The registration of any construction lien against the Charged Lands which is not discharged within a period of ten (10) days after the date of registration thereof, or the filing of a writ of execution in the hands of the sheriff in the judicial district where the lands are situate;
- (e) In the event that it is discovered that the building(s) on the Charged Lands contain Urea Formaldehyde Foam Insulation or that the Chargor has insulated the Charged Lands with Urea Formaldehyde Foam Insulation;
- (f) The Charged Lands is abandoned, any act of waste is committed as to all or any part of the Charged Lands, or any building or other structure now or later being erected on the Charged Lands remains unfinished and without any work being done on it for a period of fifteen (15) business days;
- (g) Any order is made or resolution passed for the winding up, liquidation or other dissolution of the Chargor (if the chargor is a corporation), or there is a change in the membership or a dissolution of the Chargor (if the Chargor is a partnership);
- (h) The Chargor or any guarantor of the Indebtedness ("Guarantor") makes an assignment for the benefit of creditors or any proceedings shall be instituted by or against the Chargor or Guarantor seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or other similar law or seeking the appointment of a receiver, receiver and manager, trustee, custodian or other similar official for it or for any of its Charged Lands (excluding proceedings which are being contested by the Chargor in good faith, which have been outstanding for fewer than 30 days and in respect of which any enforcement proceedings are stayed), or the Chargor or Guarantor is declared

bankrupt or a receiver, receiver and manager, trustee, custodian or other similar official is appointed of it or in respect of all or any part of the Charged Lands, or power of sale or foreclosure proceedings are commenced against all or any part of the Charged Lands;

- (i) Another encumbrancer takes possession of all or any part of the Charged Lands or a distress or execution or other similar process is brought against the Charged Lands or any such part;
- (j) The use, storage or discharge onto the Charged Lands of any material or contaminant or the discovery of any of such material or contaminant whether caused by the Chargor or not, that violates the Environmental Protection Act or any other municipal, provincial or federal environmental health law or regulation;
- (k) If there is any default under any term or condition contained in any other agreement concerning the Indebtedness;
- (l) If a Receiver is appointed over any of the Chargor's assets or undertaking of any judgment or order or any process of any court becomes enforceable against the Chargor or any of its assets or any credit takes possession of any of its assets.

18. DEFAULT AND REMEDIES

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

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

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

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

PROVIDED that in default of payment of the Indebtedness, the Chargee may distrain for payment of same upon the Charged Lands any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the lands so much moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Chargee with respect to or in connection therewith as in like cases of distress for rent. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.

PROVIDED that upon default of any payment when due herein or under the Commitment, the balance of the principal and interest and other sums payable hereunder shall immediately become due and payable at the option of the Chargee.

PROVIDED that, until default hereunder, the Chargor shall have quiet possession of the Charged Lands.

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

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

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

19. ENFORCEMENT OF ADDITIONAL SECURITY

IN THE EVENT that, in addition to the Lands charged hereby, the Chargee holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such security, shall preclude other and further exercise of any other right, power or remedy pursuant to any of such security. The Chargee shall at all times have the right to proceed against all, any, or any portion of such security in such order and in such manner as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have with respect to any and all of such security, and the exercise of any such powers or remedies from time to time shall in no way affect the

liability of the Chargor under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee with respect to any and all such security shall be at an end.

20. INSPECTION

THE CHARGEЕ shall have access to and the right to inspect the Charged Lands at all reasonable times.

21. TAKING OF JUDGMENT NOT A MERGER

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

22. BANKRUPTCY AND INSOLVENCY

THE CHARGOR acknowledges and agrees that any and all costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

23. AUTOMATIC RENEWAL AND EXTENSION OF TIME

In the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date or fails to accept a renewal offer tendered by the Mortgagee (for any reason not attributable to the Mortgagee) within 10 business days of the maturity, then the Mortgagee may at its sole option, automatically renew this mortgage for a period of two (2) months from the maturity date, at an interest rate equal to the greater of Twelve (12%) per cent per annum or TD Canada Trust prime rate of interest plus Five (5%) per cent per annum, calculated daily and payable monthly. In the event that the renewal has not been finalized within this two (2) month period, then there will be no further extensions, and the Mortgagee may exercise its remedies under this Charge or at law. The Mortgagee shall not be obligated to offer any renewal. All other terms and covenants under the existing Charge shall continue to apply. The Charge may be paid in full at any time during the two (2) month renewal period. A Processing Fee which is the greater of \$1,000.00 or 1/10 of 1.00% of the outstanding balance shall be added to the principal balance if this extension is utilized and shall be deemed secured hereunder.

PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

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

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

24. CONSTRUCTION LOAN PROVISIONS (if Applicable)

IN THE EVENT that any of the monies advanced or to be advanced under this Charge are intended to finance any improvement to the Lands, the parties hereto covenant and agree that the following conditions shall apply:

- a) The Chargor will commence, carry out and complete the Project, substantially in accordance with the plans, specifications and other material approved by the Chargee, all with due diligence, in a good and workmanlike manner and in accordance with all agreements made with, undertakings given to and all statutory and regulatory requirements of all Governmental Bodies having jurisdiction;
- b) All construction on the Lands shall be carried out by reputable contractors having experience which is commensurate to nature and size of the Project to be constructed, which contractors must be prior approved by the Chargee in writing, such approval not to be unreasonably withheld;
- c) The renovations to the building and structures located on the Lands having been commenced shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to the Chargee and to the satisfaction of all Governmental Bodies having jurisdiction;
- d) Provided that should construction of the Project cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days (Saturdays, Sundays and statutory holidays excepted), then, at the option of the Chargee, this Charge shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the construction of the Project in such manner and on such terms as it deems advisable. The cost of completion of the Project by the Chargee and all expenses incidental thereto shall be added to the principal amount of this Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the management fee of fifteen percent (15%) added to the principal amount of this Charge shall bear interest at the rate as herein provided for and shall form part of the principal sum herein and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of principal and interest hereunder or at law;
- e) At all times there shall be sufficient funds unadvanced under this Charge and retained by the Chargee to complete the construction and/or renovation of the Project and as may be necessary to retain the Chargee's priority with respect to any deficiency in the holdbacks required to be retained by the Chargor under the *Construction Lien Act* (Ontario);

- f) This Charge will be advanced in stages as construction upon the Project proceeds or as the conditions as enumerated by the Commitment are complied with;
- g) All advances for construction purposes which are made from time to time hereunder shall be based on certificates of a duly qualified architect, engineer, quantity surveyor, cost consultant or other consultant(s) retained for the purpose of reviewing and advising the Chargee with respect to the Project and the progress thereof, whose fees and costs shall be for the account of the Chargor regardless of by whom such Person has been retained. All such certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such certificates shall further certify that such completed construction and/or renovation to the date of such certificate shall be in accordance with the approved plans and specifications for the said construction and further, in accordance with the building permits issued for such construction and in accordance with all municipal and other requirements of all Governmental Bodies having jurisdiction pertaining to such construction and that there shall be no outstanding work orders or other requirements pertaining to construction on the Lands. Such certificates with respect to any values shall not include materials on the site which are not incorporated into the Project; and
- h) The Chargor shall pay to the Chargee on each occasion when an inspection of the Lands is required to confirm construction costs to date and compliance with conditions for further advances, an inspection fee and/or an administration fee in such reasonable amount as the Chargee may charge from time to time for each such inspection and the Chargee's solicitors shall be paid their fees and disbursements for each subsearch and work done prior to each such advance and all such monies shall be deemed to be secured hereunder and the Chargee shall be entitled to all rights and remedies with respect to collection of same in the same manner as it would have with respect to collection of principal and interest hereunder or at law.

25. CONDOMINIUM CLAUSES (if applicable)

The Chargor and Chargee covenant and agree that in the event that the security for the within Charge shall be a condominium unit the following provisions shall apply.

The Chargor does hereby assign to the Chargee all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the Charged Lands and the Chargee, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.

The Chargor shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.

The Chargor shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the Condominium Act of Ontario, all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.

Where the Chargor defaults in the Chargor's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other

action or proceeding taken, or to be taken by the Condominium Corporation, the Chargee, at its option and without notice to the Chargor, may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Chargee shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

26. EXPROPRIATION

IF the Charged Lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall, at the option of the Chargee, forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus to be determined by the Chargee which shall not be limited to but may, at the option of the Chargee, be equal to the aggregate of (a) three months interest at the said rate calculated on the amount of the principal remaining unpaid AND (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

27. PRE-AUTHORIZED CHEQUING PLAN

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

28. PAYMENT

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

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

29. NO DEEMED REINVESTMENT

THE PARTIES hereto agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

30. DISCHARGE

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

STANDARD CHARGE TERMS
CLAUSES TYPES DE CHARGE
Filing No. 201418
Cote

31. DISHONOURED CHEQUES

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

32. STATEMENTS OF ACCOUNT

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

33. INDEPENDENT LEGAL ADVICE

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

34. CONSENT OF CHARGE

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

35. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without entering into possession of the Charged Lands appoint in writing a Receiver, or a Receiver and Manager, or a Receiver-Manager, or a Trustee (the "Receiver") of the Charged Lands, or any part thereof, and of the rents and profits thereof, if any, and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act, or pursuant to the Trustees Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Lands or any part thereof and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee in its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Charged Lands and/or complete or partially complete any construction thereon and to receive advances of monies pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the Charged Lands, including without limitation, charges and construction lien claims.

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

- (a) A Statutory Declaration of the Chargee or an Officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;

- (b) Every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due in respect to the Charged Lands, or any part thereof, whether in respect of any tenancies created in priority to this Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- (c) The Chargee may from time to time fix the remuneration of every such Receiver which shall be a charge on the Charged Lands, and may be paid out of the income therefrom or the proceeds of sale thereof;
- (d) The appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such receivership shall not have the effect of constituting the Chargee a chargee in possession in respect of the Charged Lands or any part thereof;
- (e) The Receiver shall have the power to rent any portion of the Charged Lands for such term and subject to such provisions as it may deem advisable or expedient and shall have the authority to execute any lease of the Charged Lands or any part thereof in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm, and hereby ratifies and confirms whatever acts such Receiver may do on the Charged Lands;
- (f) In all instances, the Receiver shall be acting as the attorney or agent of the Chargor;
- (g) Every such Receiver shall have full power to complete any unfinished construction upon the Charged Lands;
- (h) Such Receiver shall have full power to manage, operate, amend, repair, or alter the Charged Lands or any part thereof in the name of the Chargor;
- (i) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges which may be registered against the lands from time to time, whether or not such charges are prior to the interest of the Chargee in the Charged Lands; sale of the Charged Lands; borrowing money on the security of the Charged Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the lands, including grants of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the lands as a condominium; completing any application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid the Chargor does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Charged Lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Charged Lands, as fully and effectually to all intents and purposes as the Chargor could do if personally present and acting therein; and
- (j) The Receiver shall not be liable for any loss howsoever arising and the Receiver shall not be liable to the Chargor to account for monies received other than cash received by it in respect to the Charged Lands or any part thereof and out of such

cash so received, every such Receiver shall pay in the following order: its remuneration; all payments made or incurred by it in the exercise of its powers hereunder; any payment of interest, principal and other money which may from time to time be or become charged upon the Charged Lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the Charged Lands or any part thereof.

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

36. APPOINTMENT OF PROPERTY MANAGER

As an alternative to the appointment of a receiver provided in the immediately preceding paragraph, the parties agree that the Chargee shall be entitled at any time and from time to time to appoint in writing a property manager (the "Property Manager") and representative of the Chargee for the purposes of management, leasing and operation for the Chargee's account of the Charged Property.

Upon the appointment of the Property Manager, the following provisions shall apply:

- (a) A Statutory Declaration of the Chargee or an officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) The Chargee may from time to time fix the remuneration of the Property Manager which shall be a charge on the said lands and may be paid, together with interest thereon, out of the income from the said lands or the proceeds of sale thereof;
- (c) The Property Manager shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands; and The Chargor acknowledges and agrees that the appointment of the Property Manager shall constitute the Chargee a mortgagee in possession.

In addition to the management fee to the Property Manager, the Chargee shall also be entitled to an administration fee equal to no less than 2% of the gross receipts for the Charged Lands and shall also be entitled to a commission for all leases entered into at a rate to be established by the Chargee in its discretion and the administration fee and commission shall be added to the principal amounts secured hereunder and bear interest at the rate provided for herein.

37. COSTS AND EXPENSES

The Chargor covenants and agrees that it will immediately pay to the Chargee all amounts the Chargee is permitted to pay under the Charge and all costs, expenses and damages of, relating to or resulting from inspecting, protecting, repairing, completing, insuring, taking and keeping possession of and managing all or any part of the Charged Lands, preparing it for sale or lease, selling or leasing it, renewing any leasehold interest, collecting any part of the Indebtedness, the exercise of any of the rights of a Receiver appointed pursuant to the Charge, such Receiver's fees and expenses, agents' costs and expenses, legal fees and expenses on a solicitor and his own client basis, the use, occupation or operation of the Charged Lands, the breach of any of the Chargor's representations, warranties or agreements herein, and any other costs and expenses of exercising or protecting the Chargee's rights (hereunder or otherwise) or all or any part of the Charged Lands all when permitted to be done herein or at law by the Chargee. Without limiting the Chargee's right to interest provided for herein, it is expressly agreed that the Chargor shall pay interest at the interest rate provided for herein on such amounts, costs and expenses (and on all other costs and expenses payable by the Chargor pursuant to the charge) from the date they are paid by the Chargee until they have been repaid by the Chargor, which interest shall be paid, calculated and compounded as provided for herein.

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

38. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address noted on page 1 of the Charge document to which these standard charge terms form a part or such other address communicated in writing by the addressee in a written notice to the sender.

39. ENVIRONMENTAL AUDIT

The Chargor and Guarantors covenant and agree that, if requested by the Chargee and if there are reasonable grounds to believe the Chargor is in breach of its environmental covenants herein or in the Commitment Letter, or any other security documents, or if the Chargor is in breach of this Charge, the Chargor and Guarantors shall forthwith commission a Phase I and/or Phase II Environmental Audit for the Charged Lands and have same addressed to the Chargee as well as the Chargor, and the Chargor and Guarantors shall be solely responsible for the costs of same and the Chargee shall be entitled to a copy of the Audits as and when they are prepared. In the event that the Chargor does not commission the Phase I and/or Phase II Environmental Audits within thirty (30) days of being requested to do so by the Chargee, the Chargee shall have the right to commission such Audits in the name of the Chargor and add the costs thereof to the Indebtedness.

40. CONTINUING SECURITY

The Charge shall, whether or not it secures a current or running account, be a general and continuing security to the Chargee for payment of the Indebtedness and performance of the Chargor's other obligations under the Charge notwithstanding any change or fluctuation in the amount, nature or form of the Indebtedness or in the accounts relating thereto or in the bills of exchange, promissory notes and/or other obligations now or later held by the Chargee representing all or part of the Indebtedness or in the names of the parties to such bills, notes and/or other obligations or that there is no Indebtedness outstanding at any particular time; and the Charge will not be deemed to have been redeemed or become void as a result of any such event or circumstance.

41. DELAY, RELEASES, PARTIAL DISCHARGES, WAIVERS AND AMENDMENTS

The Chargee may release others from any liability to pay all or any part of the Indebtedness without releasing the Chargor. The Chargee may release its interest under the Charge in all or any part of the Property or any lease (or any other collateral) whether or not the Chargee receives any value and shall be accountable to the Chargor only for monies which the Chargee actually receives. If the Chargee releases its interest in part of the Property or any lease, the remainder of the Property and each other lease shall continue to secure the Indebtedness and the Chargor's obligations under the Charge will continue unchanged. The Chargee may grant extensions of time or other indulgences, take and give up securities, accept compositions and proposals, grant releases and discharges and otherwise deal with the Chargor and other persons (including, without limitation, any person to whom all or any part of the Property is transferred) and with any securities as the Chargee may see fit without affecting any of the Chargee's rights or remedies (herein or otherwise) or the Chargor's liability under the Charge (including without limitation the Chargor's liability to pay the Indebtedness). The Chargee may delay enforcing any of its rights under the Charge or any other document under the Charge or any such document without affecting the Chargee's rights in respect of any other existing breach or any subsequent breach of the same or a different nature. No such waiver shall be effective unless made in writing and signed by an officer of the Chargee. No sale or other dealing with all or any part of the Property or any lease, and no amendment of the Charge or any other security, agreement or other instrument or relating to the Indebtedness, will in any way affect the obligation of the Chargor or any other person to pay the Indebtedness.

42. IMPROVEMENTS; DEMOLITION

- (a) In these standard charge terms, the term "Improvement" has the meaning given to it in the Construction Lien Act (Ontario), as amended or replaced from time to time, and includes any alteration, addition or repair to, and any construction, erection, remodelling, rebuilding or installation on or of, any part of the Charged Lands and the demolition or removal of any building or part of any building on the Charged Lands.
- (b) Other than for a Construction Loan, the Chargor covenants and agrees that no Improvement to or on the Charged Lands will be commenced or made by the Chargor or any other person unless the Chargor first provides a copy of all proposed plans, blueprints, contracts and specifications to the Chargee and obtains the Chargee's written consent thereto. The Improvement shall form part of the Charged Lands but, nevertheless, it is expressly agreed that the Charge is not and shall not be a building mortgage as defined under the Construction Lien Act.

43. INVALIDITY

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

44. HEADINGS

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

45. CHARGING OF ADJACENT LANDS

INTENTIONALLY DELETED

46. INTERPRETATION

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

All references herein to the "Chargor", the "Guarantor", or the "Chargee" shall be deemed to mean the Chargor, its successors and assigns, the Guarantor, its successors and assigns, and the Chargee, its successors and assigns, as the case may be, and all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor, the Guarantor, and the Chargee shall be equally binding upon their successors and assigns, as the case may be. It is understood and agreed that in construing this clause, the words "Chargor", "Guarantor", and "Chargee", and the personal pronoun "he" or "his", relating thereto and used therewith, shall be read and construed as "Chargor or Chargors", "Guarantor or Guarantors", "Chargee or Chargees", and "his", "her", "it", "its", or "their" respectively as the number and gender of the party or parties referred to in each case require, and the verb used in relation therewith shall be construed as agreeing with the said word or pronoun so substituted.

47. BONUS ON DEFAULT

UPON DEFAULT of payment of any of the monies secured and payable hereunder, the Chargee shall be entitled to require payment, in addition to all monies hereby secured or payable hereunder, of a bonus equal to three (3) months interest in advance at the rate aforesaid upon the principal money hereby secured or at the Chargee's sole option, a bonus equal to the damages

sustained by the Chargee and made up of the differential between the rate provided for herein and the current interest rate of the Chargee for the balance of the mortgage term.

48. AMENDING THE CHARGE

The Chargee may, from time to time, enter into one or more written agreements with the Chargor (or with any one to whom the Real Property is transferred) to amend the Charge by extending the time for payment, changing the interest rate payable under the Charge or otherwise altering the provisions of the Charge. Whether or not there are any encumbrances on the Real Property in addition to the Charge at the time the agreement is entered into, it will not be necessary to register the agreement on title.

49. ELECTRONIC REGISTRATION

The Chargor and all Guarantors have duly executed an Acknowledgement and Direction and by such execution agree to be bound by this charge and authorize the electronic registration of this Schedule and the document to which it is annexed.

50. INTEREST RATE

If the interest rate is declared by any competent authority to be in breach of the criminal interest rate provisions as set out in the Criminal Code (Canada) the interest rate applicable herein shall be reduced to and shall be deemed to have been since the first advance the highest rate which would be legal.

51. FARM DEBT MEDIATION ACT

The Chargor represents and warrants that it is not a "farmer" within the meaning of the Farm Debt Mediation Act, S.C. 1997, c.21 (the "Act") and covenants and agrees with the Chargee that, in the event that at any time during the term of this Charge the Chargor shall become a "farmer" within the meaning of the Act, it shall forthwith provide written notice of this fact to the Chargee.

52. PAYMENT OF AMOUNTS OWING TO GOVERNMENTAL AUTHORITIES

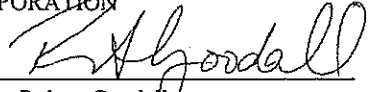
During the term of the Charge and any renewal or extension thereof, the Chargor and/or the Guarantors will pay when due all amounts owing to any governmental authority which, if unpaid, would give such governmental authority recourse for such amounts ranking in priority to the within Charge or any other documents and agreements given by the Chargee to the Chargor in connection with the advance of funds hereunder and the failure to pay any such amount when due will constitute, at the option of the Chargee, a default hereunder.

53. PRIVACY PROVISIONS

- a) The Chargor hereby irrevocably consents to the Chargee releasing and disclosing to any other parties, their authorized agents and solicitors requesting the same, any and all information, whether confidential or not, in its possession regarding the Charged Lands or the within mortgage loan including, without limitation, details of the mortgage loan balance, the terms of this mortgage loan, defaults hereunder (existing or prior) and like matters.
- b) The Chargor hereby confirms and agrees that the release and disclosure of any such information by the Chargee constitutes the release and disclosure of such information with the full knowledge and consent of the Chargor within the meaning of the Personal Information Protection and Electronic Documentation Act (Canada), as amended.
- c) The Chargor hereby authorizes the Chargee to make such inquiries that the Chargee may require in its sole discretion relating to the Chargor or the Charged Lands including, inter alia, inquiries with respect to any existing charges of the Charged Lands.

d) The Chargor hereby releases the Chargee from any and all liabilities, damages, suits, actions, claims, monies and costs arising from (i) the release and disclosure of any such information by the Chargee, and (ii) any breach of the provisions of any applicable laws, including the Personal Information Protection and Electronic Documentation Act (Canada), as amended, provided that the Chargee has acted in accordance with the consent and direction received from the Chargor.

ATRIUM MORTGAGE INVESTMENT CORPORATION

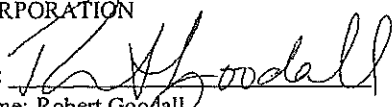
Per: 

Name: Robert Goodall

Title: President

I have authority to bind the Corporation.

CANADIAN MORTGAGE SERVICING CORPORATION

Per: 

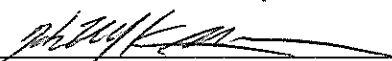
Name: Robert Goodall

Title: President

I have authority to bind the Corporation.

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THIS IS **EXHIBIT " L"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

**UNDERTAKING AND AGREEMENT
TO COMPLETE, FUND COST OVERRUNS AND DEBT SERVICE AGREEMENT**

TO: Centurion Mortgage Capital Corporation (the Lender")

IN CONSIDERATION of the Lender making credit facilities (collectively, the "Loan") available to Terrasan 327 Royal York Rd. Limited (the "Borrower"), pursuant to a letter of commitment dated March 23, 2016 (the "Commitment") issued by the Lender in favour of the Borrower and the payment of Two Dollars (\$2.00) now paid by the Lender to the undersigned and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the undersigned), the undersigned hereby jointly and severally covenant, agree and undertake to and with the Lender to:

- a) complete the Project (as hereinafter defined) and to fund immediately upon demand by the Lender from equity, any and all costs of the Project in excess of the aggregate costs set out in the budget for the Project provided by the Borrower and approved by the Lender's Project Monitor to the Lender and any beneficiaries arising in connection with the Project (collectively, the "Cost-Overruns"), such costs to be based upon invoices provided to, reviewed and approved by the Lender and its Project Monitor; and
- b) meet its covenants and obligations to the Lender, including without limitation, debt servicing obligations of principal and interest payments and the financial covenants, the Lender shall provide written notice of such failure to the Obligor (as hereinafter defined) and the Borrower (the "Notice"). The Notice shall state the amount, as determined by the Lender acting in its sole and unfettered discretion, to enable the Borrower to satisfy its covenants and obligations under the Loan, such capitalization shall be in form and substance satisfactory to the Lender, acting in its sole and unfettered discretion, and shall be advanced forthwith by the Obligor to the Borrower after the issuance of such Notice (collectively, the "Debt Service").

The undersigned hereby jointly and severally acknowledge, confirm, covenant, agree and undertake to and with the Lender as follows:

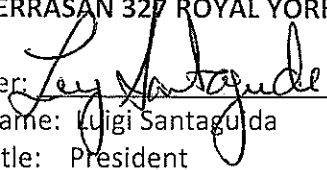
1. "Project" shall mean the development and construction of 242 residential condominium units, 193 residential parking stalls, 116 lockers and 8,245 square feet of retail/commercial space as described in the Commitment on the lands and premises municipally known as 327 Royal York Road, Toronto, Ontario, and as legally described in Schedule "A" hereto, in accordance with the plans, specifications and other material approved by the Lender from time to time.
2. "Obligors" shall mean collectively the Borrower and Luigi Santaguida.
3. The undersigned hereby, jointly and severally, acknowledge and agree that the Borrower shall not be eligible for further draws until such Cost-Overruns and Debt Service are funded and if not funded forthwith, the Borrower will be in default of its covenants and obligations under the Loan and the Lender will be entitled to demand immediate repayment of the Loan and enforce upon any and all security delivered therefor.
4. This Undertaking shall be a continuing undertaking and agreement by the undersigned

to the Lender until all obligations of the Borrower under the Commitment are repaid and satisfied in full and shall apply and have effect notwithstanding default or enforcement of the Lender's security under the Commitment. The Lender shall not be bound to exhaust its recourse against the Borrower or others or any securities it may at any time hold before being entitled to require the undersigned to make payment on account of Cost Overruns and/or Debt Service. This Undertaking is in addition to and not in substitution for any other undertaking, covenant or guarantee given by any of the undersigned, or by whomsoever otherwise given, at any time held by the Lender.

5. This Undertaking shall not be affected by, and shall operate and have effect irrespective of, the rights and interests, direct or indirect, of any of the undersigned in the Borrower, or the Borrower's business or the Project, or any change in such rights or interests at any time, or by any other change in the Borrower or the Borrower's business or the Project at any time.
6. The undersigned agree to be bound by any statement of Cost Overruns or Debt Service issued by the Lender unless it shall be proven subsequently to have been issued in error, and in the meantime, notwithstanding any dispute in the calculation thereof, the undersigned shall not reduce or delay in making any payment required by the Lender to be made pursuant to this Undertaking.
7. The undersigned will promptly satisfy any and all amounts owing to any trades or lien claimants with respect to the Project, will promptly take all necessary steps at their cost to discharge or vacate any and all construction liens and will at all times keep the Project free and clear from all liens and other claims.
8. The undersigned shall be jointly and severally liable to the Lender for all reasonable legal costs (on a solicitor and his own client basis) incurred by or on behalf of the Lender resulting from any action instituted on the basis of this Undertaking.
9. This Undertaking shall extend to and enure to the benefit of the Lender and its successors and assigns, and shall extend to and bind the undersigned and their respective successors and assigns.
10. This Undertaking shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein and the undersigned each irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario.

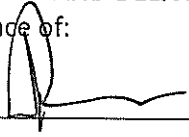
IN WITNESS WHEREOF the undersigned have executed this Undertaking and Agreement as of this day of March, 2016.

TERRASAN 327 ROYAL YORK RD. LIMITED

Per: 
Name: Luigi Santaguida
Title: President

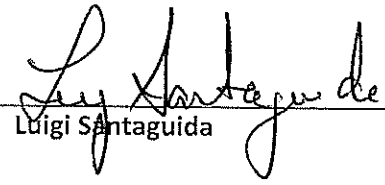
I have authority to bind the Corporation.

SIGNED, SEALED AND DELIVERED
in the presence of:



Witness

)
)
)
)


Luigi Santaguida

SCHEDULE "A"
Legal Description

Municipal Address:

327 Royal York Road, Toronto, Ontario

Legal Description:

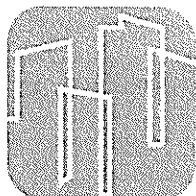
Lots 159, 160 and 161, Plan 164, Etobicoke, City of Toronto, as more particularly described in PIN 07617-0050 (LT)

THIS IS **EXHIBIT " M"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**



CENTURION

MORTGAGE CAPITAL CORPORATION

MORTGAGE INFORMATION STATEMENT

January 24th, 2017

Robins Appleby
Barristers & Solicitors
2600 – 120 Adelaide Street West
Toronto, Ontario
M5H 1T1

Attention: Dominique Michaud

Dear Mr. Michaud:

Re: Borrower Name: Terrasan 327 Royal York Road Limited
Centurion Loan # 103
Security Address: 327 Royal York Road, Toronto, Ontario

This mortgage statement is prepared as of January 24th, 2017 and shows the current balance outstanding for our loan on the above noted property.

Term: 30 Months
Maturity Date: November 1, 2018
Interest Rate: 10.00%

Principal Balance at December 23 rd , 2016:	\$10,903,901.23
Accrued Interest from April 14 th to and including, January 24 th , 2017:	\$ 843,319.76
Total Due on January 24 th , 2017:	\$11,747,220.99

Per Diem Interest: \$3,205.52

Note, this statement does not include legal fees and disbursements and any other costs that may be incurred by the Lender.

Yours truly,

CENTURION MORTGAGE CAPITAL CORPORATION

Maria Accomando
Director, Mortgage Administration & Compliance

E. & O. E.

THIS IS **EXHIBIT " N"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**



ROBINS APPLEBY
BARRISTERS + SOLICITORS

163

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Email and Registered Mail
File No.: 1500489

December 12, 2016

Terrasan 327 Royal York Rd. Limited
93 Skyway Avenue
Suite 210
Toronto, Ontario M9W 6N6

Attention: Luigi Santaguida

Dear Mr. Santaguida:

**RE: DUCA Financial Services Credit Union Ltd. ("DUCA") loan to Terrasan 327
 Royal York Rd. Limited ("Terrasan")**

As you are aware, the loan facilities referenced above have been in default for several months and full notice of the nature of the defaults was previously given to you. Notwithstanding our client's efforts to settle a forbearance arrangement during which time the outstanding defaults would be rectified, the defaults remain outstanding as of the date hereof, without any prospect of rectification.

Please consider this letter as formal demand for repayment of the outstanding indebtedness under the loan facilities as set forth in the Notice of Intention to Enforce Security, plus all legal costs, costs of remediation and enforcement costs. We enclose a copy of our client's Notice of Intention to Enforce Security which outlines the security held, the amount of the indebtedness and outside date to repay all outstanding indebtedness.

Yours very truly,

ROBINS APPLEBY LLP

Per:

Leor Margulies

LM:mk

Encl.

c.c. DUCA (Attn: Cyndy Cayco)
 DUCA (Attn: Francis Sajed)
 DUCA (Attn: Sergiu Cosmin)
 DUCA (Attn: Alida Pellegrino)

robapp\3663046.1

NOTICE OF INTENTION TO ENFORCE SECURITY
(Section 244 of the *Bankruptcy and Insolvency Act*)

TO: **TERRASAN 327 ROYAL YORK RD. LIMITED**, the insolvent corporation
93 Skyway Avenue, Suite 210
Toronto ON M9W 6N6

TAKE NOTICE THAT:

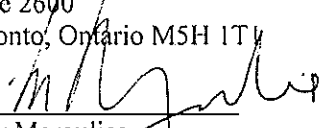
1. DUCA Financial Services Credit Union Ltd. ("DUCA"), a secured creditor, intends to enforce its security on the property of the insolvent person/corporation described as:

Description: Lots 159, 160 and 161, Plan 164, City of Toronto and being the whole of PIN 07617-0050.
2. The security that is to be enforced is described in Schedule "A" attached hereto.
3. The total amount of indebtedness secured by the security as of December 9, 2016 is \$1,573,463.54, plus legal, enforcement and remediation costs, and interest from and including December 9, 2016 at the rate of DUCA Prime Rate plus 3.25% per annum, as set out in Schedules "B1, "B2" and "C" attached hereto.
4. The secured creditor will not have the right to enforce the security until after expiry of the 10-day period following the sending of this notice, unless the insolvent person/corporation consents to an earlier enforcement.

DATED at Toronto, this 12th day of December, 2016.

**DUCA FINANCIAL SERVICES CREDIT UNION
LTD.**

by its lawyers,
ROBINS APPLEBY LLP
120 Adelaide St. West
Suite 2600
Toronto, Ontario M5H 1T4

Per: 
Leor Margulies
File No. 1500489
Phone: 416-360-3372
Fax: 416-868-0306

NOTE: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

SCHEDULE "A"

- 1) Charge/Mortgage of Land between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd., registered on April 14, 2016 as Instrument No. AT4192670;
- 2) Notice of Assignment of Rents between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd., registered on April 14, 2016 as Instrument No. AT4192671;
- 3) General Security Agreement between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd., dated March 30, 2016;
- 4) Financing Statement No. 20160412-1346-1793-2841 (Business Debtor-Terrasan 327 Royal York Rd. Limited);
- 5) Guarantee and Postponement of Claim between Luigi Santaguida and DUCA Financial Services Credit Union Ltd. dated March 30, 2016;
- 6) Environmental Indemnity dated March 30, 2016;
- 7) Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement dated March 30, 2016;
- 8) Pledge of Stated Sum as Cash Collateral dated March 30, 2016 in the amount of \$1,000,000.00;
- 9) Cash Collateral Agreement dated March 30, 2016;
- 10) Letter of Credit Indemnity and Reimbursement Agreement dated March 30, 2016;
- 11) Assignment of Material Contracts between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd. dated March 30, 2016;
- 12) Specific Assignment of Construction Management Contract between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd. dated March 30, 2016;
- 13) General Assignment of Agreements of Purchase and Sale between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd. dated March 30, 2016;
- 14) Specific Assignment of Loan Agreement between Terrasan 327 Royal York Rd. Limited and DUCA Financial Services Credit Union Ltd. dated March 30, 2016, of a loan agreement with J. Paul Fletcher dated February 26, 2014, as amended by the First Amending Agreement dated March 15, 2015 and further amended by the Second Amending Agreement dated June 1, 2015;
- 15) Irrevocable Direction to Schneider Ruggiero LLP dated March 30, 2016;
- 16) Assignment of Insurance Proceeds dated March 30, 2016;



DUCA Financial Services Credit Union Ltd.
5290 Yonge Street, Toronto, ON M2N 5P9
T: (416)223-8838 W: www.duca.com

DISCHARGE STATEMENT

SCHEDULE "B1"

DATE: December 9, 2016

RE: **BORROWER:** Terrasan 327 Royal York Road Limited
ACCOUNT NUMBER: 914670.73 & LC 2016-005
PROPERTY ADDRESS: 327 Royal York Road, Toronto

Principal Balance	\$	1,044,506.00
Accrued Interest to Dec. 13/16	\$	2,043.23
Discharge Fee	\$	500.00
PPSA Discharge Fee	\$	50.00
Registration Fee	\$	75.00
Letter of Credit Cash Collateral**	\$	173,535.00
Interest Penalty	\$	-
TOTAL	\$	1,220,709.23
Per Diem Rate	\$	170.27

** Mortgage Charge also secures Letter of Credit 2016-005 issued to The Corporation of the City of Toronto in the amount of \$173,535.00. Borrower must deliver \$173,535.00 cash to cover the contingent liability.

Funds must be made payable to DUCA FINANCIAL SERVICES CREDIT UNION LTD. and delivered to the attention of the Commercial Mortgage Department at our offices at 5290 Yonge Street, Toronto, ON M2N 5P9.


Please be advised that any monies received in our offices after 2:00 p.m. will be processed on the next business day and will be subject to the applicable per diem rate.

Upon receipt of the "TOTAL" amount indicated on this statement, we will execute a Discharge of Charge. If a registration fee for E-Registration has been charged above, a registered document will be forwarded instead, within a reasonable period of time.

We assume all payments due on or before the Payout Date will be made and honoured.

This statement is only valid for 30 days from the date of this letter. If payout figures are required after this time period, please request another statement.

DUCA FINANCIAL SERVICES CREDIT UNION LTD.


Alida Pellegrino
Vice President, Credit
E.&O.E.


Nov-06



DUCA Financial Services Credit Union Ltd.
5290 Yonge Street, Toronto, ON M2N 5P9
T: (416)223-8838 W: www.duca.com

DISCHARGE STATEMENT

SCHEDULE "B2"

DATE: December 9, 2016

RE: **BORROWER:** Terrasan 327 Royal York Road Limited
ACCOUNT NUMBER: 914670.58 (Swingline)
PROPERTY ADDRESS: 327 Royal York Road, Toronto

Principal Balance	\$	331,880.53
Accrued Interest to Dec. 13/16	\$	680.78
Discharge Fee	\$	-
PPSA Discharge Fee	\$	-
Registration Fee	\$	-
Statement Fee	\$	-
Interest Penalty	\$	-
TOTAL	\$	332,561.31
Per Diem Rate	\$	54.10

Funds must be made payable to DUCA FINANCIAL SERVICES CREDIT UNION LTD. and delivered to the attention of the Commercial Mortgage Department at our offices at 5290 Yonge Street, Toronto, ON M2N 5P9.

Please be advised that any monies received in our offices after 2:00 p.m. will be processed on the next business day and will be subject to the applicable per diem rate.


Upon receipt of the "TOTAL" amount indicated on this statement, we will execute a Discharge of Charge. If a registration fee for E-Registration has been charged above, a registered document will be forwarded instead, within a reasonable period of time.

Limit on Swingline has been cancelled.

We assume all payments due on or before the Payout Date will be made and honoured.

This statement is only valid for 30 days from the date of this letter. If payout figures are required after this time period, please request another statement.

DUCA FINANCIAL SERVICES CREDIT UNION LTD.


Alida Pellegrino
Vice President, Credit
E.&O.E.

Nov-06

SCHEDULE "B3"

BONUS INTEREST UNDER SECTION 17
OF THE MORTGAGES ACT (ONTARIO)

90 days @ \$224.37

\$29,193.30

robapp\3663690.1

SCHEDULE "C"

BONUS INTEREST UNDER SECTION 17
OF THE MORTGAGES ACT (ONTARIO)

90 days @ \$3,012.77

\$271,149.30

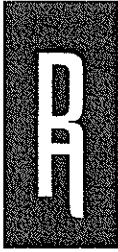
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THIS IS **EXHIBIT " O "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

171

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Email and Registered Mail
File No.: 1600183

December 19, 2016

PERSONAL & CONFIDENTIAL

Terrasan 327 Royal York Rd. Limited
93 Skyway Avenue
Suite 210
Toronto, Ontario M9W 6N6

Attention: Luigi Santaguida

Dear Mr. Santaguida:

**RE: Centurion Mortgage Capital Corporation (the "Lender")
Second Mortgage loan to Terrasan 327 Royal York Rd. Limited ("Terrasan")
pursuant to a commitment letter dated March 30, 2016 (the "Commitment")
On the Go Mimico Project at 327 Royal York Road, Toronto, ON (the "Project")**

As you are aware, Terrasan has been in default with respect to a number of material terms in the Commitment, which were brought to your attention in the enforcement proceedings by DUCA Financial Services Credit Union Ltd. ("DUCA"). We confirm that on behalf of DUCA, Notice of Intention to Enforce Security has been given to you as well as a demand for repayment on the First Mortgage in favour of DUCA. The defaults include, inter alia:

1. You are in default of your First Mortgage arrangements with DUCA which constitutes a breach of the Commitment and the Mortgage provided as security therefor;
2. The unauthorized use of a total of **\$2,395,509** in loan funds previously advanced by Diversified Capital Inc. ("Diversified"), originally earmarked for payment of Project development charges, as part of the Borrower's required equity under the Commitment, which instead were paid to:
 - (i) Santerra Asset Management and Development Company in the amount of \$1,634,200 which did not pay or reimburse Project costs; and
 - (ii) Diversified in the amount of \$761,309.00 in respect of interest costs under their subordinated mortgage, which was not a permitted Project cost.

As a result, the Borrower is in default of its equity requirements by the aforesaid sum of \$2,495,509. The Lender, therefore, requires the deposit of \$2,395,509 to the DUCA



Project account within ten (10) business days in order to satisfy the Borrower's minimum equity requirement under the Commitment.

3. CB Ross Partners (the "**Project Monitor**") had previously identified that there is currently a Project Budget cost overrun in the amount of \$1,460,000.00 in respect of an increase in the development charges in the amount of \$508,000, as a result of the development charges not having been paid prior to the recent increase implemented by the City of Toronto, and increased costs (after applying other savings) in connection with new excavation contract that has been entered into subsequent to the date of the first advance, which sum, as per the Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement dated March 30, 2016, is required to be paid to be paid within fifteen (15) business days, into the DUCA Project account. You were previously given notice of this default under a default letter from our firm on behalf of DUCA dated September 30, 2016 and these overruns have not been deposited into the DUCA Project account as requested.

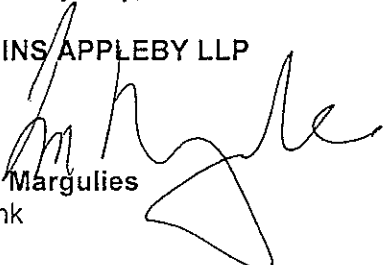
We also understand that further cost overruns have been recently identified by the Project Monitor totalling \$1,253,053.00. This amount as well will have to be paid by you in accordance with the undertaking and agreement to complete Fund Cost Overruns and Debt Service Agreement and is required to be paid within fifteen (15) business days into the DUCA Project account.

As a result of the foregoing defaults, please consider this letter as formal demand for repayment of the outstanding indebtedness under the Loan facilities under the Commitment which as of December 19, 2016 totalled \$11,327,571.78 plus a per diem interest rate of \$3,012.77, plus interest and costs. In this regard, we enclose herewith a Notice of Intention to Enforce Security with respect to the Security outlined in the enclosed Notice. The aforesaid amounts are required to be paid within ten (10) days of the date hereof, failing which the Lender reserves its right to exercise on any or all of the Security held by it as outlined in the enclosed Notice of Intention to Enforce Security.

Yours very truly,

ROBINS APPLEBY LLP

Per:

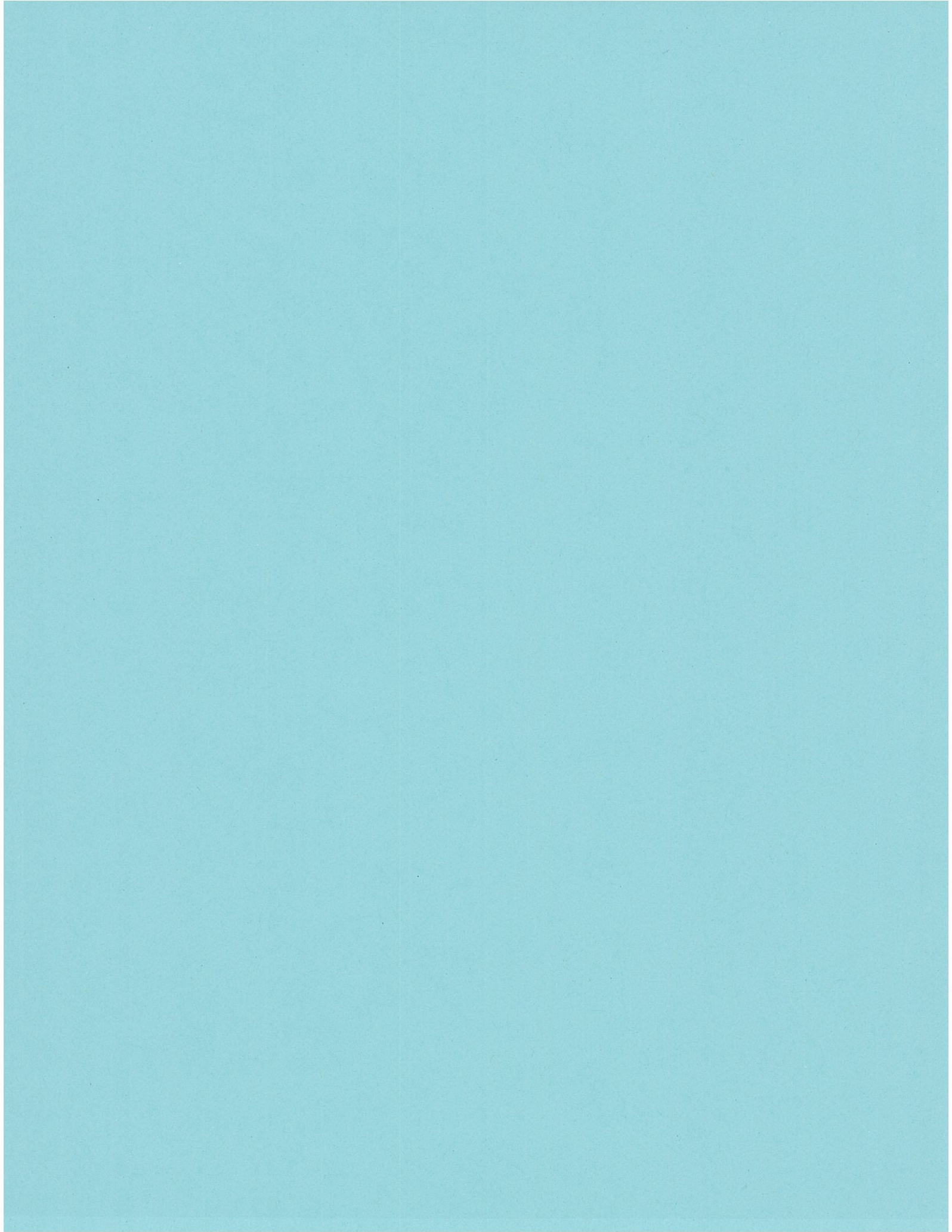

Leor Margulies

LM:mk

Encl.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)

robapp13668829.1





ROBINS APPLEBY
BARRISTERS + SOLICITORS

173

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Email and Registered Mail
File No.: 1600183

December 19, 2016

PERSONAL & CONFIDENTIAL

Mr. Luigi Santaguida
93 Skyway Avenue
Suite 210
Toronto, Ontario M9W 6N6

Dear Mr. Santaguida:

**RE: Centurion Mortgage Capital Corporation (the "Lender")
Second Mortgage loan to Terrasan 327 Royal York Rd. Limited ("Terrasan")
pursuant to a commitment letter dated March 30, 2016 (the "Commitment")
On the Go Mimico Project at 327 Royal York Road, Toronto, ON (the "Project")**

Please find enclosed demand sent to the Borrower in connection with the above noted transaction, pursuant to which you provided a Guarantee dated March 30, 2016 (the "Guarantee").

Please consider this as formal demand for repayment of the indebtedness outlined in the Notice of Intention to Enforce Security, pursuant to your Guarantee.

Yours very truly,

ROBINS APPLEBY LLP

Per:


Leor Margulies

LM:mk

Encl.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)
robapp\3668969.1

THIS IS **EXHIBIT " P"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

NOTICE OF INTENTION TO ENFORCE SECURITY
 (Section 244 of the *Bankruptcy and Insolvency Act*)

TO: **TERRASAN 327 ROYAL YORK RD. LIMITED**, the insolvent corporation
 93 Skyway Avenue, Suite 210
 Toronto ON M9W 6N6

TAKE NOTICE THAT:

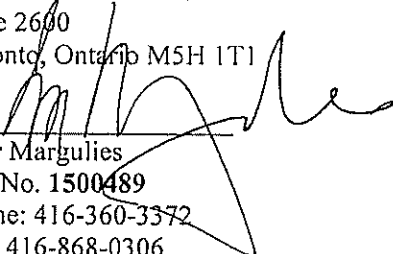
1. Centurion Mortgage Capital Corporation ("**Centurion**"), a secured creditor, intends to enforce its security on the property of the insolvent person/corporation described as:

 Description: Lots 159, 160 and 161, Plan 164, City of Toronto and being the whole of PIN 07617-0050.
2. The security that is to be enforced is described in Schedule "A" attached hereto.
3. The total amount of indebtedness secured by the security as of December 19, 2016 is \$11,327,571.78, plus legal, enforcement and remediation costs, and interest from and including December 19, 2016 at the rate of ten (10%) per cent, per annum, as set out in Schedules "B" and "C" attached hereto.
4. The secured creditor will not have the right to enforce the security until after expiry of the 10-day period following the sending of this notice, unless the insolvent person/corporation consents to an earlier enforcement.

DATED at Toronto, this 19th day of December, 2016.

**CENTURION MORTGAGE CAPITAL
 CORPORATION**

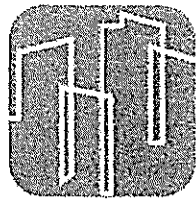
by its lawyers,
ROBINS APPLEBY LLP
 120 Adelaide St. West
 Suite 2600
 Toronto, Ontario M5H 1T1

Per: 
 Leor Margulies
 File No. 1500489
 Phone: 416-360-3372
 Fax: 416-868-0306

NOTE: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

SCHEDULE "A"

- 1) Charge/Mortgage of Land between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation, registered on April 14, 2016 as Instrument No. AT4192730;
- 2) Notice of Assignment of Rents between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation, registered on April 14, 2016 as Instrument No. AT4192731;
- 3) General Security Agreement between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation, dated March 30, 2016;
- 4) Financing Statement No. 20160412-1404-1793-2842 (Business Debtor-Terrasan 327 Royal York Rd. Limited);
- 5) Guarantee and Postponement of Claim between Luigi Santaguida and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 6) Environmental Indemnity dated March 30, 2016;
- 7) Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement dated March 30, 2016;
- 8) Acknowledgment and Direction with respect to the Pledge of Stated Sum as Cash Collateral given to DUCA Financial Services Credit Union, dated March 30, 2016 in the amount of \$1,000,000.00;
- 9) Assignment of Material Contracts between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 10) Specific Assignment of Construction Management Contract between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 11) General Assignment of Agreements of Purchase and Sale between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 12) Specific Assignment of Loan Agreement between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016, of a loan agreement with J. Paul Fletcher dated February 26, 2014, as amended by the First Amending Agreement dated March 15, 2015 and further amended by the Second Amending Agreement dated June 1, 2015;
- 13) Irrevocable Direction to Schneider Ruggiero LLP dated March 30, 2016;
- 14) Assignment of Insurance Proceeds dated March 30, 2016;



CENTURION

MORTGAGE CAPITAL CORPORATION

DISCHARGE STATEMENT

December 14th, 2016

Terrasan 327 Royal York Road Limited
 93 Skyway Avenue
 Suite # 210
 Toronto, Ontario
 M9W 6N6

Attention: Luigi Santaguida

Dear Mr. Santaguida:

Re: Borrower Name: Terrasan 327 Royal York Road Limited
 Centurion Loan # 103
 Security Address: 327 Royal York Road, Toronto, Ontario

This discharge statement is prepared as of December 14th, 2016 and is valid until December 31st, 2016.

Term: 30 Months
 Maturity Date: November 1, 2018
 Interest Rate: 10.00%

Principal Balance at April 14 th , 2016:	\$10,326,957.00
Accrued Interest from April 14 th to and including, Dec. 14 th , 2016:	\$ 713,901.63
Discharge/Admin Fee:	<u>\$ 500.00</u>
Total Due on December 14 th , 2016:	<u>\$11,041,358.63</u>

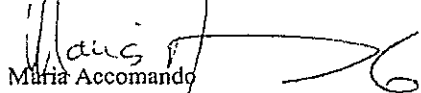
Per Diem Interest: \$3,012.77

Note: Interest must be added at the rate of \$3,012.77 per day from December 14th, 2016, until the date that certified funds are received by Centurion Mortgage Capital Corporation. All funds must be received in our offices by not later than 1:00 p.m. on the discharge date.

Note, this statement does not include legal fees and disbursements and any other costs that may be incurred by the Lender.

Yours truly,

CENTURION MORTGAGE CAPITAL CORPORATION


 Maria Accomando
 Director, Mortgage Administration & Compliance

E. & O. E.

THIS IS **EXHIBIT " Q"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

Properties

PIN 07617 - 0050 LT *Interest/Estate* Fee Simple
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO; SUBJECT TO AN
EASEMENT AS IN AT3989173
Address 327 ROYAL YORK RD
ETOBICOKE

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 TERRASAN 327 ROYAL YORK RD. LIMITED
Address for Service Suite 210
93 Skyway Avenue
Toronto, ON M9W 6N6

I, Luigi Santaguida, President, have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Address for Service 5290 Yonge Street
Toronto ON
M2N 5P9

Statements

Schedule: See Schedules

Provisions

Principal \$38,700,000.00 *Currency* CDN
Calculation Period monthly, not in advance
Balance Due Date On Demand
Interest Rate Prime + 3.25% per annum
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount full insurable value
Guarantor

Signed By

Cindy Marie Applegath 2600-120 Adelaide St. West acting for Chargor Signed 2016 04 14
Toronto (s)
M5H 1T1

Tel 416-868-1080
Fax 416-868-0306

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

Submitted By

ROBINS APPLEBY LLP 2600-120 Adelaide St. West 2016 04 14
Toronto
M5H 1T1

Tel 416-868-1080

Submitted By

Fax 416-868-0306

Fees/Taxes/Payment

Statutory Registration Fee	\$62.85
Total Paid	\$62.85

THIS IS **EXHIBIT " R"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

Properties

PIN 07617 - 0889 LT
Description LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO
Address ETOBICOKE

Document to be Discharged

Registration No.	Date	Type of Instrument
AT4192670	2016 04 14	Charge/Mortgage

Discharging Party(s)

This discharge complies with the Planning Act. This discharge discharges the charge.

Name DUCA FINANCIAL SERVICES CREDIT UNION LTD.
Address for Service 5290 Yonge Street
 Toronto, ON M2N 5P9

I, ALIDA PELLEGRINO, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.
 The party giving this discharge is the original chargee and is the party entitled to give an effective discharge

Document(s) to be Deleted

Registration No.	Date	Type of Instrument
AT4192671	2016/04/14	Notice Of Assignment Of Rents-General

Statements

This document relates to registration no.(s)AT4192671

Signed By

Sue Di Gironimo 5290 Yonge Street acting for Signed 2017 01 03
 Toronto Applicant(s)
 M2N 5P9

Tel 416-223-8502

Fax 416-221-2293

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

Submitted By

DUCA FINANCIAL SERVICES CREDIT UNION LTD 5290 Yonge Street 2017 01 03
 Toronto
 M2N 5P9

Tel 416-223-8502

Fax 416-221-2293

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

File Number

Discharging Party Client File Number : 914670.73

THIS IS **EXHIBIT " S"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

Properties

PIN 07617 - 0050 LT
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO; SUBJECT TO AN EASEMENT AS IN AT3989173
Address 327 ROYAL YORK RD
ETOBICOKE

Source Instruments

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
AT3235332	2013 02 12	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name VECTOR FINANCIAL SERVICES LIMITED
Address for Service 25 Imperial Street
Suite 500
Toronto ON M5P 1B9

I, Mickey Baratz, A.S.O., have the authority to bind the corporation.
This document is not authorized under Power of Attorney by this party.

Transferee(s)	Capacity	Share
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<i>Name</i>	DIVERSIFIED CAPITAL INC.
<i>Address for Service</i>	1243 Islington Avenue Suite 701 Toronto ON M8X 1Y9

Statements

The chargee transfers the selected charge for \$7,757,700
This document relates to registration no.(s)AT3685946 and AT3793278

Signed By

Kevin Bruce Milburn	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Transferor(s)	Signed	2015 10 14
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Tel 416-363-2211
Fax 416-363-0645

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

Kevin Bruce Milburn	1000-120 Adelaide St. W. Toronto M5H 3V1	acting for Transferee(s)	Signed	2015 10 14
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Tel 416-363-2211
Fax 416-363-0645

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

Submitted By

SCHNEIDER RUGGIERO LLP	1000-120 Adelaide St. W. Toronto M5H 3V1			2015 10 14
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Tel 416-363-2211
Fax 416-363-0645

Fees/Taxes/Payment

<i>Statutory Registration Fee</i>	\$60.00
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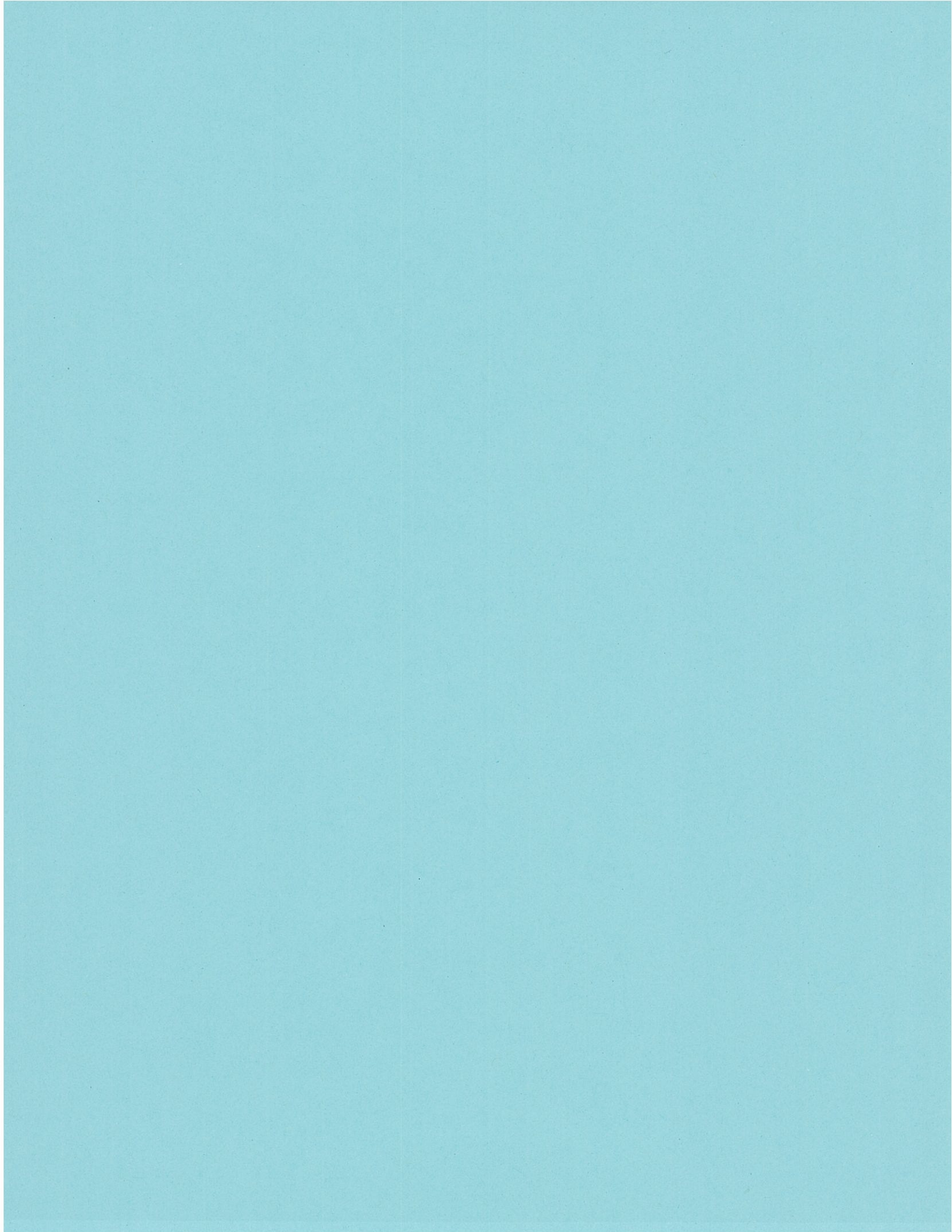
The applicant(s) hereby applies to the Land Registrar.

Fees/Taxes/Payment

Total Paid \$60.00

File Number

Transferee Client File Number : 38068/BM



Properties

PIN 07617 - 0050 LT *Interest/Estate* Fee Simple
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO
Address 327 ROYAL YORK RD
 ETOBICOKE

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 TERRASAN 327 ROYAL YORK RD. LIMITED
Address for Service 93 Skyway Avenue
 Suite 104
 Toronto, ON M9W 6N6

I, Luigi Santaguida, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name VECTOR FINANCIAL SERVICES LIMITED
Address for Service 25 Imperial Street
 Suite 500
 Toronto, Ontario
 M5P 1B9

Statements

Schedule: See Schedules

Provisions

Principal \$7,700,000.00 *Currency* CDN
Calculation Period monthly
Balance Due Date 2014/05/10
Interest Rate See Schedule
Payments
Interest Adjustment Date 2012 10 10
Payment Date 10th day of each month
First Payment Date 2012 11 10
Last Payment Date 2014 05 10
Standard Charge Terms SCHEDULE
Insurance Amount full insurable value
Guarantor Luigi Santaguida

Signed By

Gerald Lawrence Warner 1000-120 Adelaide St. W. acting for Chargor Signed 2013 02 11
 Toronto (s)
 M5H 3V1

Tel 4163632211

Fax 4163630645

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

Submitted By

BAKER SCHNEIDER RUGGIERO LLP 1000-120 Adelaide St. W. 2013 02 12
 Toronto
 M5H 3V1

Tel 4163632211

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

Submitted By

Fax 4163630645

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

SCHEDULE

PAYMENT PROVISIONS

PROVIDED that the Charge is to be void upon payment to the Chargee at its office in Toronto, Ontario, or at such other place as the Chargee may from time to time designate of the sum of SEVEN MILLION SEVEN HUNDRED THOUSAND (\$7,700,000.00) DOLLARS of lawful money of Canada with interest thereon as hereinafter set out, or as otherwise provided for by the terms of this Charge as follows:

The Principal Amount of SEVEN MILLION SEVEN HUNDRED THOUSAND (\$7,700,000.00) DOLLARS shall become due and payable on the 10th day of May, 2014.

Interest shall be paid at the rate of eight point thirty eight (8.38%) percent per annum calculated and compounded monthly, not in advance, as well after as before maturity and both before and after default and judgment, on such portion of the principal as remains from time to time unpaid on 10th day of each month during the term herein, through April 9, 2014.

Thereafter, for the balance of the term herein, commencing as of April 10, 2014, interest shall accrue at the greater of: (i) the rate of 10% per annum, calculated and compounded monthly; or, (ii) at the rate of the Prime Interest Rate of the Canadian Imperial Bank of Commerce plus 7% per annum, calculated and compounded monthly; either rate, not in advance, as well after as before maturity and both before and after default and judgment on such portion of the principal as remains from time to time unpaid on the 10th day of each month until the principal is fully paid. For the purposes of this section, "Prime Interest Rate of the Canadian Imperial Bank of Commerce" shall mean the rate posted by the Canadian Imperial Bank of Commerce for commercial loans of a nature similar to the loan herein, at such branch of the Canadian Imperial Bank of Commerce as selected by the Chargee.

Interest shall commence to accrue at the aforesaid rate of 8.38% per annum from the date of the first advance of the said principal funds hereunder until the 10th day of October, 2012 (the "Interest Adjustment Date") and be paid from said advance. The next payment of interest computed from the 10th day of October, 2012 shall become due and payable on the 10th day of November, 2012.

Thereafter, payments of interest only, calculated as set out above, shall be payable on the 10th day of each month during the term herein.

PROVIDED that this mortgage shall be closed for the first six (6) months following the Interest Adjustment Date herein. Thereafter, when not in default hereunder, the Chargor shall have the privilege on any interest payment date of pre-paying the whole of the principal amount herein together with accrued interest thereon, on two (2) months' written notice to the Chargee delivered after April 9, 2013.

1. STATUTORY COVENANTS

THE IMPLIED COVENANTS deemed to be included in a Charge pursuant to Section 7(1) of the Land Registration Reform Act (as varied herein) shall be in addition to, and not in substitution for, the covenants and other provisions set forth in the Charge. In the event of any conflict between any such implied covenants (as varied herein) and any other covenant or provision of the Charge, such covenant or provision as herein contained shall prevail. The lands which shall be subject to this Charge and the lands against which this Charge shall be registered shall hereinafter be referred to as the "said lands" or the "lands" or the "Property". The parties guaranteeing the obligations of the Chargor shall hereinafter be referred to as the "Guarantors" and if a single party is guaranteeing those obligations, he or she shall hereinafter be referred to as the "Guarantor".

2. PROVISIO FOR REDEMPTION

PROVIDED this Charge shall be void upon payment of the principal sum herein, in lawful money of Canada with interest as herein provided and taxes and performance of statute labour and performance of all covenants in this Charge. The principal sum secured hereunder together with interest thereon and all other sums payable by the Chargor hereunder shall collectively be referred to as the "Indebtedness".

3. RELEASE

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

4. ADVANCE OF FUNDS

R:\Clients O to Z\Vector\Vector Financial Services\327 Royal York Road Inc. 36057\Documents\Revised Page 1 of Mortgage Schedule.docx

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

5. CHARGOR'S COVENANTS

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

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

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

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

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

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

AND THAT THE CHARGOR will not permit or grant any subsequent encumbrances except as permitted by any Chargees with Charges in priority to this Charge, and the Chargor further covenants that no interest shall be paid (but may be accrued) on any such subsequent mortgages until such time as the Charge herein is repaid in full.

6. INSURANCE

AND THAT the said Chargor covenants and agrees that it will insure and keep insured during the term of this Charge the buildings on the said lands (now or hereafter erected) on an all-risk basis including earthquake if requested by the Chargee in an amount of not less than the greater of the full replacement value of the buildings located thereon from time to time, or the principal money secured herein, with no co-insurance provisions and with the Chargee's standard mortgage clause forming part of such insurance policy and with such insurance to include liability insurance and business interruption insurance if required by the Chargee. All such policies shall provide for loss payable to the Chargee and contain such clauses, coverages and provisions as the Chargee or its insurance consultant may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been initiated and/or extended for a minimum period of at least one year and that all premiums with respect to such term of coverage have been paid for in full, shall be produced to the Chargee prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Chargee may provide therefor and charge the premium paid therefor and interest thereon at the aforesaid rate to the Chargor and any amounts so paid by the Chargee shall be payable forthwith to the Chargee and shall also be a charge upon the said lands secured by this Charge.

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

coverage.

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

7. UTILITIES

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

8. TAXES

WITH respect to municipal taxes, school taxes and local improvement rates and charges (herein referred to as "taxes") chargeable against the said lands, the Chargor covenants and agrees with the Chargee that the Chargee may deduct from any advance of the monies secured by this Charge an amount sufficient to pay the taxes which have become due and payable during any calendar year.

Upon the Chargor being in default hereunder, the Chargee may do any of the following, and the following shall apply at the Chargee's option:

- (a) The Chargee may at its sole option estimate the amount of taxes chargeable against the said lands and payable in each year and the Chargor shall forthwith upon the demand of the Chargee pay to the Chargee one-twelfth (1/12) of the estimated annual amount of such taxes on each monthly payment date during the term of this Charge. The Chargee shall apply such payments to the taxes so long as the Chargor is in default, and as such taxes become due and payable. Provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on account of taxes, and if before such payments have been so applied by the Chargee there shall be default by the Chargor hereunder, the Chargee may at its option apply such sum or sums in or towards curing the default. In no event shall the Chargee be liable for any interest on any amount paid to it and the monies so received may be held with its own funds pending payment or application thereof.
- (b) In the event that the taxes actually charged in a calendar year, together with any interest and penalties thereon, exceed the amount estimated by the Chargee as aforesaid, the Chargor shall pay to the Chargee, on demand, the amount required to make up the deficiency.
- (c) The Chargor shall transmit to the Chargee the assessment notices, tax bills and other notices affecting the imposition of taxes upon the said lands forthwith after receipt, together with such receipts or evidence of payment of taxes as the Chargee may require in the event the Chargor pays taxes directly to the taxing authority.
- (d) The Chargor shall pay to the Chargee, in addition to any other amounts required to be paid hereunder, the amount required by the Chargee in its sole discretion for a reserve on account of future tax liabilities.
- (e) The Chargor shall in all instances be responsible for the payment of any and all penalties resulting from any late payment of current tax instalments or any arrears of taxes, and at no time shall such penalty be the responsibility of the Chargee.

9. COMPLIANCE WITH LAWS AND REGULATIONS

THE CHARGOR covenants and agrees that it will promptly observe, perform, execute and comply with all

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

10. REPAIR

THE CHARGOR covenants and agrees that it will keep the said lands, including the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof, and the Chargee may, whenever it deems necessary, enter upon and inspect the said lands, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Chargor neglects to keep the said lands in good condition and repair, or commits or permits any act of waste on the said lands (as to which the Chargee shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the Charge shall, at the option of the Chargee, forthwith become due and payable in full, and the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Chargee may make such repairs as it deems necessary, and the costs, charges and expenses including servicing fees for the time and services of any employee of the Chargee with interest at the rate aforesaid shall be added to the monies hereby secured and shall be payable forthwith and be a charge upon the lands prior to all claims thereon subsequent to this Charge. Notwithstanding the foregoing, the Chargee acknowledges that the Chargor shall have the right to demolish the building currently erected at 3 Hamilton Street, Toronto, without the Chargor being in default hereunder.

11. ALTERATIONS OR ADDITIONS

THE CHARGOR covenants and agrees that it will not make or permit to be made any alterations or additions to the said lands without the prior written consent of the Chargee, which consent shall not be unreasonably withheld.

12. LANDS INCLUDE ALL ADDITIONS

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

13. CHANGE OF USE

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

14. ENVIRONMENTAL COMPLIANCE

- (a) The Chargor expressly covenants and represents to the Chargee that the Property, or any part thereof, does not contain, nor will in the future contain any Hazardous Substances (as hereinafter defined). Neither the Chargor nor any lessee, licensee or any other party acting at the direction of or with the consent of the Chargor or said lessee or said licensee, has manufactured, treated, stored or disposed of Hazardous Substances on the Property. The Chargor covenants that it is in material compliance with and maintains compliance with all of the provisions of the Environmental Protection Act and all other applicable federal, provincial and local laws, administrative rulings, and regulations of any court, administrative agency or other governmental or quasi-governmental authority relating to the protection of the environment. For purposes hereof, the term "Hazardous Substances" means any one or more of the following: (i) any substance deemed hazardous under the Environmental Protection Act; (ii) any other substance deemed hazardous by the Ministry

- of the Environment; (iii) petroleum (including crude oil or any fraction thereof); or (iv) any other hazardous or toxic substance, material, compound, mixture, solution, element, pollutant or waste regulated under any federal, provincial or local statute, ordinance or regulation, including without limiting the generality of the foregoing, urea formaldehyde foam insulation;
- (b) The Chargor shall immediately advise the Chargee in writing of (i) any and all enforcement, cleanup, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any applicable federal, provincial or local laws, ordinances, or regulations relating to any Hazardous Substances affecting the Property (the "Hazardous Substances Laws"); (ii) all claims made or threatened by any third party against the Chargor or the Property relating to damage, contribution, cost recovery compensation, loss or injury (the matters set forth in subsections (i) and (ii) above are collectively referred to herein as the "Hazardous Substances Claims"); and (iii) the Chargor's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Property that could cause the Property, or any part thereof, to be subject to any restriction on the ownership, occupancy, transferability, or use of the Property under any Hazardous Substances Laws;
- (c) The Chargee shall have the right to join and participate in, as a party if it so elects, any legal proceedings or actions initiated in connection with any Hazardous Substances Claims and to have its solicitor's fees and costs (at all trial, appellate and bankruptcy levels) in connection therewith paid by the Chargor;
- (d) The Chargor shall not, without the Chargee's prior written consent, take any remedial action in response to the presence of any Hazardous Substances on, under or about the Property, nor enter into any settlement agreement, or other compromise in respect to any Hazardous Substances Claims, which remedial action, settlement, consent or compromise might, in the Chargee's sole judgment, impair the value of the Chargee's security under this Charge; provided, however, that the Chargee's prior written consent shall not be necessary in the event that the presence of Hazardous Substances on, under or about the Property either poses an immediate threat to the health, safety or welfare of any individual or is of such a nature that an immediate remedial response is necessary and it is not possible to obtain the Chargee's consent before taking such action, provided that in such event the Chargor shall notify the Chargee as soon as practicable of any action so taken. The Chargee agrees not to withhold its consent, when such consent is required hereunder, if either (i) a particular remedial action is ordered by a court of competent jurisdiction, or (ii) the Chargor establishes to the satisfaction of the Chargee that there is no alternative to such remedial action which would result in the impairment of the Chargee's security under this Charge or any other loan documents;
- (e) The Chargor shall be solely responsible for, and shall fully and promptly pay, perform, discharge, defend and indemnify and hold harmless the Chargee, its directors, officers, employees, agents, successors and assigns, from and against all loss, damage, claims, liabilities, orders, demands, actions, proceedings, or suits, and all losses, costs, fines, penalties, charges, damages or expenses (including, but not limited to, court costs, technical consultant fees and expenses, and solicitor's fees and expenses (at all trial, appellate and bankruptcy levels) arising directly or indirectly, in whole or in part, out of: (i) the presence on or under the Property of any Hazardous Substances; (ii) any activity carried on or undertaken on or off the Property, whether prior to or during the terms of this Charge, and whether by the Chargor or any predecessor in title, or third persons at any time occupying or present on the Property, in connection with the use, generation, treatment, decontamination, handling, removal, storage, clean-up, transport or disposal of any Hazardous Substances at any time located or present on or under the Property; and (iii) any act, occurrence, or omission in violation of or contrary to the representations and warranties made herein;
- (f) The Chargor agrees at all times to comply fully and in a timely manner with, and to cause all tenants, employees, agents, contractors, and subcontractors of the Chargor and any other persons occupying or present on the Property to so comply with, all applicable federal, provincial and local laws, regulations, guidelines, codes and ordinances applicable to the use, generation, handling, storage, treatment, transport and disposal of any Hazardous Substances now or hereafter located or present on or under the Property, and the Chargor agrees to indemnify and hold harmless the Chargee from and against any and all claims, losses, damages, liabilities, fines, penalties, charges, administrative and

judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including, but not limited to, solicitor's fees and expenses through all appellate levels), arising directly or indirectly, in whole or in part, from any failure of the Chargor, its employees, agents, tenants, contractors, subcontractors, or other such persons, to comply with any such laws, regulations, guidelines, codes or ordinances;

- (g) The foregoing environmental obligations of the Chargor shall survive the term of this Charge, any foreclosure of this Charge or any transfer of the Property, and shall be enforceable against the Chargor in addition to all other obligations of the Chargor hereunder.

15. EVENTS OF DEFAULT

Without limiting any of the provisions of this Charge, each of the following events shall be considered events of default hereunder upon the happening of which the whole of the principal sum outstanding and all interest accruing thereon shall, at the Chargee's option, immediately become due and payable without notice or demand in respect of Subsections (b) to (k) hereafter and with respect to Subsection (a) hereafter, in the event that the Chargor has not made remittance of the amount in default by certified funds payable to the Chargee within three (3) days after notice of the default has been delivered by the Chargee to the Chargor:

- (a) Failure of the Chargor or Guarantor or any of them to pay any instalment of principal, interest and/or taxes under this Charge or under any charge or other encumbrance on the said lands, on the date upon which any of the payments for same become due;
- (b) Failure of the Chargor or Guarantor to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application for this Charge or the letter of commitment for the loan secured by this Charge, the provisions of this Charge, or any other document giving contractual relationship as between the Chargor and Chargee herein, or if it is found at any time that any representation to the Chargee with respect to the loan secured by this Charge or in any way related thereto is incorrect or misleading.
- (c) Default by the Chargor in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the said lands, whether or not it has priority over this Charge.
- (d) The registration of any construction lien against the said lands which is not discharged within a period of ten (10) days after the date of notice of registration thereof, or the filing of a writ of execution in the hands of the sheriff in the judicial district where the lands are situate.
- (e) The Property is abandoned, any act of waste is committed as to all or any part of the Property, or any building or other structure now or later being erected on the Property remains unfinished and without any work being done on it for a period of ten consecutive days.
- (f) In the opinion of the Chargee, there is a change in effective control of the Chargor (if the Chargor is a corporation) without the written approval of the Chargee, such approval not to be unreasonably withheld.
- (g) Any order is made or resolution passed for the winding-up, liquidation or other dissolution of the Chargor (if the Chargor is a corporation), or there is a change in the membership or a dissolution of the Chargor (if the Chargor is a partnership).
- (h) The Chargor or Guarantor makes an assignment for the benefit of creditors or any proceedings shall be instituted by or against the Chargor or Guarantor seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding-up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or other similar law or seeking the appointment of a receiver, receiver and manager, trustee, custodian or other similar official for it or for any of its property (excluding proceedings which are being contested by the Chargor in good faith, which have been outstanding for fewer than 30 days and in respect of which any enforcement proceedings are stayed), or the Chargor or Guarantor is declared bankrupt or a receiver, receiver and manager, trustee,

custodian or other similar official is appointed of it or in respect of all or any part of the Property, or power of sale or foreclosure proceedings are commenced against all or any part of the Property.

- (i) Another encumbrancer takes possession of all or any part of the Property or a distress or execution or other similar process is brought against the Property or any such part.
- (j) All or any substantial part of the Property is expropriated.
- (k) The use, storage or discharge onto the Property of any material or contaminant or the discovery of any of such material or contaminant whether caused by the Chargor or not, that violates the Environmental Protection Act or any other municipal, provincial or federal environmental health law or regulation.

16. REMEDIES ON DEFAULT

In any of the events or circumstances set out in paragraph 15 has occurred and is continuing, the Chargee may (but shall have no obligation to), from time to time and in any order, separately or in combination, and after giving the minimum notice, if any, required by applicable law and obtaining court approval where necessary, enforce any one or more of the following remedies:

- (i) sue the Chargor and/or any other party liable for all or any part of the Indebtedness;
- (ii) distrain for arrears of all or any part of the Indebtedness;
- (iii) take judicial proceedings to foreclose the Chargor's and/or any other person's interest in all or any part of the Property or any lease, to take possession of it and/or to sell, lease or otherwise deal with it;
- (iv) enter on and take possession of all or any part of the Property;
- (v) sell and/or lease all or any part of the Property or sell the unexpired term of years demised by any lease;
- (vi) assign any lease and sell the last day of the term granted by the lease and/or remove the Chargor or any other person from being a trustee of the last day of the term of any lease and appoint a new trustee or trustees in its place;
- (vii) appoint in writing a receiver (which term as used herein includes a receiver and manager) of all or any part of the Property and the rents and other income thereof and from time to time remove any receiver and appoint another in its place, or in the alternative appoint a property manager;
- (viii) exercise in respect of each insurance policy, insurance trust agreement, lease, rent and benefit assigned to the Chargee the remedies exercisable by the Chargee in respect of all or any part of the Property; and
- (ix) exercise any other rights or remedies which the Chargee may have, whether pursuant to the charge, at law, in equity, by contract or otherwise.

17. SALE OR CHANGE OF CONTROL

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

PROVIDED further that no permitted sale or other dealing by the Chargor with the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as

against the Chargor or any other person liable for payment of the monies hereby secured.

18. DEFAULT

PROVIDED that the Chargee may, on default of payment or default in the performance of any covenant in this Charge contained or implied by law or statute for fifteen (15) days, on seven (7) days' notice, enter on and lease the said lands or in default of payment or in default in performance of any covenant in this Charge contained or implied by law or statute for at least fifteen (15) days may, on at least thirty-five (35) days notice sell the said lands. Such notice shall be given to such persons and in such manner and form and within such time as provided under the Mortgages Act, as amended from time to time. In the event that the giving of such notice shall not be required by law, or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the said lands, if occupied, or by placing it on the said lands, if unoccupied or, at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in the newspaper published in the county or district in which the lands are situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person who may be affected thereby may be unknown, unascertained, or under disability. If there be legal personal representatives of the Chargor on the death of the Chargor, such notice may, at the option of the Chargee, be given in any of the above modes or by personal service upon such representatives.

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

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

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

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

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

PROVIDED that in default of payment of the Indebtedness, the Chargee may distrain for payment of same upon the Property any part thereof and all chattels situated thereon and by distress warrant recover, by way of rent reserved from the lands so much moneys as shall from time to time be or remain in arrears and all costs, charges and expenses incurred by or on behalf of the Chargee with respect to or in connection therewith as in like cases of distress for rent. The Chargor waives the right to claim exceptions and agrees that the Chargee shall not be limited in the amount for which it may distrain.

PROVIDED that to the extent the lands or any part thereof is not residential premises so as to be subject to the provisions of the Landlord and Tenant Act, the Chargor hereby attorns to and becomes a tenant of the Property to the Chargee from year to year from the day of the execution of the Charge during the term of the Charge and any renewal or renewals thereof at a rental equivalent to and applicable in satisfaction of the interest payments forming part of the Indebtedness, the legal relation of landlord and tenant being hereby constituted between the Chargee and the Chargor in regard to the Property. It is agreed that neither the existence of this provision nor anything done by virtue hereof shall render the Chargee accountable for any moneys except those actually received by it and the Chargee may, on default of payment or in breach of any of the covenants contained or included in the Charge, enter on the Property and determine the tenancy hereby created without notice.

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

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

PROVIDED that, until default hereunder, the Chargor shall have quiet possession of the said lands.

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

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

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

19. INSPECTION

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

20. TAKING OF JUDGMENT NOT A MERGER

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

21. RENEWAL OR EXTENSION OF TIME

NO renewal or extension of the term of this Charge given by the Chargee to the Chargor, or anyone claiming under him, or any other dealing by the Chargee with the owner of the equity of redemption of said lands shall in any way affect or prejudice the rights of the Chargee against the Chargor or any person liable for the payment of the monies hereby secured, and this Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest, or amended from time to time as to any of its terms, including, without limitation, an increase of interest rate or principal amount, notwithstanding that there may be subsequent encumbrancers. And it shall not be necessary to register any such agreement in order to retain priority for this Charge so altered over any instrument registered subsequent to this Charge.

PROVIDED that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

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

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

22. CONSTRUCTION LIENS

THE CHARGOR and Chargee hereby acknowledge, confirm and agree that the funds committed by the Chargee to the Chargor pursuant to this loan are not intended to be utilized for the purposes of securing financing of any improvements whatsoever with regard to the subject lands on the security of which the funds shall be advanced pursuant to this Charge, nor for the purposes of repaying any financing, charge or otherwise, which was utilized or intended for the financing of an improvement with regard to the subject lands, and accordingly, it is not the intention for the security to be taken pursuant to the letter of commitment to be a "Building Mortgage" within the definition of the Construction Lien Act or a charge taken out to repay a "Building Mortgage" within the meaning of the Construction Lien Act.

IN THE EVENT that the funds committed by the Chargee to the Chargor pursuant to this loan are intended to be utilized for the purpose of securing financing of an improvement with regard to the subject lands, then the following provisions shall apply:

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

any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation.

The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Lien Act, as amended.

23. EXPROPRIATION

IF the said lands or any part thereof shall be expropriated by any government, authority, body or corporation clothed with the powers of expropriation, the principal sum herein remaining unpaid shall, at the option of the Chargee, forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus to be determined by the Chargee which shall not be limited to but may, at the option of the Chargee, be equal to the aggregate of (a) three months interest at the said rate calculated on the amount of the principal remaining unpaid AND (b) one month's interest at the rate provided for herein calculated on the principal remaining unpaid, for each full year of the term of this Charge or any part of such year from the said date of payment to the date the said principal sum or balance thereof remaining unpaid would otherwise under the provisions of this Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Chargee at its option in priority to the claims of any other party.

24. PRE-AUTHORIZED CHEQUING PLAN

PROVIDED that all payments made under this Charge by the Chargor shall be made by pre-authorized mortgage payment plan or, at the Chargee's option, by post-dated cheques which shall be provided annually for the next ensuing twelve (12) payments and thereafter on each anniversary date thereon in each year for the duration of the term of this Charge. The Chargee shall not be obligated to accept any payment excepting payment made by pre-authorized cheque or post-dated cheque. Failure to make all payments in the manner required by the Chargee shall be an act of default and the Chargee shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

25. PAYMENT

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

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

26. NO DEEMED RE-INVESTMENT

THE PARTIES hereto agree that the Chargee shall not be deemed to re-invest any monthly or other payments received by it hereunder.

27. DISCHARGE

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

28. DISHONoured CHEQUES

IN THE EVENT that any of the Chargor's cheques are not honoured when presented for payment to the drawee, the Chargor shall pay to the Chargee for each such returned cheque a servicing fee of Three Hundred (\$300.00) Dollars to cover the Chargee's administration costs with respect to same. In the event

that the said cheque which has not been honoured by the drawee is not forthwith replaced by the Chargor, the Chargee shall be entitled to a further servicing fee for each written request therefore which may be necessitated by the Chargor not forthwith replacing such dishonoured cheque.

29. SERVICING FEES

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

30. STATEMENTS OF ACCOUNT

THE CHARGOR shall be entitled to receive, upon written request, a statement of account with respect to this Charge as of any payment date under this Charge and the Chargee shall be entitled to a servicing fee for each such statement provided except for one statement per year which shall be provided at no cost to the Chargor if so requested.

31. THE FAMILY LAW ACT

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

32. INDEPENDENT LEGAL ADVICE

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

33. NON-MERGER

NOTWITHSTANDING the registration of this Charge and the advance of funds pursuant hereto the terms and/or conditions of the letter of proposal dated September 7, 2012 from Vector Financial Services Limited to the Chargor and the following commitment letter issued by Vector Financial Services Limited to the Chargor dated September 18, 2012 pertaining to the loan transaction evidenced by this Charge (the two letters together being the "Commitment Letter") shall remain binding and effective on the parties hereto, and shall not merge in this Charge nor in any document executed and/or delivered on the closing of this transaction, and the terms thereof are incorporated herein by reference. In the event of any inconsistency between the terms of the Commitment Letter and this Charge, the Chargee, in its sole discretion, may determine which provisions shall prevail.

34. CONSENT OF CHARGEES

WHEREVER the Chargor is required by this Charge to obtain the consent or approval of the Chargee, it is agreed that the Chargee shall not unreasonably withhold its consent.

35. GUARANTEE CLAUSE

IN CONSIDERATION of the Chargee making the loan hereby secured, the Guarantors for themselves, their heirs, executors, administrators, successors and assigns, (a) agree to be jointly and severally liable with the Chargor as principal debtors and not as sureties for the due payment of all monies payable under the Charge at the times and in the manner provided; (b) unconditionally guarantee full performance and discharge of the Chargor's obligations pursuant to the provisions of the Charge at the times and in the

manner provided; (c) agree to indemnify and save harmless the Chargee against and from all losses, damages, costs and expenses which the Chargee may sustain, incur, or be or become liable for by reason of: i) the failure for any reason whatsoever of the Chargor to pay the monies expressed to be payable pursuant to the provisions of this Charge; ii) the failure for any reason whatsoever of the Chargor to do and perform any other act, matter or thing pursuant to the provisions of this Charge; iii) any act, action or proceeding of or by the Chargee for or in connection with the recovery of the said monies or the obtaining of performance by the Chargor of any other act, matter or thing pursuant to the provisions of this Charge, (d) agree that the Chargee shall not be obliged to proceed against the Chargor or to enforce or exhaust any security before proceeding to enforce its obligations herein set out and that enforcement of such obligations may take place before, after or contemporaneously with the enforcement of any debt or obligation of the Chargor or the enforcement of any security for any such debt or obligation of the Chargor, (e) agree that the Chargee may at any time and from time to time and without notice to the Guarantors or any comment, concurrence or consent by the Guarantors, grant time, renewals, extensions, indulgences, releases, and discharges to, take securities (which would include other guarantees) from and give the same up to, abstain from taking securities from or from perfecting securities of, and otherwise deal with the Chargor and others and all securities including without limitation the giving of time for payment of the Charge, the varying (whether by increase or decrease) of terms of payment of the Charge or the rate of interest on the Charge, or varying any other terms of the Charge, as the Chargee may see fit, and no such thing done by the Chargee nor any carelessness or neglect by the Chargee in asserting its rights nor the loss by operation of law of any right of the Chargee against the Chargor shall in any way release or diminish the Guarantors' liability hereunder, so long as any monies expressed by this Charge to be payable remain unpaid or the Chargee has not been reimbursed for all such losses, damages, costs, charges and expenses as aforesaid, (f) no invalidity, irregularity or unenforceability of all or any part of the Chargor's obligations or of any security provided to secure the Chargor's obligations shall affect, impair or be a defence to this guarantee; and (g) this is a contract of continuing guarantee and the obligations of the Guarantors shall be continuing obligations and a fresh cause of action and shall be deemed to arise in respect of each such default on the part of the Chargor.

Without limiting the generality of the foregoing, it is expressly understood and agreed by the Guarantors that this guarantee shall bind the Guarantors and each of them notwithstanding the giving of time for payment of this Charge or the varying (whether by increase or decrease) of the terms of payment thereof or the rate of interest herein provided for or the giving of a release or partial release of covenant not to sue any of the Chargors or Guarantors or the entry into of any renewal agreement, extension agreement or mortgage amending agreement or any other agreement having the effect of modifying any of the terms of payment or any other matter contained in this Charge whatsoever.

36. CONDOMINIUM CLAUSES

THE CHARGOR and Chargee covenant and agree that in the event that the security in the within Charge shall at any time encumber a Plan of Condominium and the individual condominium units contained therein, the following provisions shall apply subject only to any prior encumbrances and the rights granted by the Chargor under such prior encumbrances.

THE Chargor does hereby assign to the Chargee all of its rights to vote or consent in the affairs of the Condominium Corporation having jurisdiction over the subject lands and the Chargee, may at its option, exercise the right of an owner of a condominium unit to vote or consent in the affairs of the Condominium Corporation in the place and stead of such owner, without in any way consulting the owner as to the manner in which the vote shall be exercised or not exercised, and without incurring any liability to the owner or anyone else because of the manner in which such vote or right to consent in the affairs of the Condominium Corporation was exercised.

THE Chargor shall pay promptly, when due, any common expenses, assessments, instalments or payments due to the Condominium Corporation.

THE Chargor shall observe and perform the covenants and provisions required to be observed and performed under or pursuant to the provisions of the Condominium Act of Ontario, all amendments thereto, and any legislation passed in substitution thereof, and the declaration and by-laws of the Condominium Corporation and any amendments thereto.

WHERE the Chargor defaults in the Chargor's obligation to contribute to the common expenses assessed or levied by the Condominium Corporation, or any authorized agent on its behalf, or any assessment, instalment of payment due to the Condominium Corporation, upon breach of any of the foregoing covenants or provisions in this paragraph contained, regardless of any other action or proceeding taken, or to be taken by the Condominium Corporation, the Chargee, at its option and without notice to the Chargor,

may deem such default to be a default under the terms of this Charge and proceed to exercise its rights therein and the Chargee shall be entitled at its option to pay all common expense amounts as they come due and these amounts so paid together with legal fees shall form part of the Indebtedness.

37. ASSIGNMENT OF RENTS

PROVIDED FURTHER that the Chargor hereby assigns and transfers unto the Chargee, its successors and assigns as security for the principal and interest secured by said Charge, all rents and other monies (herein called the "rents") which now are or which may at any time hereafter become due or owing under or by virtue of any lease or license whether written or verbal, or any letting of, or of any agreement for the use and occupancy of the whole or any portion of the land or premises which may have been heretofore or may be hereinafter made or agreed to by the Chargor, it being the intention of the parties to establish an absolute assignment of all such rents under such leases, licenses and agreements and the Chargor hereby authorizes the Chargee to collect, sue for, recover, receive, and give receipts for the rents and to enforce payment thereof in the name of the Chargor and, where applicable, his heirs, executors, administrators, successors and assigns.

THE Chargor further covenants and agrees that: (a) it has not and will not do any act or omission having the effect of terminating, cancelling, or accepting surrender of any existing or future lease or license or of waiving, releasing, reducing or abating any rights or remedies of the Chargor or obligations of any other party thereunder or in connection therewith without the written consent of the Chargee; (b) none of such rights, remedies and obligations are or will be affected by any other agreement, document or understanding, or by any reduction, abatement, defence, set off or counterclaim; (c) none of the leases or licences or the Chargor's rights thereunder, including the right to receive the rents, has been or will be amended, assigned, encumbered, discounted or anticipated other than the ordinary course of business and as would be done by a prudent landlord; (d) none of the rents has been or will be paid in advance and none of the remainder of the rents has been or will be paid prior to the due date for payment thereof; (e) there has been no default under any of the leases or licences by any of the parties thereto and there is no outstanding dispute under any of the leases or licences between the Chargor and any other party thereto; (f) the Chargor will observe and perform all of its obligations under each of the leases or licences and the Chargee shall not be liable or accountable for any failure to collect, recover, distraint for, or receive the rents or any part of them or for the performance of any of the obligations or conditions under or in respect of the leases or licences or any of them to be observed and performed by the Chargor and the Chargee shall not by virtue of this assignment be deemed a chargee in possession of the premises and the Chargee shall not be under any obligation to take any action or exercise any remedies in the collection or recovery of the rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the leases or licences or any of them, and the Chargee shall be liable to account only for such monies as shall actually come into its hands, less proper collection charges, and such monies may be applied on account of any indebtedness of the Chargor to the Chargee; (g) all rents collected or received by the Chargor in respect of the premises after default hereunder shall be received as trustee for the Chargee and shall be paid over to the Chargee; (h) any waiver by any party hereto of any breach of any of the covenants or provisions contained herein, whether expressed or implied or negative or positive in form or any failure to enforce any of its rights contained herein shall extend only to the particular breach so waived or particular failure and shall not limit or affect the rights of any party hereto with respect to any other or future breach.

THE CHARGOR further covenants and agrees to execute and deliver at the request of the Chargee, all such further assurances and assignments with respect to such existing or future rents, leases and licences as the Chargee shall from time to time require and shall do all other acts with respect to such rent, leases and licences as requested by the Chargee within five (5) days from receipt of request and at no expense to the Chargee.

AND the Chargor covenants and agrees that all leases, licences, offers to lease and agreements to lease shall be bona fide and shall be at rates, on terms and conditions and to tenants which are not less favourable or desirable to the Chargor than those which a prudent landlord would expect to receive for the premises to be leased or licensed, provided that the Chargor shall not accept any prepaid rents from any tenant with the exception of first and last month's rent.

PROVIDED nothing herein shall be deemed as permission to use the said lands other than as disclosed in the application for mortgage loan.

38. APPOINTMENT OF A RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, the Chargee may at such time and from time to time and with or without

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

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

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

completing any application for first registration pursuant to the provisions of the Land Titles Act of Ontario or pursuant to the Certification of Titles Act of Ontario; and for all and every of the purposes aforesaid the Chargor does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the said lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the said lands, as fully and effectually to all intents and purposes as the Chargor could do if personally present and acting therein;

- (j) The Receiver shall not be liable for any loss howsoever arising and the Receiver shall not be liable to the Chargor to account for monies received other than cash received by it in respect to the said lands or any part thereof and out of such cash so received, every such Receiver shall pay in the following order:
- i) its remuneration;
 - ii) all payments made or incurred by it in the exercise of its powers hereunder;
 - iii) any payment of interest, principal and other money which may from time to time be or become charged upon the said lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect to the said lands or any part thereof.

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

39. APPOINTMENT OF PROPERTY MANAGER

As an alternative to the appointment of a receiver provided in the immediately preceding paragraph, the parties agree that the Chargee shall be entitled at any time and from time to time upon default under the provisions of the Charge, to appoint in writing a property manager (the "Property Manager") and representative of the Chargee for the purposes of management, leasing and operation for the Chargee's account of the subject lands.

Upon the appointment of the Property Manager, the following provisions shall apply:

- (a) A Statutory Declaration of the Chargee or an officer of the Chargee as to default under the provisions of this Charge shall be conclusive evidence thereof;
- (b) The Chargee may from time to time fix the remuneration of the Property Manager which shall be a charge on the said lands and may be paid, together with interest thereon, out of the income from the said lands or the proceeds of sale thereof;
- (c) The Property Manager shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the lands.

In the event that the Chargee chooses not to appoint a Property Manager as aforesaid and attend to the management, leasing and operation of the subject lands for its own account, the Chargee shall be entitled to a management fee equal to no less than 4% of the gross receipts for the subject lands and shall also be entitled to a commission for all leases entered into at a rate to be established by the Chargee in its discretion and the management fee and commission shall be added to the principal amounts secured hereunder and bear interest at the rate provided for herein.

40. COSTS AND EXPENSES

The Chargor covenants and agrees that it will immediately pay to the Chargee all amounts the Chargee is permitted to pay under the Charge and all reasonable costs, expenses and damages of, relating to or resulting from inspecting, protecting, repairing, completing, insuring, taking and keeping possession of and managing all or any part of the Property, preparing it for sale or lease, selling or leasing it, renewing any

leasehold interest, collecting any part of the Indebtedness, the exercise of any of the rights of a Receiver appointed pursuant to the Charge, such Receiver's fees and expenses, agents' costs and expenses, legal fees and expenses on a solicitor and his own client basis, the use, occupation or operation of the Property, the breach of any of the Chargor's representations, warranties or agreements herein, and any other costs and expenses of exercising or protecting the Chargee's rights (hereunder or otherwise) or all or any part of the Property. Without limiting the Chargee's right to interest provided for herein, it is expressly agreed that the Chargor shall pay interest at the interest rate provided for herein on such amounts, costs and expenses (and on all other costs and expenses payable by the Chargor pursuant to the charge) from the date they are paid by the Chargee until they have been repaid by the Chargor, which interest shall be paid, calculated and compounded as provided for herein.

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

41. NOTICE

WHENEVER a party to this Charge desires to give any notice to another, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified mail, postage prepaid, addressed to the intended recipient at the address noted on page 1 of the Charge document to which these standard charge terms form a part or such other address communicated in writing by the addressee in a written notice to the sender.

42. CHARGEES FEES

WITHOUT LIMITING the generality of any of the foregoing provisions, it is understood and agreed that the Chargor shall pay to the Chargee the then current fee of the Chargee for the following matters:

- a) providing and preparing mortgage statements (the current fee as at November 1, 2006, is Three Hundred (\$300.00) Dollars);
- b) amending its records to reflect the assumption of this Charge (the current fee as at May 1, 2010, is Three Hundred (\$300.00) Dollars);
- c) endeavouring to collect any money overdue under this Charge, including without limiting the generality of the foregoing, an allowance for time and service of any employee of the Chargee or other person appointed for such purpose;
- d) executing any cessation or discharge, partial cessation or partial discharge of this Charge, notwithstanding that said cessation or discharge or partial cessation or partial discharge may have been prepared by the Chargor;
- e) entering into an agreement to amend the interest rate or any other provision in the Charge (\$300.00 plus reasonable legal fees, if legal services are required);
- f) entering into an agreement to extend the maturity date of this Charge;
- g) handling any dishonoured cheque (\$300.00);
- h) placing insurance on the charged Property (\$300.00);
- i) preparing an amortization schedule showing the principal and interest components of payments due under this Charge (\$300.00);
- j) the cost of completing a Phase I Environmental Audit and such other environmental audits as the Chargee may require in its discretion;
- k) such other administrative matters as the Chargee may perform with regards to the Charge or with regards to any collateral security;
- l) the reasonable fee charged by the Chargee's insurance consultant to review the Chargor's policy of insurance for the subject lands including business interruption insurance if required by the Chargee.

The charges contained in this clause shall be forthwith payable to the Chargee and shall become part of the debt secured hereby and shall bear interest at the rate of interest expressed in this Charge.

ENVIRONMENTAL AUDIT

The Chargor covenants and agrees that, in the event of default and if requested by the Chargee, the Chargor shall forthwith, on his/her own behalf and in his/her own name, commission a Phase I and/or Phase II Environmental Audit for the subject lands and the Chargor shall be solely responsible for the costs of same and the Chargee shall be entitled to a copy of the Audits as and when they are prepared. In the event that the Chargor does not commission the Phase I and/or Phase II Environmental Audits within thirty (30) days of being requested to do so by the Chargee, the Chargee shall have the right to commission such Audits in the name of the Chargor and add the costs thereof to the Indebtedness and may declare this Charge in default and the Chargee reasonably suspects that there is contamination of the subject lands.

44. DELAY, RELEASES, PARTIAL DISCHARGES, WAIVERS AND AMENDMENTS

The Chargee may release others from any liability to pay all or any part of the Indebtedness without releasing the Chargor. The Chargee may release its interest under the Charge in all or any part of the Property or any lease (or any other collateral) whether or not the Chargee receives any value and shall be accountable to the Chargor only for monies which the Chargee actually receives. If the Chargee releases its interest in part of the Property or any lease, the remainder of the Property and each other lease shall continue to secure the Indebtedness and the Chargor's obligations under the Charge will continue unchanged. The Chargee may grant extensions of time or other indulgences, take and give up securities, accept compositions and proposals, grant releases and discharges and otherwise deal with the Chargor and other persons (including, without limitation, any person to whom all or any part of the Property is transferred) and with any securities as the Chargee may see fit without affecting any of the Chargee's rights or remedies (herein or otherwise) or the Chargor's liability under the Charge (including without limitation the Chargor's liability to pay the Indebtedness).

The Chargee may delay enforcing any of its rights under the Charge or any other document under the Charge or any such document without affecting the Chargee's rights in respect of any other existing breach or any subsequent breach of the same or a different nature. No such waiver shall be effective unless made in writing and signed by an officer of the Chargee. No sale or other dealing with all or any part of the Property or any lease, and no amendment of the Charge or any other security, agreement or other instrument or relating to the Indebtedness, will in any way affect the obligation of the Chargor or any other person to pay the Indebtedness.

45. REPRESENTATIONS, WARRANTIES AND AGREEMENTS RESPECTING THE PROPERTY

The Chargor represents, warrants and agrees with the Chargee that:

- (i) the Chargor is the lawful registered owner of the Property and has a good and marketable title in fee simple to the Property, free of any liens or claims, except any the Chargor has reported to the Chargee in writing, or as shown on the registered title to the Property;
- (ii) the Chargor has the right to execute and deliver the Charge and charge the Property and the Chargor's interest in it to the Chargee in accordance with the terms hereof;
- (iii) the Chargor has not done, omitted or permitted anything whereby the Property or the Chargor's interest in it or any part of it is or may be subject to any lien or claim except any the Chargor has reported to the Chargee in writing or as shown on the registered title to the Property;
- (iv) there are no limitations affecting title to the Chargor's interest in the Property, except any the Chargor has reported to the Chargee in writing or as shown on the registered title to the Property;
- (v) the Chargor shall sign any document and take any further action at the Chargor's expense as the Chargee may think necessary in order to carry out the intention of the Charge;
- (vi) the Chargor shall ensure that the use, occupation or operation of the Property complies with and shall continue to comply with all environmental laws and regulations, and that no part of the Property is, has ever been or will in the future be insulated with either urea formaldehyde foam insulation or asbestos insulation; and

- (vii) on default under the Charge, the Chargee shall have quiet possession of the Property free from all liens and claims.

46. REPAIRS, MAINTENANCE AND INSPECTION

- (a) The Chargor covenants and agrees to keep the Property in good condition and repair.
- (b) The Chargor covenants and agrees not commit or permit any act of waste on the Property, and shall not do or fail to do, or allow anyone to do or fail to do, anything that will, in the Chargee's opinion, lower the value of the Property.
- (c) The Chargee may, whenever the Chargee deems it necessary or advisable to do so, enter upon and inspect the Property.
- (d) The Chargor covenants and agrees to perform and observe the requirements of every present and future statute, law, by-law, ordinance, regulation and order affecting the operation, condition, maintenance, use or occupation of the Property (including without limitation any thereof relating to construction or repair).
- (e) If any part of the Property is farm land, the Chargor covenants and agrees to in each year either put into crop or summer fallow in a proper manner every part thereof which has been or may in the future be brought under cultivation. The Chargor shall also keep such Property clean and free from all noxious weeds and generally see that it does not depreciate in any way as farm land.
- (f) The Chargor covenants and agrees not to, without the written consent of the Chargee, which consent shall not be unreasonably withheld, allow the Property to be used for a purpose other than as disclosed to the Chargee prior to the execution of the Charge.
- (g) If, in the sole opinion of the Chargee, the Chargor does not observe or perform any of the foregoing provisions of this paragraph 47, the Chargee may from time to time (but shall not be obligated to) enter on and inspect the Property at any time, and make such repairs and do such other acts or things it believes are necessary to protect or preserve the Property and to carry out the Chargor's obligations under this paragraph 47 including if the Property is farm land, the farming, improvement and general management thereof. The Chargor shall immediately pay the Chargee all amounts, costs and expenses paid or incurred by it in connection with any of the foregoing.
- (h) If the Chargor fails at any time for a period of ten consecutive days to diligently carry on any improvement required by the Chargee on any part of the Property, or if the Chargor without the written consent of the Chargee departs from the plans and specifications approved by the Chargee with respect thereto or from all applicable governmental building standards or the generally accepted standards of construction in the locality of the Property, or if any of the events of default as defined herein has occurred and is continuing, the Chargee from time to time may enter on the Property and have exclusive possession of all materials, plant and equipment thereon, free of interference from or by the Chargor, and complete the improvement either according to such plans and specifications or according to such other plans, specifications or design as the Chargee in its absolute discretion shall determine. The Chargor shall immediately pay the Chargee all costs and expenses incurred by it in connection with any of the foregoing.
- (i) Any entry which may be made by the Chargee pursuant to any provision of the Charge may be made by any of the Chargee's agents, employees and/or contractors.

47. IMPROVEMENTS; DEMOLITION

- (a) In these standard charge terms, the term "Improvement" has the meaning given to it in the Construction Lien Act, as amended or replaced from time to time, and includes any alteration, addition or repair to, and any construction, erection, remodelling, rebuilding or installation on or of, any part of the property and the demolition or removal of any building or part of any building on the Property.
- (b) The Chargor covenants and agrees that no Improvement to or on the Property will be commenced or made by the Chargor or any other person unless the Chargor first provides a copy of all proposed plans, blueprints, contracts and specifications to the Chargee and obtains the Chargee's written consent thereto. The improvement shall form part of the Property but, nevertheless, it is expressly agreed that this Charge is not and shall not be a building mortgage as defined under the Construction Lien Act.

48. INVALIDITY

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

49. HEADINGS

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

50. INTERPRETATION

All references herein to the "Chargor", the "Guarantor", or the "Chargee" shall be deemed to mean the Chargor, its successors and assigns, the Guarantor, its successors and assigns, and the Chargee, its successors and assigns, as the case may be, and all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor, the Guarantor and the Chargee shall be equally binding upon their successors and assigns, as the case may be. It is understood and agreed that in construing this clause, the words "Chargor", "Guarantor", and "Chargee" and the personal pronoun "he" or "his" relating thereto and used therewith shall be read and construed as "Chargor" or "Chargors", "Guarantor" or "Guarantors", "Chargee" or "Chargees", and "his", "her", "it", "its", or "their" respectively as the number and gender of the party or parties referred to in each case require, and the verb used in relation therewith shall be construed as agreeing with the said word or pronoun so substituted.

All covenants shall be deemed joint and several, unless the context otherwise provides.

51. SHORT FORM OF MORTGAGES ACT

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

52. BONUS ON DEFAULT

THE CHARGOR covenants with the Chargee that in the event of non-payment of the said interest or principal monies at the time above provided, the Chargor shall not require the Chargee to accept payment of the said principal monies without first giving three (3) months' previous notice, in writing, or paying a bonus equal to three (3) months' interest in advance on the said principal monies.

THIS IS **EXHIBIT " T "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

**Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.**

Properties

PIN 07617 - 0050 LT *Interest/Estate* Fee Simple
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO
Address 327 ROYAL YORK RD
 ETOBICOKE

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 TERRASAN 327 ROYAL YORK RD. LIMITED
Address for Service 93 Skyway Avenue
 Unit 104
 Toronto, ON M9W 6N6

I, Luigi Santaguida, President, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

Chargee(s)*Capacity**Share*

Name THE GUARANTEE COMPANY OF NORTH AMERICA
Address for Service 4950 Yonge Street
 Suite 1400, Madison Centre
 Toronto, ON M2N 6K1

Statements

Schedule: See Schedules

Provisions

Principal \$15,053,500.00 *Currency* CDN
Calculation Period See Schedule
Balance Due Date See Schedule
Interest Rate See Schedule
Payments
Interest Adjustment Date
Payment Date
First Payment Date
Last Payment Date
Standard Charge Terms
Insurance Amount full insurable value
Guarantor

Additional Provisions

Tarion Warranty Corporation Bond Facility

Signed By

Lori Solomon-Penna 1000-120 Adelaide St. W. acting for Chargor Signed 2015 03 26
 Toronto (s)
 M5H 3V1

Tel 416-363-2211
Fax 416-363-0645

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

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

Submitted By

SCHNEIDER RUGGIERO LLP 1000-120 Adelaide St. W. 2015 03 26
Toronto
M5H 3V1

Tel 416-363-2211

Fax 416-363-0645

Fees/Taxes/Payment

Statutory Registration Fee	\$60.00
Total Paid	\$60.00

File Number

Chargee Client File Number : 36508/BM/LS

SCHEDULE "2"

COLLATERAL MORTGAGE

In pursuance of the *Short Form of Mortgages Act*

Dated: March 13, 2015

Chargor: Terrasan 327 Royal York Rd. Limited

Chargee: The Guarantee Company of North America

Principal Sum: Fifteen Million, Fifty Three Thousand and Five Hundred DOLLARS (\$15,053,500.00)

Re: Indemnity Agreement entered into and effective as of February 10, 2015, between the Chargor, the Chargee and others (the "Indemnity Agreement")

COLLATERAL SECURITY AS TO DEBT AND NOMINAL INTEREST RATE

1. (a) FOR VALUE RECEIVED, the Chargor hereby acknowledges and agrees that this Charge is given as continuing collateral security for the payment of all amounts from time to time payable by the Chargor to the Chargee under the Indemnity Agreement (which sums are hereinafter referred to as the "Indebtedness" or the "Principal Sum"). This Charge is given in addition to and not in substitution for any other security held by the Chargee for the Indebtedness. The said Principal Sum shall become due and payable on demand by the Chargee at the Chargee's office as designated in paragraph 20 and the Chargor shall pay interest on the Principal Sum both before and after default as well as before and after judgment at the rate of eighteen (18%) per centum per annum, calculated semi-annually and payable monthly with interest on overdue interest payable in the same manner and at the same rate until such time as the Principal Sum is paid in full.
- (b) In addition to paragraph 1 (a) above, this Charge is given as continuing collateral security for the payment of monies and the performance of obligations of and by the Chargor under a commitment letter dated February 2, 2015, and accepted by the Chargor on February 4, 2015 (the "Commitment Letter"). The provisions of the Commitment Letter are incorporated herein and form part hereof. In the event of any inconsistency or contradiction between the Commitment Letter and this Charge, the applicable provision of the Commitment Letter shall prevail.

SECURITY

2. As security for the due payment of all monies payable hereunder, the Chargor hereby:
 - (a) mortgages and charges as and by way of a fixed and specific mortgage and charge to and in favour of the Chargee, its successors and assigns its interest in the lands and premises now owned by the Chargor and described or referred to on Page 1 of this Charge to which this Schedule "2" is attached (the "Property"), including all appurtenances, buildings and fixtures now or hereafter situate thereon;
 - (b) mortgages and charges in favour of the Chargee, its successors and assigns its interest in the agreements to lease and leases, both present and future (the "Leases") relating to the Property, including all rents and monies payable under the Property and any extensions or renewals thereof (the "Rents") and including the benefit of all covenants, stipulations and provisions contained in the Leases;

all of such mortgages and charges hereby constituted being sometimes collectively called the "Security" and the subject matter of the Security being sometimes called the "Charged Premises".

TERM AND DEFEASANCE:

3. This Charge is to be void upon the payment of the sum of the Principal Sum, in lawful money of Canada, and all of such other sums as the Chargee may be entitled to by virtue of these presents; and is payable on demand; and all taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.

FURTHER ASSURANCES

4. The Chargor hereby covenants and agrees that it will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, pledges, deeds, mortgages, hypothecs, transfers, assignments and assurances in law or equity as the Chargee may reasonably require for the better assuring, mortgaging, hypothecating, charging, transferring, assigning and confirming unto the Chargee and for perfecting the security interests hereby created in the undertaking, property and assets hereby mortgaged and charged or intended so to be or which the Chargor may hereafter become bound to mortgage, hypothecate, transfer, assign and charge in favour of the Chargee and for the better accomplishing and effectuating of this Charge.

CHARGOR'S COVENANTS

5. The Chargor covenants and agrees with the Chargee that:
- (a) The Chargor shall keep the Property in good condition and repair such that the value of the Property is not materially adversely affected in any way.
 - (b) The Chargor shall pay the principal, interest and all other monies properly due and owing under the Indemnity Agreement and secured by this Charge and will pay or cause to be paid as they fall due all taxes, rates and assessments, municipal, local, parliamentary and otherwise, which now are or may hereafter be imposed, charged, or levied upon the Property and further, to deliver to Chargee on an annual basis, evidence of payment of realty taxes by the Chargee.
 - (c) The Chargor shall comply with all governmental, statutory or regulatory requirements and any permitted encumbrances related to the Property.
 - (d) The Chargor shall permit the Chargee, whenever the Chargee deems it necessary, by its agent to enter upon and inspect the Property.
 - (e) The Chargor will at its own expense forthwith insure, if not already so insured, and during the continuance of this Charge keep insured in the name of the Chargor, with loss payable to the Chargee as its interest may appear, the Property and each and every building, structure, erection, improvement, fixture or replacement thereof, including without limiting the generality of the foregoing, all plant, equipment, apparatus, machinery and fixtures of every kind and nature whatsoever now on the Property but which may hereafter be erected thereon, both during erection and thereafter (all of the foregoing being collectively the "Premises") in such amounts as the Chargee may from time to time specify but in any event in an amount not less than the full insurable replacement value thereof on a completed value basis, in lawful money of Canada, with a company or companies and by a policy or policies of insurance approved by the Chargee, against all risks of direct physical loss with only such exclusion as the Chargee may approve and, in addition, without limiting the generality of the foregoing, the Chargor shall maintain rental insurance, boiler insurance and insurance against liability imposed for damages, loss or injury to or death of persons or for damage to or loss of property of any person, in such amounts as will in the opinion of the Chargee reasonably protect the Chargor against such losses. If the Property has no insurable structures thereon such insurance will not be required. Such insurance shall, during the course of construction, be in builders "all risk" course of construction form. Such insurance policy shall either be without co-insurance or have a stated or stipulated amount co-insurance clause for an amount equal to the principal amount secured pursuant to this Charge, together with the principal amount of any permitted prior encumbrances. All policies of insurance required hereby shall contain "mortgage clauses" in favour of the Chargee in a form approved by the Chargee acting reasonably.
 - (f) The Chargor shall maintain its corporate existence, and further shall promptly provide written notice to the Chargee of any default respecting any obligations or liabilities of the Chargor.
 - (g) The Chargor shall promptly pay the full amount of:
 - (i) all liens, charges and encumbrances upon the Charged Premises;
 - (ii) all reasonable charges or expenses of the Chargee in inspecting, protecting or valuating the property at any time after realization proceedings have been commenced; and
 - (iii) all costs, fees and disbursements secured by this charge.
 - (h) The Chargor will pay or cause to be paid as soon as the same are due all claims and demands of contractors and materialmen and all wages, salaries, holiday pay, Worker's Compensation assessments or other charges of any nature or kind (collectively the "Claims"), which could in the circumstances constitute a lien or charge having priority over this Charge or any future advance to be secured by this Charge and the Chargor will from time to time on demand provide the Chargee with such books, payrolls, or other records, receipts, certificates and declarations as the Chargee may deem necessary to satisfy itself that the Claims have been paid as soon as the same are due.
 - (i) The Chargor shall forthwith on the happening of any loss or damage, furnish at its own expense all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance monies; and any insurance monies received may, at the option of the Chargee, be applied in rebuilding, reinstating or repairing the Charged Premises or be paid to the Chargor or any other person appearing by the registered title to be or to have been the owner of the said Charged Premises or to be applied or paid partly in one way and partly in another, or may be applied, in the sole discretion of the Chargee, in whole or in part, on the principal and interest or other monies owing under this Charge then due, or any part thereof, whether due or not then due, notwithstanding any law, equity or statute to the contrary, all rights and benefits of the Chargor thereunder being hereby expressly waived.
 - (j) The Chargor, immediately upon obtaining knowledge of the institution of any proceedings for the expropriation of the Charged Premises, or any part thereof, will notify the Chargee of such proceedings. If the Charged Premises, or any part thereof is taken or damaged in or by such expropriation proceedings or otherwise, the award or compensation payable to the Chargor shall be paid and is hereby assigned to the Chargee.
 - (k) The Chargor, within ten (10) days after receipt of the request to do so, shall certify to the Chargee or any person designated by the Chargee the amount of principal then due hereunder, the date to which interest is paid, that it has no right of set-off against the monies due hereunder, or if it has such a right of set-off, the amount thereof, and that there have been no amendments hereto or, if there has been any such amendment, specifying it. The Chargee shall, upon request, provide mortgage statements to the Chargor within ten (10) days after receipt of such request.

- (l) The Chargor shall obey or cause to be obeyed all laws, rules, regulations and by-laws, whether federal, provincial or municipal, which in any way relate to the Charged Premises or the use thereof.
- (m) All representations and warranties herein shall remain true and of full force and effect throughout the entire term of this Charge.
- (n) The Chargor shall keep the Charged Premises in good condition and repair according to the nature and description thereof respectively, and that the Chargee may, whenever it deems it necessary, by its agent enter upon and inspect the Property and the Charged Premises and make such repairs as it deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate or rates aforesaid shall be added to the monies secured by this Charge and be payable forthwith and be a charge upon the Property prior to all claims thereon subsequent to these presents. If the Chargor shall neglect to keep the Charged Premises in good condition and repair, or commit or permit any acts of waste on the Charged Premises (as to which the Chargee shall be sole judge) or make default as to any of the covenants, provisos, agreements or conditions contained in this Charge or in any mortgage to which this Charge is subject, all monies hereby secured shall at the option of the Chargee forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and leasing or selling hereby given and all other remedies herein contained may be exercised forthwith.
- (o) The Chargor shall not further encumber the Property without the Chargee's prior written consent, such consent not to be unreasonably withheld or unduly delayed.
- (p) The Chargor shall keep the Permitted Encumbrances as defined herein in good standing. "Permitted Encumbrances" are defined in Schedule "A" hereto.
- (q) In the event that the Chargor commits an act of default pursuant to the provisions contained in any encumbrance on the Charged Premises ranking equally with or in priority to this Charge, the Chargor shall be deemed to have committed an event of default hereunder and the Chargee shall be entitled to exercise any and all remedies herein contained.

PROVISOS

- 6. Neither the preparation, execution nor registration of this indenture shall bind the Chargee to advance the money hereby secured, nor shall the advance of a part of the monies hereby secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the estate hereby conveyed shall take effect forthwith upon the execution and delivery of these presents by the Chargor, and the expenses of the examination of the title and of this Charge and of valuation are to be secured hereby in the event of the whole or any balance of the principal sum not being advanced, the same to be a charge hereby upon the Property, and shall be without demand therefor, payable forthwith with interest at the rate or rates provided for in this Charge, and in default, the Chargee's power of sale hereby given, and all other remedies hereunder shall be exercisable.

OUTSTANDING TAXES

- 7. The Chargee may, at its option, deduct from any advance of the monies secured by this Charge an amount sufficient to pay any taxes which have become due and payable as at the date of such advance. The Chargor shall transmit to the Chargee the copies of the tax bills and other notices affecting the imposition of taxes forthwith after the receipt of same by the Chargor.

ASSIGNMENT OF CHARGE BY CHARGEE

- 8. The Chargee, without the consent of the Chargor, may assign in whole or in part, this Charge and the benefit of all covenants of the Chargor as therein and herein contained, provided that the security and obligations to which this Charge is collateral is also assigned.

DISCRETION OF CHARGEES RESPECTING TERMS UNDER CHARGE

- 9. The Chargee, in its discretion and with the consent of the Chargor, may enter into an agreement with the Chargor or with anyone who has assumed this Charge to grant an extension of time; or to change the rate of interest; or to alter in any way the terms of payment of this Charge; or take any additional security, or waive the performance of any covenant herein; and may compound with or release the Chargor or anyone claiming under the Chargor or any other person or persons liable hereunder; or surrender, release or abandon or omit to perfect or enforce any security, remedy or proceeding which the Chargee may now or hereafter hold or have; and may take, acquire or discharge either with or without payment part or all of the said Property and may apply all monies received from the Chargor or others or from any security upon such part of the monies hereby secured as the Chargee may think best, without prejudice to or in any way limiting or lessening the liability of the Chargor, any guarantor or any other person liable for payment. The Chargee shall incur no liability to any person by reason of anything aforesaid, and any agreement or liability aforesaid shall continue in full force as long as any money remains unpaid on this Charge, but the Chargee shall not be bound to exhaust its recourses against the Chargor or other parties, or the security it may hold, before being entitled to payment from any guarantor of the amounts secured hereby.

REAL ESTATE COVENANTS

- 10. (a) The implied covenants deemed to be included in the mortgage under sub-section 7(1) of the Land Registration Reform Act, 1984 shall be and are hereby expressly excluded and replaced by the schedule which are covenants by the Chargor and the Chargor's successors with the Chargee and the Chargee's successors and assigns.
- (b) The Chargor covenants that it has good registered title in fee simple to the Property and has the right to charge the Property to the Chargee as herein provided.

- (c) On default the Chargee shall have quiet possession of the Property free from all encumbrances, except as disclosed by the records of the land registry office.
- (d) The Chargor has done no act to further encumber the Property, except as disclosed by the records of the land registry office.

DISTRESS

11. The Chargee may distrain for arrears of interest. The Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

SECURITY WITH RESPECT TO LEASES AND RENTS

12. (a) Nothing herein contained shall be deemed to have the effect of making the Chargee responsible for the collection of the Rents or any part thereof or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained in the Leases and the Chargee shall not by virtue of these presents be deemed a mortgagee in possession of the Property or any of them and that this mortgage shall not of itself create the relationship of landlord and tenant between the Chargee and any lessee.
- (b) The Chargee shall be liable to account for only such monies as shall actually come into its hands by virtue of these presents and that such monies when received by the Chargee shall be applied on account of the monies from time to time due under the primary instruments of indebtedness.
- (c) Nothing herein contained shall be deemed to be a consent on the part of the Chargee to the payment of rent in advance by the lessees or to an alteration of the terms of the Leases without the consent of the Chargee, whether or not a demand has occurred provided that the Chargor is acting in the normal course of its business.
- (d) The Chargee may waive any default or breach of covenant herein and shall not be bound to serve any notice upon the lessees upon the happening of any default or breach of covenant but any such waiver shall not extend to any subsequent default or breach of covenant.
- (e) Until default, the Chargor shall be entitled to receive the Rents and shall not be liable to account therefor to the Chargee; provided, however, after such demand the Chargee shall be entitled to collect all rents falling due subsequent to the date of service of the notice of demand.

DEFAULT

13. (a) If default shall be made in payment of any sum 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 or rates aforesaid, and in case the interest and compound interest are not paid within one month from the date of default, a rest shall be made and compound interest at the rate or rates aforesaid shall be payable on the aggregate amount then due, as well after as before a maturity and so on from time to time, and all such interest and compound interest shall be a charge upon the Property.
- (b) On default of payment for at least fifteen (15) days, the Chargee may on at least thirty-five (35) days' notice enter on and lease the Property or on default of payment for at least fifteen (15) days may on at least thirty-five (35) days' notice sell the Property. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act (Ontario), as amended, and in accordance with paragraph 15 hereof. Provided further, without prejudice to the statutory powers of the Chargee under the foregoing, that in case default be made in the payment of the said principal or interest or any part thereof and such default continues for two (2) months after any payment of either falls due, then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law, then notice shall be given to such persons and in such manner and form and within such time as is so required by law. The whole or any part or parts of the Property may be sold by public auction or private contract or partly one or partly the other, and the proceeds of any sale hereunder may be applied in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payment of monies secured hereby or otherwise. The Chargee may sell the Property or any part thereof on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefor and make any stipulations as to title or evidence or commencement of title or otherwise which it shall deem proper, and may buy in or rescind or vary and contract for the sale of the whole or any part of the Property and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit, the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of the said purposes may make and execute all agreements and assurances as it shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

RECEIVER

14. The Chargee may by writing under the hand of any solicitor or agent authorized on its behalf, upon any default whatsoever on the part of the Chargor in payment of any principal, interest or any other monies owing hereunder, or in the observance of any of the covenants and conditions herein contained, appoint a Receiver or Manager, or Receiver and Manager, or Receiver-Manager (the "Receiver") of the Property or any portion thereof, and every such Receiver shall be deemed the agent of the Chargor, and the Chargor shall be solely responsible for the acts or defaults of the Receiver save and except for fraud and wilful misconduct and the Receiver shall have power to demand, recover and receive all the income of the Property of which he may be appointed Receiver, by action,

distress or otherwise, either in the name of the Chargor or the Chargee, and may give effectual receipts therefor. Every such Receiver may in writing at the discretion of the Chargee complete the construction of any uncompleted structure substantially in accordance with the Chargor's plans and specifications respecting the Property or carry on the business of the Chargor relating to the said Property or any part thereof and may exercise all the powers conferred upon the Chargee hereunder. The Receiver may be removed in which case and if any Receiver dies or refuses to act or becomes incapable of acting, a new Receiver may be appointed from time to time by the Chargee by writing under the hand of any authorized solicitor or agent as aforesaid. The Chargee may from time to time fix the remuneration of every such Receiver and may recompense every such Receiver for his disbursements properly incurred in carrying out his duties, and his fees and such payments shall be a charge upon the Property, shall be payable on demand and shall bear interest at the rate or rates hereunder.

The Chargee shall not be deemed to be a mortgagee in possession and shall not be accountable except for the monies actually received by it, and the person paying money to or in any way dealing with the Receiver shall not be concerned to enquire whether any cause has happened to authorize the Receiver to act. Subject to the retention of his remuneration and disbursements as aforesaid, the Receiver shall apply all monies received by him in such of the following modes and in such order or priority as the Chargee may from time to time at its option direct in writing, namely, in discharge of all rents, taxes, assessments and outgoing whatsoever affecting the said Property; and in payment of any amounts due under any mortgage or lien; and in payment of any premiums on fire or other insurance, if any, properly payable under this Charge, payment of which is directed or confirmed in writing by the Chargee; and in payment of the costs of executing necessary or proper repairs to the said Property or any part hereof, directed or confirmed in writing by the Chargee; and in payment of the costs of carrying out or executing any of the powers, duties or discretions which vest in or may be vested in the Receiver by reason of the provisions contained in this sub-paragraph; and in payment of the interest accruing due under this Charge, and in or towards the discharge of the principal money or any instalments under this Charge, and to the extent directed in writing by the Chargee; and shall pay the residue, if any, out of the money received by him to the person who but for the possession of the Receiver would have been entitled to receive the income of which he is appointed Receiver.

REMEDIES CUMULATIVE

15. No remedy herein conferred upon or reserved to the Chargee is intended to be exclusive of any other remedy or remedies hereunder or under any security collateral hereto, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given by this Charge or any other security collateral hereto or now or hereafter existing at law or in equity or by statute. Every power and remedy given by this Charge to the Chargee may be exercised from time to time as often as may be deemed expedient by the Chargee.

DISCHARGE

16. Upon full satisfaction of all principal, interest and other monies secured hereby and the due performance of all covenants herein by the Chargor, the Chargee shall, within a reasonable time thereafter, execute a discharge of this Charge. All legal and other expenses for the preparation, execution and registration of such discharge shall be borne by the Chargor.

SEVERABILITY

17. If any one or more of the provisions contained in this Charge shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any or all other provisions of this Charge, and this Charge shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

DUE ON SALE, TRANSFER

18. In the event the Chargor sells, conveys, transfers or assigns the Property to a purchaser, transferee or an assignee, without first obtaining the consent of the Chargee in writing, at the option of the Chargee all monies secured by the within Charge shall become due and payable upon demand. A sale to an arms length purchaser of a unit to be constructed on the Property is not deemed to be a transfer or assignment within the meaning of this provision.

NO FURTHER CHARGE/ENCUMBRANCE

19. In the event that the Chargor further charges, mortgages or encumbers the Property in any way without first obtaining the written consent of the Chargee, then at the option of the Chargee all monies secured by this Charge shall become due and payable on demand.

NOTICE

20. Any and all written notices or written communications given or required to be given to a party hereunder may be delivered or, provided postal services shall not be interrupted, mailed by registered mail or sent by telegraph, telex or similar telecommunication device, and shall be deemed: (i) in the case of delivery to such party to have been duly given when the same is personally delivered to an officer of such party; (ii) if addressed to such party at its address for service as set forth on the first page of this document.

- (a) in the case of dispatch by registered mail, to have been duly given at 5:00 in the afternoon (local time of the sender) on the second day after the day the same was deposited with the post office (or the first business day thereafter if such second day is a holiday or other non-business day); and
- (b) in the case of dispatch by telegraph, telex or similar telecommunication device, to have been given the day after the day on which it is deposited for dispatch in a public office for organization of such telegram, telex or similar telecommunication device or the business day after the day on which it is dispatched if dispatched by means of private telex or other telecommunication device.

For the purposes of the foregoing, the address for notice of each of the parties hereto shall, until changed by notice in writing by such party to the other parties, be as set out on the first page of the Charge to which this Schedule is attached.

NON-MERGER

21. It is agreed that the taking of this security shall not operate as a merger of the remedies of the Chargee for payment of the Indebtedness of the Borrower or of the remedies of the Chargee under the Commitment Letter, and notwithstanding these presents and anything herein contained the said remedies shall remain intact and be capable of enforcement against the Chargor and all other persons liable in respect thereof in the same manner and to the same extent as if these presents had not been executed, and that these presents are and shall be a continuing security to the Chargee for the amount of the Indebtedness and interest thereon, and that this Charge shall be deemed to be taken as security for the ultimate balance of the Indebtedness.

APPLICATION OF PROCEEDS

22. And it is further agreed that any and all payments made in respect of any monies hereby secured and the monies or other proceeds realized from any securities held therefor (including this Charge) may be applied, and re-applied notwithstanding any previous application, on such part or parts of the said liability under the Commitment Letter as the Chargee may see fit.

PARTIAL DISCHARGES

23. Provided that this Charge is in good standing, the Chargor shall have the privilege of obtaining from the Chargee, without payment therefor, partial discharge (s) of part or parts of the Property as set out and for the purposes stated in Schedule "B" hereto.

PLANNING ACT COMPLIANCE

24. Provided that the Chargee may at its discretion, subject to the provisions of the Planning Act, R.S.O.1990, Chapter P.13, at all times release any part or parts of the said lands either with or without any sufficient consideration therefor, without responsibility therefor and without thereby releasing any other part of the said lands or any person from this Charge or from any of the covenants herein contained and without being accountable to the Chargor for the value thereof or for any money except that actually received by the Chargee; it being expressly agreed that every part or lot into which the charged lands are or may hereafter be divided does and shall stand charged with the whole money secured; and that the Chargee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any and all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Chargor and all other persons and securities as the Chargee may see fit without prejudicing the rights of the Chargee under this Charge.

SALE OF EQUITY OF REDEMPTION

25. Provided that no sale or other dealing by the Chargor with the equity of redemption in the said lands or any part thereof shall in any way change the liability of the Chargor or in any way alter the rights of the Chargee as against the Chargor or any other person liable for payment of money hereby secured.

QUIET POSSESSION PRIOR TO DEFAULT

26. Provided that until default the Chargor shall have quiet possession of the Property.

INTERPRETATION

27. In construing these presents the word "Chargor" and the personal pronoun "he" or "his" relating thereto and used therewith, shall be read and construed as "Chargors" or "Chargors", "he", "she", "it" or "they" and "his", "her", "its" or "their" respectively, as the number and gender of the person or persons referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted; all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargee shall be equally binding upon the Chargor's heirs, executors, administrators and assigns or successor and assigns as the case may be; all such covenants, liabilities and obligations shall be joint and several; time shall be of the essence hereof; the headings herein shall not be a guide to the interpretation of this Charge and shall not define, restrict or limit any term or provision hereof; and all provisions hereof shall have effect notwithstanding any statute to the contrary.

SHORT FORM OF MORTGAGES ACT

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

RECEIPT

29. The Chargor acknowledges having received a true copy of this Charge.

HEADINGS

30. The headings of the paragraphs hereof are inserted for convenience of reference only and shall not affect the interpretation or construction of this Charge.

IN WITNESS WHEREOF the Chargor has caused this Charge to be executed under its corporate seal by its duly authorized officers in that behalf on the date noted on page one of Schedule "2" hereof.

TERRASAN 327 ROYAL YORK RD. LIMITED

Per: 
Miguel Santaguida - President

I have authority to bind the Corporation

SCHEDULE "A"

PERMITTED ENCUMBRANCES

<u>Instrument No.</u>	<u>Date</u>	<u>Instrument</u>
AT2442768	2010/07/09	CHARGE IN THE AMOUNT OF \$284,615 FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF SANTAGUIDA, MARYLOU
AT2442769	2010/07/09	NOTICE OF ASSIGNMENT OF RENTS GENERAL FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF SANTAGUIDA, MARYLOU (REMARKS: AT2442768)
AT2461783	2010/07/29	CHARGE IN THE AMOUNT OF \$600,000 FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF MERIDIAN CREDIT UNION LIMITED
AT2467903	2010/08/04	CHARGE IN THE AMOUNT OF \$700,000 FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF MERIDIAN CREDIT UNION LIMITED
AT2472580	2010/08/11	NOTICE (AGREEMENT AMENDING CHARGE) MADE BETWEEN TERRASAN 327 ROYAL YORK RD. LIMITED AND SANTAGUIDA, MARYLOU (REMARKS: AT2442768)
AT2475594	2010/08/13	POSTPONEMENT FROM SANTAGUIDA, MARYLOU IN FAVOUR OF MERIDIAN CREDIT UNION LIMITED (REMARKS: AT2442768 TO AT2461783)
AT2475595	2010/08/13	POSTPONEMENT FROM SANTAGUIDA, MARYLOU IN FAVOUR OF MERIDIAN CREDIT UNION LIMITED (REMARKS: AT2442768 TO AT2467903)
AT2717994	2011/06/10	NOTICE (SECTION 37 AGREEMENT) MADE BETWEEN CITY OF TORONTO AND TERRASAN 327 ROYAL YORK ROAD LIMITED
AT3235332	2013/02/12	CHARGE IN THE AMOUNT OF \$7,700,000 FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF VECTOR FINANCIAL SERVICES LIMITED
AT3235333	2013/02/12	NOTICE OF ASSIGNMENT OF RENTS GENERAL FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF VECTOR FINANCIAL SERVICES LIMITED (REMARKS: RENTS RE; AT3235332)
AT3235337	2013/02/12	TRANSFER OF CHARGE FROM MERIDIAN CREDIT UNION LIMITED TO SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. (REMARKS: AT2461783.)
AT3235338	2013/02/12	TRANSFER OF CHARGE FROM MERIDIAN CREDIT UNION LIMITED TO SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. (REMARKS: AT2467903.)
AT3235347	2013/02/12	POSTPONEMENT FROM SANTAGUIDA, MARYLOU IN FAVOUR OF VECTOR FINANCIAL SERVICES LIMITED (REMARKS: AT2442768, AT2442769 POSTPONED TO AT3235332, AT3235333)
AT3235348	2013/02/12	POSTPONEMENT FROM SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. VECTOR FINANCIAL SERVICES LIMITED (REMARKS: AT2461783 POSTPONED TO AT3235332, AT3235333)
AT3235349	2013/02/12	POSTPONEMENT FROM SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. VECTOR FINANCIAL SERVICES LIMITED (REMARKS: AT2467903 POSTPONED TO AT3235332, AT3235333)
AT3366818	2013/08/01	CHARGE IN THE AMOUNT OF \$4,840,000 GIVEN BY TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF THE GUARANTEE COMPANY OF NORTH AMERICA

<u>Instrument No.</u>	<u>Date</u>	<u>Instrument</u>
AT3366819	2013/08/01	POSTPONEMENT FROM SANTAGUIDA, MARYLOU IN FAVOUR OF THE GUARANTEE COMPANY OF NORTH AMERICA (REMARKS: AT2442768 TO AT3366818)
AT3366820	2013/08/01	POSTPONEMENT FROM SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. IN FAVOUR OF THE GUARANTEE COMPANY OF NORTH AMERICA (REMARKS: AT2461783, AT3235337 TO AT3366818)
AT3366821	2013/08/01	POSTPONEMENT FROM SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. IN FAVOUR OF THE GUARANTEE COMPANY OF NORTH AMERICA (REMARKS: AT2467093, AT3235338 TO AT3366818)
AT3539503	2014/03/17	CHARGE IN THE AMOUNT OF \$10,000,000 FROM TERRASAN 327 ROYAL YORK RD. LIMITED IN FAVOUR OF FLETCHER, JOHN PAUL
AT3540284	2014/03/18	POSTPONEMENT FROM SANTAGUIDA, MARYLOU IN FAVOUR OF FLETCHER, JOHN PAUL (REMARKS: AT2442768 TO AT3539503)
AT3540285	2014/03/18	POSTPONEMENT FROM SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. IN FAVOUR OF FLETCHER, JOHN PAUL (REMARKS: AT2461783, AT3235337 TO AT3539503)
AT3540286	2014/03/18	POSTPONEMENT FROM SANTERRA ASSET MANAGEMENT AND DEVELOPMENT INC. IN FAVOUR OF FLETCHER, JOHN PAUL (REMARKS: AT2467903, AT3235338 TO AT3539503)
AT3549928	2014/04/01	NOTICE (AMENDING PRINCIPAL AMOUNT OF MORTGAGE FROM \$10,000,000 TO \$6,200,000) MADE BETWEEN TERRASAN 327 ROYAL YORK RD. LIMITED AND FLETCHER, JOHN PAUL (REMARKS: AT3539503)
AT3549936	2014/04/01	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503 AS TO 4.9935%)
AT3555412	2014/04/09	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3561505	2014/04/17	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3566547	2014/04/25	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3575227	2014/05/06	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3585296	2014/05/20	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3596048	2014/05/30	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3601926	2014/06/06	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3607117	2014/06/13	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3613001	2014/06/20	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3619994	2014/06/27	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3658194	2014/08/11	NOTICE (AMENDING PRINCIPAL AMOUNT OF MORTGAGE FROM \$6,200,000 TO \$10,000,000) MADE BETWEEN TERRASAN 327 ROYAL YORK RD. LIMITED AND FLETCHER, JOHN PAUL & OLYMPIA TRUST COMPANY (REMARKS: AT3539503)

SCHEDULE "A" – page 3

<u>Instrument No.</u>	<u>Date</u>	<u>Instrument</u>
AT3658196	2014/08/11	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3666880	2014/08/20	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT368 5946	2014/09/11	NOTICE (AGREEMENT AMENDING CHARGE) MADE BETWEEN TERRASAN 327 ROYAL YORK RD. LIMITED AND VECTOR FINANCIAL SERVICES LIMITED (REMARKS: RE AT3235332)
AT3703135	2014/09/30	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3708526	2014/10/07	NOTICE (PERCENTAGE OWNERSHIP OF CHARGE AND ADDITIONAL PROVISIONS) MADE BETWEEN TERRASAN ROYAL YORK RD. LIMITED AND FLETCHER, JOHN PAUL
AT3710726	2014/10/09	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3717540	2014/10/20	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3723532	2014/10/28	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3728118	2014/10/30	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3741238	2014/11/14	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3745031	2014/11/20	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY AND COMMUNITY TRUST COMPANY (REMARKS: AT3539503)
AT3749969	2014/11/26	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3765342	2014/12/12	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3769051	2014/12/17	NOTICE (APPLICATION TO REGISTER NOTICE OF UNREGISTERED ESTATE, RIGHT, INTEREST OR EQUITY) BY FLETCHER, JOHN PAUL (REMARKS: AT3539503)
AT3790042	2015/01/19	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)
AT3793278	2015/01/22	NOTICE (AGREEMENT AMENDING CHARGE) MADE BETWEEN TERRASAN 327 ROYAL YORK RD. LIMITED AND VECTOR FINANCIAL SERVICES LIMITED (REMARKS: AT3235332 AND AT3685946)
AT3818095	2015/02/25	TRANSFER OF CHARGE FROM FLETCHER, JOHN PAUL TO OLYMPIA TRUST COMPANY (REMARKS: AT3539503)

SCHEDULE "B"

Provided that the Chargor when not in default hereunder shall have the privilege of obtaining from the Chargee upon ten (10) business days' notice therefor, the consent in writing of the Chargee or, where applicable, (1) partial discharges of this Charge or such portions of the lands described hereunder as are required by the Chargor to be dedicated or conveyed to any municipal or governmental authority or agency including road or park dedications; and (2) all documents which may be reasonably required by the Chargor for the purposes of servicing and development of the subject lands including, postponements of this Charge, easements, rights of way, subdivision and development agreements, Planning Act proceedings, provided:

1. That the partial discharge(s) and documents referred to herein are in compliance with the part lot control and subdivision control provisions of the Planning Act; and
2. That such partial discharge(s) and consent(s) will not, in the reasonable opinion of the Chargee's counsel or the Chargee, materially or adversely affect this Charge or the value of the lands charged hereunder; and
3. That the Chargee does not incur any liability thereunder; and
4. That any execution of any such partial discharge or other document by the Chargee is to the extent only of its interest in this Charge;
5. That any consideration payable to the Chargor for such partial discharge or other document shall be paid to the Chargee in reduction of the principal and interest owing hereunder.

IF APPLICABLE, WITH RESPECT TO A PROPERTY BEING DEVELOPED AS A CONDOMINIUM:

Provided that the Chargor when not in default hereunder shall have the privilege, upon thirty (30) days' notice to the Chargee or obtaining a partial discharge of each proposed unit and ancillary parking and locker units, if any, comprising the subject lands (and each actual unit and ancillary parking and locker units as and when the lands are registered under the Condominium Act) without payment of account of principal provided that the following conditions are all complied with, namely:

1. That the partial discharge(s) referred to herein are in compliance with the part lot control and subdivision control provisions of the Planning Act; and
2. That the subject lands are registered as a condominium under the Condominium Act; and
3. That the Chargor delivers or causes to be delivered to a purchaser of such unit(s) a registrable transfer and conveyance of such unit(s); and
4. That the said purchaser registers or causes to be registered on title such transfer and conveyance; and
5. That the Chargee is furnished with a photocopy of the duplicate registered copy of such transfer and conveyance.

A partial discharge from this Charge of any unit or other lands shall automatically constitute and be a discharge from all security documents (excluding guarantees) as may be registered on the title to the charged lands or as recorded under the Personal Property Security Act.

THIS IS **EXHIBIT " U "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

Properties

PIN 07617 - 0889 LT
Description LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO
Address 327 ROYAL YORK ROAD
 ETOBICOKE

Source Instruments

Registration No.	Date	Type of Instrument
AT3539503	2014 03 17	Charge/Mortgage

Transferor(s)

This transfer of charge affects all lands that the charge is against which are outstanding.

Name FLETCHER, JOHN PAUL
Address for Service 3355 Elsa Storry Ave., R.R.#1
 Locust Hill, Ontario
 LOH 1J0

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

Transferee(s)*Capacity**Share*

Name FLETCHER, JOHN PAUL
Address for Service 3355 Elsa Storry Ave., R.R.#1
 Locust Hill, Ontario
 LOH 1J0

Statements

The chargee transfers the selected charge for \$400,000.00.

The chargee transfers 2.6666% from Gerardo Cervo & Joanna Imeneo to Abul Ahmed under J. Paul Fletcher of the selected charge.

Schedule: See Schedules

This document relates to registration no.(s)AT3539503.

Signed By

John Paul Fletcher 3355 Elsa Storry Ave., RR#1 acting for Signed 2017 01 19
 Locust Hill Transferor(s)
 LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

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

John Paul Fletcher 3355 Elsa Storry Ave., RR#1 acting for Signed 2017 01 19
 Locust Hill Transferee(s)
 LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

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

Submitted By

J. PAUL FLETCHER LLB, BARRISTER SOLICITOR 3355 Elsa Storry Ave., RR#1 2017 01 19
 NOTARY Locust Hill
 LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

Fees/Taxes/Payment

Statutory Registration Fee	\$63.35
Total Paid	\$63.35

SCHEDULE OF CHARGE

WHEREAS:

1. a) The chargees hereby acknowledge that Olympia Trust Company holds this mortgage in trust for:

Registered Funds

Name:	Plan No.:	Amount:	Percentage:
Gleb Lisikh	121803	\$100,000.00	0.66667%
Balbir Bahadursingh	114620	\$30,000.00	0.20000%
Dipnarine Dookie	121458	\$49,700.00	0.33133%
Zoilenys Lopez	122075	\$25,000.00	0.16667%
Bhumeshwarie Carmichael	121095	\$59,700.00	0.39800%
Julian Carmichael	121094	\$45,200.00	0.30133%
Parminder Notay	122584	\$31,000.00	0.20667%
Godofredo Carelo	105068	\$12,750.00	0.08500%
Roger Avila-Ricardo	122128	\$100,000.00	0.66667%
Roger Avila Ricardo	122129	\$30,500.00	0.20333%
Godofredo Carelo	121408	\$19,600.00	0.13067%
Irma Samuel	120618	\$35,000.00	0.23333%
Corazon Castillo	121092	\$17,450.00	0.11633%
Sukhdev Lotey	122426	\$50,000.00	0.33333%
Mahinder Lotey	122600	\$50,000.00	0.33333%
Ursula Dixon	122603	\$42,250.00	0.28167%
Brian Klein	115337	\$50,000.00	0.33333%
Maria Kajko	122585	\$43,100.00	0.28733%
Gillian Anderson	122669	\$30,260.00	0.20173%
David & Gabriella Cabral	122914	\$36,000.00	0.24000%
Pritpal Singh Lotey	122905	\$31,250.00	0.20833%
Misagh Mavaddat	123238	\$73,000.00	0.48667%
Leszek Stankiewicz	122991	\$30,900	0.20600%
Gurminder Singh Bassi	123532	\$30,000.00	0.20000%
Andrew R. Beal	123159	\$25,000	0.16667%
Eliza Martina Pasion	123187	\$25,200.00	0.16800%
Randy Barton	109552	\$21,200.00	0.14133%
Aleksander Kosalka	123554	\$39,500.00	0.26333%
Abdul Sultan Manji	123287	\$25,000.00	0.16667%
Andrew Krechkovsky	123669	\$27,400.00	0.18267%
Anna Sitarz	123979	\$30,700.00	0.20467%
Robin Ramesra	123524	\$25,000.00	0.16667%
Douglas Gray	89604	\$25,000.00	0.16667%
Douglas Kelly	117420	\$75,000.00	0.50000%
Ewa Miczynska	123955	\$50,000.00	0.33333%
Ralph S. Mohammed	123269	\$30,000.00	0.20000%
George Yee	124157	\$50,000.00	0.33333%
Dennis Gingell	121916	\$26,000.00	0.17333%
Doris Gingell	121911	\$29,000.00	0.19333%
Leithland L. Lyon	123856	\$54,600.00	0.36400%
Hulan Pierre	105105	\$79,500.00	0.53000%
Arnold Bondoc	123855	\$12,290.00	0.08193%
Barbara Walfisz	123984	\$49,875.00	0.33250%
Donna Kathryn Corrigan	124283	\$25,000.00	0.16667%
Janet Campbell	124850	\$25,000.00	0.16667%
Rod Dasilva	124635	\$31,000.00	0.20667%
Farhana H Haji	124826	\$25,000.00	0.16667%
Rosemary Emenim	123980	\$9,700.00	0.06467%
Zygmunt Kulina	120714	\$120,000.00	0.80000%

Damiana Padilla	124280	\$59,185.00	0.39457%
Amarnath Binda	124359	\$149,500.00	0.99667%
John Caporuscio	123744	\$11,300.00	0.07533%
Penny Corriveau	123601	\$20,500.00	0.13667%
Marilyn Magat	123156	\$26,000.00	0.17333%
Giuseppe Desario	124786	\$50,150.00	0.33433%
Stephen Riley	124689	\$70,000.00	0.46667%
Sabina Taylor	116655	\$25,000.00	0.16667%
Vito Landolfi	123531	\$19,475.00	0.12983%
Arnold Bondoc	124931	\$24,850.00	0.16567%
Zman Istephan	123768	\$23,700.00	0.15800%
Damiani Padilla	124691	\$39,700.00	0.26467%
Salim Amiri	113123	\$25,000.00	0.16667%
Gabriele Faraone	124525	\$24,949.00	0.16633%
Charanjit Singh	125157	\$23,175.00	0.15450%
Bozena Miechowicz	125238	\$31,000.00	0.20667%
Suzy De Aguilar	125070	\$24,150.00	0.16100%
Vincenzo Landolfi	125090	\$46,970.00	0.31313%
Randall Kerman	125161	\$221,900.00	1.47933%
Amarnath Binda	124358	\$96,200.00	0.64133%
Dave Martino	103876	\$13,000.00	0.08667%
Rudi Lotze	125385	\$121,900.00	0.81267%
Teresa Lotze	125388	\$24,680.00	0.16453%
Ardythe Bond	125030	\$42,200.00	0.28133%
John Caporuscio	109554	\$19,400.00	0.12933%
Susan Carre	124993	\$18,100.00	0.12067%
Genalyn Galang	124416	\$27,650.00	0.18433%
Glen Hawkins	124927	\$24,850.00	0.16567%
Richard Karl Maas	123529	\$25,680.00	0.17120%
Carolyn Joanne Nixon	123234	\$25,000.00	0.16667%
Catherine Zalot	104578	\$15,370.00	0.10247%
Catherine Zalot	126637	\$11,030.00	0.07353%
Brenda Elligson	125677	\$124,600.00	0.83067%
Adelaide Cabral	121366	\$40,800.00	0.27200%
Hulan Pierre	124523	\$54,032.14	0.36021%
Colleen Reesor	105527	\$20,000.00	0.13333%
Elzbieta Usnarska	127382	\$31,000.00	0.20667%
Krystyna Mlodzianowska	127380	\$25,000.00	0.16667%
Piotr Cien	127383	\$31,000.00	0.20667%
Rebecca Walters	113146	\$28,000.00	0.18667%
Ewa Korus	127641	\$31,000.00	0.20667%
Roman Korus	127640	\$31,000.00	0.20667%
Gwen McCallum	127937	\$221,500.00	1.47667%
Rita Caporuscio	114106	\$29,000.00	0.19333%
John Caporuscio	127810	\$31,000.00	0.20667%
Harry Thompson	127420	\$27,000.00	0.18000%
Jennifer Ricci	128055	\$30,000.00	0.20000%
Handell Buchanan	128542	\$30,000.00	0.20000%
Dennis Gingell	128610	\$25,000.00	0.16667%
Robert Shepherd	130056	\$52,300.00	0.34867%
Doris Gingell	129754	\$24,700.00	0.16467%
Anthony Gabriel Lados	131346	\$74,802.25	0.49868%
Angela Margaret Lados	131347	\$74,802.25	0.49868%
Miriam Karbin-Katan	132330	\$25,000.00	0.16667%
Total:		\$4,401,725.64	29.3449%

- b) The chargees hereby acknowledge that J. Paul Fletcher holds this mortgage in trust for:

Non-Registered Funds

Name:	Amount:	Percentage:
Gerardo Martino	\$200,000.00	1.33333%
Tara Taylor	\$50,000.00	0.33333%
Margaret Dolan	\$25,000.00	0.16667%
Annapurna Sahi	\$30,000.00	0.20000%
Murray & Louise Nicholson	\$25,000.00	0.16667%
Luis Manuel Oliveira Freire & Maria de Fatima Freire	\$60,000.00	0.40000%
Joao Luis Raposo & Maria Filomena Raposo	\$50,000.00	0.33333%
Steve Samuel	\$20,000.00	0.13333%
Kelly Nezezon	\$100,000.00	0.66667%
Paul & Celeste Demelo	\$100,000.00	0.66667%
Dwayne Sadler	\$100,000.00	0.66667%
Alison Goncalves	\$30,790.00	0.20527%
2042825 Ontario Inc.	\$75,000.00	0.50000%
John Landolfi	\$50,000.00	0.33333%
Francesco Dicecca	\$50,000.00	0.33333%
Ikdeep Singh	\$50,000.00	0.33333%
PCGC Development Inc.	\$80,000.00	0.53333%
Xiaohong Yuan	\$25,000.00	0.16667%
Michael Manzo	\$25,000.00	0.16667%
Ryszard Moskalewicz	\$300,000.00	2.00000%
David R. Edwards	\$25,000.00	0.16667%
Vito Ierullo	\$50,000.00	0.33333%
Hui Li	\$25,000.00	0.16667%
Beverly Gust	\$44,000.00	0.29333%
2421358 Ontario Inc	\$569,000.00	3.79333%
Andrea Chetram	\$100,000.00	0.66667%
2083317 Ontario Ltd.	\$70,000.00	0.46667%
Stephèn Riley	\$30,000.00	0.20000%
2370860 Ontario Inc.	\$300,000.00	2.00000%
Chiu-Ping Chang	\$50,000.00	0.33333%
Farhana H Haji	\$10,000.00	0.06667%
Glen Hawkins	\$25,000.00	0.16667%
Margaret Dolan	\$30,000.00	0.20000%
Francisco De Aguiar Reis & Maria Teresa Reis	\$50,000.00	0.33333%
Bogdan Sencio & Katarzyna Senciq.	\$100,000.00	0.66667%
Laurel Dalessandro	\$25,000.00	0.16667%
Mu Xu	\$100,000.00	0.66667%
Karim Tejani	\$25,000.00	0.16667%
Stanley Nieradka	\$65,000.00	0.43333%
Paul Maxwell & Jennifer Gallea	\$325,000.00	2.16667%
Ron Weick	\$25,000.00	0.16667%
Sheetal & Nilesh Shah	\$25,000.00	0.16667%
Gianna Quattrociocci	\$25,000.00	0.16667%
Nicola's Tsakonakos	\$150,000.00	1.00000%
Bozena Miechowicz	\$9,000.00	0.06000%
Diana Courtney	\$100,000.00	0.66667%
Dean Taseen	\$200,000.00	1.33333%
David Smith	\$32,000.00	0.21333%

Cheryl Brown		\$55,000.00	0.36667%
Wielogorski Jacek		\$25,000.00	0.16667%
Ashley M. Mascarenhas		\$25,000.00	0.16667%
Annunziata Ginocchi		\$30,000.00	0.20000%
Joao De Almeida		\$40,000.00	0.26667%
Hanif Hassanali Haji		\$25,000.00	0.16667%
Rudutch Farms Ltd.		\$25,000.00	0.16667%
Osmond Veterinary Professional Corporation		\$50,000.00	0.33333%
GAA Enterprises		\$95,000.00	0.63333%
Rita Caporuscio		\$190,000.00	1.26667%
FVM Holdings Inc.		\$100,000.00	0.66667%
Laurie Broostad		\$25,000.00	0.16667%
Wilf Rice		\$25,000.00	0.16667%
Alona Amurao		\$40,000.00	0.26667%
Manuel Mendes		\$50,000.00	0.33333%
Colin Sye		\$25,000.00	0.16667%
Pishoy Awadalla		\$25,000.00	0.16667%
Marina Awadalla		\$25,000.00	0.16667%
Betty Matheson		\$40,000.00	0.26667%
Bill Dolan		\$5,000.00	0.03333%
Mary Gomez		\$5,000.00	0.03333%
Abul Ahmed		\$400,000.00	2.66667%
J. Paul Fletcher		\$5,212,484.36	34.7499%
Total:		\$10,567,274.36	70.4486%

c) The chargees hereby acknowledge that Community Trust Company holds this mortgage in trust for:

Registered Funds

Name:	Plan No.:	Amount:	Percentage:
Krystyna Witalis	8200026	\$31,000.00	0.20667%
Total:		\$31,000.00	0.2067%

J. Paul Fletcher Sub-Total:	\$10,567,274.36	70.4486%
Olympia Trust Company Sub-Total:	\$4,401,725.64	29.3449%
Community Trust Company Sub-Total:	\$31,000.00	0.2067%
TOTAL:	\$15,000,000.00	100.00%

2. In construing this document, the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein required and all necessary grammatical changes, as the context requires, shall be deemed to be made.

ADDITIONAL PROVISIONS

1. Default

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

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured on any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation; heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed for the winding up of the Chargor;
- (f) any proceedings with respect the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (h) the property hereby mortgaged and charged or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold b the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (i) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on maturity;

2. Chargee May Remedy Default

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

3. Construction Liens

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

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

4. Environmental

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

- (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitations the *Environmental Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
- (ii) "Hazardous Material" means, collectively, any contaminants (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutants or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
- (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
- (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on

or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
- (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
- (iii) the Chargor will not be involved in operation at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean up on decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
- (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
- (vi) the Chargor shall remove any Hazardous material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery as its sole expense;
- (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environment Law; and
- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.

- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, a successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or an account of the Applicable Environmental Laws, including the assertion or any lien thereunder;
 - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon and land, the atmosphere, or any watercourse, body or water of wetland, or any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
 - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect or any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
 - (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgement or verdict arising from the deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean up, decommission or pay for any clean up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in, on or from the Lands or any Hazardous Material:
 - a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent, or
 - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

- (e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such and cause such work to be performed at

the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and say amounts paid as a result thereof, together with interest therein at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor and until paid shall be added to and become a part of the amount secured hereunder.

5. Letters of Credit

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

6. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "Receiver" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (i) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (ii) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;

- (iii) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (iv) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (v) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the affect of constituting the Chargee a charge in possession with respect to the Charged Property or any part thereof;
- (vi) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (vii) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (viii) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountant and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property.
- (ix) Any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, any to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise, and any such sale may be made either a public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (x) Any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary as in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to his Charge;

- (xi) Any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of this Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (xii) Any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (a) its remuneration;
 - (b) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof.
 - (c) In payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it with respect to the Charged Property or any part thereof;
 - (d) In payment of all interest and arrears of interest and any other monies remaining unpaid hereunder;
 - (e) The residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
 - (f) Subject to subparagraph (e) above, in the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

And that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

PROVIDED that save as to monies payable to the Chargor pursuant to subparagraph (xi) of this Paragraph, this Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required

in the sole discretion of the Chargee and/or its solicitor so as to give affect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

7. Miscellaneous

The Chargor agrees as follows:

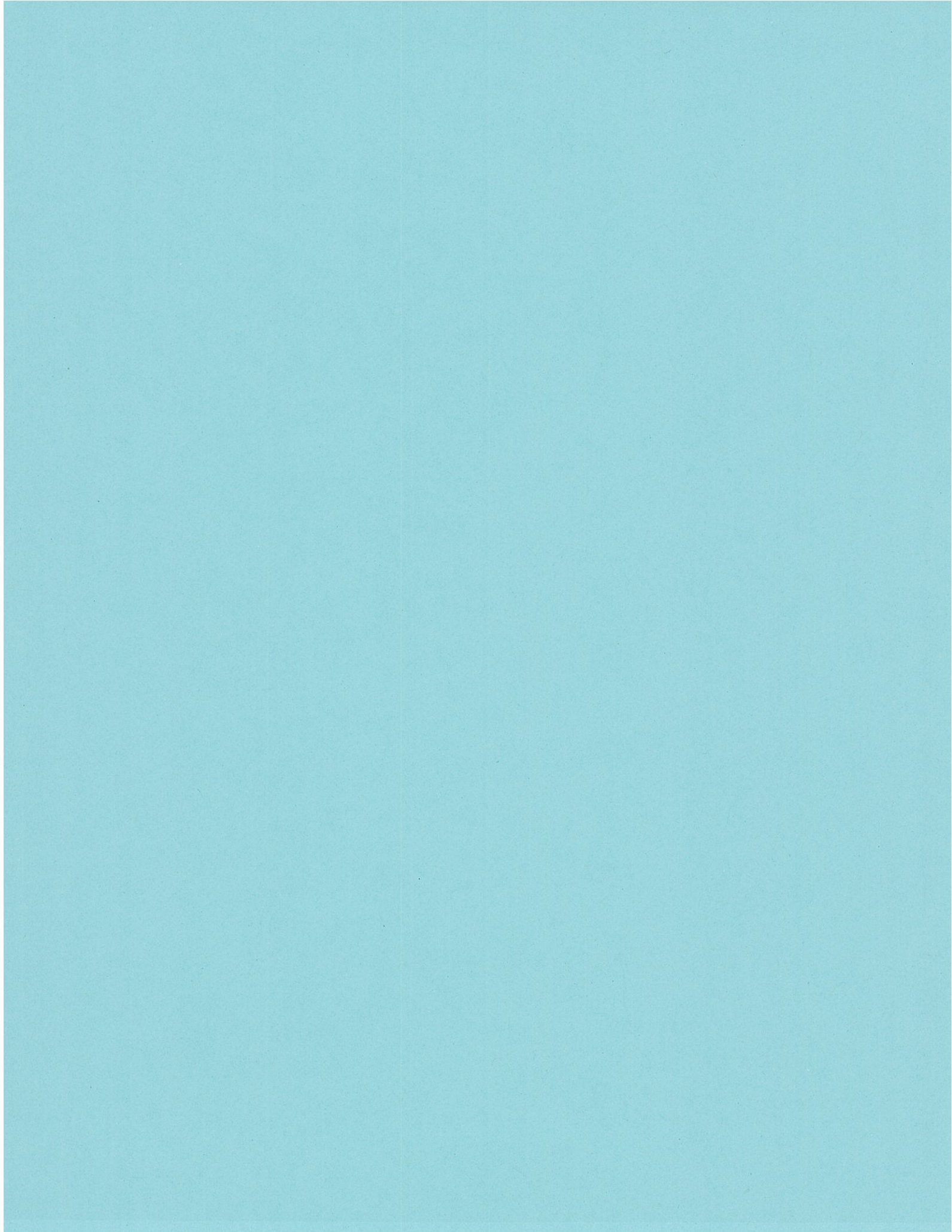
- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to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

8. Open for Pre-payment

Provided the Chargor is not in default, the Chargor shall have the privilege to prepay the balance outstanding at any time or times without notice or bonus.

9. Postponement Clause

The Chargee(s) hereby agree(s) that their interests shall postpone and stand still to any prior charge(s), to a maximum of \$10,000,000.00.



Properties

PIN 07617 - 0050 LT *Interest/Estate* Fee Simple
Description LTS 159, 160 & 161, PL 164 ; ETOBICOKE , CITY OF TORONTO
Address 327 ROYAL YORK RD
 ETOBICOKE

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 TERRASAN 327 ROYAL YORK RD. LIMITED
Address for Service 327 Royal York Road
 Etobicoke, Ontario
 M8Y 2P8

I, LOUIE SANTAGUIDA, have the authority to bind the corporation.
 This document is not authorized under Power of Attorney by this party.

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

Name FLETCHER, JOHN PAUL *Capacity* Trustee
Address for Service 3355 Brock Road, R.R.#1
 Locust Hill, Ontario
 L0H 1J0

Statements

Schedule: See Schedules

Provisions

Principal \$10,000,000.00 *Currency* CDN
Calculation Period half-yearly not in advance
Balance Due Date 2016/03/17
Interest Rate 8.0%
Payments \$200,000.00
Interest Adjustment Date 2014 03 17
Payment Date interest only, quarterly
First Payment Date 2014 06 17
Last Payment Date 2016 03 17
Standard Charge Terms 200033
Insurance Amount full insurable value
Guarantor

Additional Provisions

Open for renewal upon the completion of two-year term

Signed By

John Paul Fletcher	3355 Brock Rd, RR#1 Locust Hill L0H 1J0	acting for Chargor (s)	First Signed	2014 03 17
Tel 289-222-1962				
Fax 905-239-6204				
John Paul Fletcher	3355 Brock Rd, RR#1 Locust Hill L0H 1J0	acting for Chargor (s)	Last Signed	2014 03 18
Tel 289-222-1962				
Fax 905-239-6204				

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

Signed By

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

Submitted By

FLETCHER PARK CRICLOW LLP 3355 Brock Rd, RR#1 2014 03 18

Locust Hill
LOH 1J0

Tel 289-222-1962

Fax 905-239-6204

Fees/Taxes/Payment

Statutory Registration Fee \$60.00

Total Paid \$60.00

SCHEDULE OF CHARGE

WHEREAS:

1. a) The chargees hereby acknowledge that Olympia Trust holds this mortgage in trust for:

Registered Funds

Name:	Plan No.:	Amount:	Percentage:
Total:			

- b) The chargees hereby acknowledge that J. Paul Fletcher holds this mortgage in trust for:

Non-Registered Funds

Name:	Amount:	Percentage:
Gerardo Martino	\$200,000.00	2%
Tara Taylor	\$50,000.00	0.5%
Margaret Dolan	\$25,000.00	0.25%
Annapurna Sahi	\$30,000.00	0.3%
J. Paul Fletcher	\$9,695,000.00	96.95%
Total:	\$10,000,000.00	100%

2. In construing this document, the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein required and all necessary grammatical changes, as the context requires, shall be deemed to be made.

ADDITIONAL PROVISIONS

1. Default

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

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

- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed for the winding up of the Chargor;
- (f) any proceedings with respect the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (h) the property hereby mortgaged and charged or any part thereof, other than sales of lots containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold b the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (i) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on maturity;

2. Chargee May Remedy Default

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

3. Construction Liens

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

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

4. Environmental

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

- (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitations the *Environmental Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
- (ii) "Hazardous Material" means, collectively, any contaminants (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutants or any other substance which when released to the natural environment is likely to cause, at some immediate or future time, material harm to the natural environment or material risk to human health.

(b) The Chargor hereby represents and warrants that:

- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
- (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
- (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.

(c) The Chargor covenants that:

- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
- (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;

- (iii) the Chargor will not be involved in operation at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
 - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
 - (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
 - (vi) the Chargor shall remove any Hazardous material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery as its sole expense;
 - (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environment Law; and
 - (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.
- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, a successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
 - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon and land, the atmosphere, or any watercourse,

body or water of wetland, or any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:

- a. the costs of defending and/or counterclaiming or claiming over against third parties in respect or any action or matter; and
 - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
- (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgement or verdict arising from the deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean up, decommission or pay for any clean up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injection, spilling, leaking or other placement or release in, on or from the Lands or any Hazardous Material:
- a. resulted by, through or under the Chargor; or
 - b. occurred with the Chargor's knowledge and consent, or
 - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

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

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

5. Letters of Credit

The parties hereto acknowledge and agree that this Charge shall also secure payment by the Chargor to the Chargee of all amounts advanced by the Chargee pursuant to or by way of issuance or any letters of credit, renewals thereof, substitutions therefore and accretions thereto or pursuant to similar instruments issued at the Chargor's request or on its behalf and issued by the Chargee or on behalf of or at the request of or upon the credit of the Chargee and the total amount of such letters of credit shall be decreed to have been advanced and fully secured by this Charge from the date of the issuance of such letters of credit, regardless of

when or whether such letters of credit are called upon by the holder(s) thereof. IN the even of the enforcement or exercise by the Chargee or any of the remedies or rights provided for in this Charge, the Chargee shall be entitled to retain and shall not be liable to pay or account to the Chargor or any other party in respect of the full amount of any outstanding letters of credit from the proceeds of such enforcement or exercise until such time as the letters of credit have expired, have been cancelled and have been amended to the Lender or the issuer(s) thereof.

6. Appointment of a Receiver

NOTWITHSTANDING anything herein contained, it is declared and agreed that at any time, and from time to time, when there shall be default under the provisions of these presents, the Chargee may at such time, and from time to time, and with or without entering into possession of the Charged Property appoint in writing a receiver (the "Receiver" which term shall include a receiver/manager) of the Charged Property, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in the making of any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby agrees and consents to the appointment of the Receiver of the Chargee's choice and without limitation, whether pursuant to this Charge, the Mortgages Act, the Construction Lien Act or pursuant to the Courts of Justice Act (as the Chargee may at its sole option require). Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Charged Property and every part thereof.

Upon the appointment of any such Receiver or Receivers from time to time the following provisions shall apply:

- (i) a statutory declaration of an officer of the Chargee as to default under the provisions of these presents shall be conclusive evidence thereof;
- (ii) every such Receiver shall be the irrevocable agent or attorney of the Chargor for the collection of all rents falling due with respect to the Charged Property, and every part thereof, whether in respect of any tenancies created in priority to these presents or subsequent thereto;
- (iii) the Chargee may from time to time fix the remuneration of every such Receiver who shall be entitled to deduct same out of the Charged Property or the proceeds thereof;
- (iv) each such Receiver shall, so far as concerns responsibility and liability for its acts or omissions, be deemed to be the agent or attorney of the Chargor and in no event the agent of the Chargee;
- (v) the appointment of every such Receiver by the Chargee shall not incur or create any liability on the part of the Chargee to the Receiver in any respect and such appointment or anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the affect of constituting the Chargee a charge in possession with respect to the Charged Property or any part thereof;

- (vi) the Receiver shall have the power to rent any portion of the Charged Property for such terms and subject to such provisions as it may deem advisable or expedient and in so doing such Receiver shall be acting as the attorney or agent of the Chargor and shall have the authority to execute any lease of any such premises in the name and on behalf of the Chargor and the Chargor undertakes to ratify and confirm whatever acts such Receiver may do in the Charged Property;
- (vii) every such Receiver shall have full power to complete any unfinished construction upon the Charged Property;
- (viii) any such Receiver shall have full power to carry on or concur in the carrying on of the business of the Chargor, and to employ and discharge such agents, workmen, accountant and other individuals or companies as are required to carry on the said business, upon such terms and with such salaries, wages or remuneration as it shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property.
- (ix) Any such Receiver shall have the power to sell or lease or concur in selling or leasing the Charged Property, or any part thereof, any to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise, and any such sale may be made either a public auction or private sale as to the Receiver may seem best and any such sale may be made from time to time as to the whole or any part of the Charged Property; and the Receiver may make any stipulations as to title or conveyance or commencement of title or otherwise as it shall deem proper;
- (x) Any such Receiver shall have the power to borrow money to carry on the business of the Chargor or to maintain the whole or any part of the Charged Property, in such amounts as the Receiver may from time to time deem necessary as in so doing, the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to his Charge;
- (xi) Any such Receiver shall have the power to execute and prosecute all suits, proceedings and actions which the Receiver in its opinion considers necessary for the proper protection of this Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (xii) Any such Receiver shall not be liable to the Chargor to account for moneys or damages other than cash received by it with respect to the Charged Property or any part thereof and out of such cash so received every such Receiver shall pay in the following order:
 - (a) its remuneration;

- (b) all payments made or incurred by the Receiver in connection with the management, operation, amendment, repair, alteration or extension of the Charged Property or any part thereof.
- (c) In payment of interest, principal and other money which may from time to time be or become a charge upon the Charged Property in priority to moneys owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by is with respect to the Charged Property or any part thereof;
- (d) In payment of all interest and arrears of interest and any other monies remaining unpaid hereunder;
- (e) The residue of any money so received by the Receiver shall be applied to the principal sum or any other amounts from time to time owing under this Charge;
- (f) Subject to subparagraph (e) above, in the discretion of the Receiver, interest, principal and other monies which may from time to time constitute a charge or encumbrance on the Charged Property subsequent in priority or subordinate to the interest of the Chargee under this Charge;

And that such Receiver may in its discretion retain reasonable reserves to meet accruing amounts and anticipated payments in connection with any of the foregoing, and further, that any surplus remaining in the hands of the Receiver, after payments made and such reasonable reserves retained as aforesaid, shall be payable to the Chargor.

PROVIDED that save as to monies payable to the Chargor pursuant to subparagraph (xii) of this Paragraph, this Chargor hereby releases and discharges the Chargee and every such Receiver from every claim of every nature, whether sounding in damages for negligence or trespass or otherwise, which may arise or be caused to the Chargor or any person claiming through or under it by reason or as a result of anything done by the Chargee or any such Receiver under the provisions of this Paragraph, unless such claim be the direct and proximate result of bad faith or gross neglect.

The Chargor hereby irrevocably appoints the Chargee as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Chargee and/or its solicitor so as to give affect to the foregoing provisions and the signature of such attorney shall be valid and binding on the Chargor and all parties dealing with the Chargor, the Chargee and/or Receiver and/or with respect to the Charged Property in the same manner as if such documentation was duly executed by the Chargor itself.

7. Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;

- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

8. Open for Pre-payment

Provided the Chargor is not in default, the Chargor shall have the privilege to prepay the balance outstanding at any time or times without notice or bonus.

9. Postponement Clause

The Chargee(s) hereby agree(s) that their interests shall postpone and stand still to any prior charge(s), to a maximum of \$10,000,000.00.

THIS IS **EXHIBIT " V "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

File Currency: 25JAN 2017



Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	681585921	1	5	1	23	20SEP 2017			
FORM TO FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
681585921		001	001		20120920 1230 1862 8357	P PPSA	3		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TERRASAN 327 ROYAL YORK RD LIMITED								
	Address			City	Province	Postal Code			
	93 SKYWAY AVENUE., SUITE 104			TORONTO	ON	M9W 6N6			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	VECTOR FINANCIAL SERVICES LIMITED								
	Address			City	Province	Postal Code			
	25 IMPERIAL STREET, SUITE 500			TORONTO	ON	M5P 1B9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	BAKER SCHNEIDER RUGGIERO LLP *GW/36057*								
	Address			City	Province	Postal Code			
	120 ADELAIDE STREET W., STE. 1000			TORONTO	ONT	M5H 3V1			

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED									
File Currency	25JAN 2017									
	File Number	Family	of Families	Page						of Pages
	681585921	1	5	2						23
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		001	002		20130801 1106 1862 1058					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	681585921		X	J OTHER						
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
	TERRASAN 327 ROYAL YORK RD. LIMITED									
Other Change	Other Change									
	SUBORDINATION									
Reason / Description	Reason / Description									
	VECTOR FINANCIAL SERVICES LIMITED POSTPONES AND SUBORDINATES ITS SECURITY INTEREST IN INVENTORY, EQUIPMENT, ACCOUNTS AND OTHER IN REGISTRATION 20120920 1230 1862 8357 / FILE NO. 681585921, SOLELY IN									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name							Ontario Corporation Number		
	Address				City	Province	Postal Code			
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model	V.I.N.				
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	SCHNEIDER RUGGIERO LLP DS/CI 36508									
	Address				City	Province	Postal Code			
	120 ADELAIDE STREET W., STE. 1000				TORONTO	ONT	M5H 3V1			

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED				
File Currency	25JAN 2017				
	File Number	Family	of Families	Page	of Pages
	681585921	1	5	3	23

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		002	002		20130801 1106 1862 1058	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	681585921					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change
	SUBORDINATION

Reason / Description	Reason / Description
	RESPECT OF SPECIFIC COLLATERAL DESCRIBED IN REGISTRATION NO. 20130725145118620543 FILED IN FAVOUR OF THE GUARANTEE COMPANY OF NORTH AMERICA.

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			Ontario Corporation Number
	Address		City	Province Postal Code

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	Address	City	Province	Postal Code

Type of Search	Business Debtor				
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED				
File Currency	25JAN 2017				
	File Number	Family	of Families	Page	of Pages
	681585921	1	5	4	23
FORM 3C FINANCING CHANGE STATEMENT // CHANGE STATEMENT					
	Registration Number				
	20150918 1152 1862 7889				
Record Referenced	File Number	Change Required		Renewal Years	
	681585921	B RENEWAL		2	
Individual Debtor	First Given Name	Initial	Surname		
Business Debtor	Business Debtor Name			Ontario Corporation Number	
	TERRASAN 327 ROYAL YORK RD. LIMITED				
Registering Agent	Registering Agent/ Secured Party/ Lien Claimant				
	SCHNEIDER RUGGIERO LLP (GW/CH 38068)				
	Address	City	Province	Postal Code	
	120 ADELAIDE STREET WEST, SUITE 1000	TORONTO	ON	M5H 3V1	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages				
	681585921	1	5	5	23				
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	001		20151014 1308 1862 0111				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	681585921		X	D ASSGNMT					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LTD.								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
	VECTOR FINANCIAL SERVICES LIMITED								
Secured Party	Secured party, lien claimant, assignee								
	DIVERSIFIED CAPITAL INC.								
	Address				City	Province	Postal Code		
	1243 ISLINGTON AVENUE, SUITE 701				TORONTO	ON	M8X 1Y9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	SCHNEIDER RUGGIERO LLP (38068/BM)								
	Address				City	Province	Postal Code		
	120 ADELAIDE STREET W., STE. 1000				TORONTO	ONT	M5H 3V1		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages				
	681585921	1	5	6	23				
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20160414 1120 1793 2937				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	681585921			J OTHER					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LIMITED								
Other Change	Other Change								
	SUBORDINATION								
Reason / Description	Reason / Description								
	DIVERSIFIED CAPITAL INC. POSTPONES AND SUBORDINATES ITS SECURITY INTEREST IN INVENTORY, EQUIPMENT, ACCOUNTS AND OTHER IN REGISTRATION NO. 20120920-1230-1862-8357/FILE NO. 681585921 IN								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ROBINS APPLEBY LLP								
	Address				City	Province	Postal Code		
	120 ADELAIDE ST WEST SUITE 2600				TORONTO	ON	M5H1T1		

CONTINUED

Type of Search	Business Debtor				
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED				
File Currency	25JAN 2017				
	File Number	Family	of Families	Page	of Pages
	681585921	1	5	7	23

FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		002	2		20160414 1120 1793 2937	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	681585921					

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		

Other Change	Other Change
	SUBORDINATION

Reason / Description	Reason / Description
	FAVOUR OF DUCA FINANCIAL SERVICES CREDIT UNION LTD. (FILE NO. 715588983).

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	Business Debtor Name			
	Address			City
				Province
				Postal Code
				Ontario Corporation Number

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee
	Address
	City
	Province
	Postal Code

Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date

Motor Vehicle Description	Year	Make	Model	V.I.N.

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant
	Address
	City
	Province
	Postal Code

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page					of Pages
	681585921	1	5	8					23
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20160414 1122 1793 2939				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	681585921			J OTHER					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LIMITED								
Other Change	Other Change								
	SUBORDINATION								
Reason / Description	Reason / Description								
	DIVERSIFIED CAPITAL INC. POSTPONES AND SUBORDINATES ITS SECURITY								
	INTEREST IN INVENTORY. EQUIPMENT. ACCOUNTS AND OTHER IN								
	REGISTRATION NO. 20120920-1230-1862-8357/FILE NO. 681585921 IN								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ROBINS APPLEBY LLP								
	Address				City	Province	Postal Code		
	120 ADELAIDE ST WEST SUITE 2600				TORONTO	ON	M5H1T1		

CONTINUED

Type of Search	Business Debtor										
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED										
File Currency	25JAN 2017										
	File Number	Family	of Families	Page						of Pages	
	681585921	1	5	9						23	
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT											
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under			
		002	2		20160414 1122 1793 2939						
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period			
	681585921										
Reference Debtor/ Transferor	First Given Name			Initial	Surname						
	Business Debtor Name										
Other Change	Other Change										
	SUBORDINATION										
Reason / Description	Reason / Description										
	FAVOUR OF CENTURION MORTGAGE CAPITAL CORPORATION (FILE NO. 715589415).										
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname					
	Business Debtor Name										
								Ontario Corporation Number			
	Address				City	Province	Postal Code				
Assignor Name	Assignor Name										
Secured Party	Secured party, lien claimant, assignee										
	Address				City	Province	Postal Code				
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date		
Motor Vehicle Description	Year	Make			Model			V.I.N.			
General Collateral Description	General Collateral Description										
Registering Agent	Registering Agent or Secured Party/ Lien Claimant										
	Address				City	Province	Postal Code				

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	688915296	2	5	10	23	25JUL 2025			
FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
688915296		001	002		20130725 1451 1862 0543	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TERRASAN 327 ROYAL YORK RD LIMITED					2170134			
	Address			City	Province	Postal Code			
	93 SKYWAY AVENUE, SUITE 104			TORONTO	ONT	M9W 6N6			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	THE GUARANTEE COMPANY OF NORTH AMERICA								
	Address			City	Province	Postal Code			
	4950 YONGE STREET, SUITE 1400, MADISON C			TORONTO	ONT	M2N 6K1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	PURCHASERS' DEPOSITS AND MONIES PAID PURSUANT TO AGREEMENTS OF PURCHASE AND SALE AND INTEREST EARNED THEREON HELD IN ESCROW/TRUST PURSUANT TO A DEPOSIT TRUST AGREEMENT FOR A PROJECT LOCATED AT 327								
Registering Agent	Registering Agent								
	SCHNEIDER RUGGIERO LLP DS/CI 36508								
	Address			City	Province	Postal Code			
	120 ADELAIDE STREET W., STE. 1000			TORONTO	ONT	M5H 3V1			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	688915296	2	5	11	23	25JUL 2025			
FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
688915296		002	002		20130725 1451 1862 0543				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
	ENTRE								
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ROYAL YORK ROAD, TORONTO, ONTARIO, KNOWN AS "ON THE GO MIMICO"								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages				
	688915296	2	5	12	23				
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under			
		001	001		20150316 1408 1862 3510				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	688915296		X	B RENEWAL	2				
Reference Debtor/ Transferor	First Given Name	Initial	Surname						
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LIMITED								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname					
	Business Debtor Name								
	Ontario Corporation Number								
	Address	City	Province	Postal Code					
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address	City	Province	Postal Code					
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make	Model	V.I.N.					
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	SCHNEIDER RUGGIERO LLP (36508/BM/LS)								
	Address	City	Province	Postal Code					
	120 ADELAIDE STREET W., STE 1000	TORONTO	ONT	M5H 3V1					

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	704262735	3	5	13	23	16MAR 2025			
FORM 1G FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
704262735		001	002		20150316 1408 1862 3511	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TERRASAN 327 ROYAL YORK RD. LIMITED								
	Address			City	Province	Postal Code			
	93 SKYWAY AVENUE, SUITE 104			TORONTO	ON	M9W6N6			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	THE GUARANTEE COMPANY OF NORTH AMERICA								
	Address			City	Province	Postal Code			
	4950 YONGE STREET, SUITE 1400, MADISON C			TORONTO	ON	M2N 6K1			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				X
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	GENERAL SECURITY AGREEMENT AND ASSIGNMENT OF AGREEMENTS OF PURCHASE AND SALE GIVEN BY THE DEBTOR TO THE SECURED PARTY WITH RESPECT TO THE PROJECT LOCATED AT 327 ROYAL YORK ROAD, TORONTO, ONTARIO, AND KNOWN								
Registering Agent	Registering Agent								
	SCHNEIDER RUGGIERO LLP (36508/BM/LS)								
	Address			City	Province	Postal Code			
	120 ADELAIDE STREET W., STE. 1000			TORONTO	ONT	M5H 3V1			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	704262735	3	5	14	23	16MAR 2025			
FORM TO FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
704262735		002	002		20150316 1408 1862 3511				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
	ENTRE								
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	AS "ON THE GO MIMICO"								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page					of Pages
	704262735	3	5	15					23
FORM 20 FINANCING CHANGE STATEMENT/CHANGE STATEMENT									
	Cautious Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20160414 1121 1793 2938				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period	
	704262735			J OTHER					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LIMITED								
Other Change	Other Change								
	SUBORDINATION								
Reason / Description	Reason / Description								
	THE GUARANTEE COMPANY OF NORTH AMERICA POSTPONES AND SUBORDINATES ITS SECURITY INTEREST IN INVENTORY, EQUIPMENT, ACCOUNTS AND OTHER IN REGISTRATION NO. 20150316-1408-1862-3511/FILE NO. 704262735 IN								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ROBINS APPLEBY LLP								
	Address				City	Province	Postal Code		
	120 ADELAIDE ST. WEST SUITE 2600				TORONTO	ON	M5H1T1		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages				
	704262735	3	5	16	23				
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number		Registered Under		
		002	2		20160414 1121 1793 2938				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period			
	704262735								
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
Other Change	Other Change								
	SUBORDINATION								
Reason / Description	Reason / Description								
	FAVOUR OF DUCA FINANCIAL SERVICES CREDIT UNION LTD. (FILE NO. 715588983)								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name								
							Ontario Corporation Number		
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page					of Pages
	704262735	3	5	17					23
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		001	2		20160414 1123 1793 2940				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	704262735			J OTHER					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LIMITED								
Other Change	Other Change								
	SUBORDINATION								
Reason / Description	Reason / Description								
	THE GUARANTEE COMPANY OF NORTH AMERICA POSTPONES AND SUBORDINATES								
	ITS SECURITY INTEREST IN INVENTORY, EQUIPMENT, ACCOUNTS AND OTHER								
	IN REGISTRATION NO. 20150316-1408-1862-3511/FILE NO. 704262735 IN								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	ROBINS APPLEBY LLP								
	Address				City	Province	Postal Code		
	120 ADELAIDE ST. WEST SUITE 2600				TORONTO	ON	M5H1T1		

CONTINUED

Type of Search	Business Debtor									
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED									
File Currency	25JAN 2017									
	File Number	Family	of Families	Page						of Pages
	704262735	3	5	18						23
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number				Registered Under	
		002	2		20160414 1123 1793 2940					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required			Renewal Years	Correct Period		
	704262735									
Reference Debtor/ Transferor	First Given Name			Initial	Surname					
	Business Debtor Name									
Other Change	Other Change									
	SUBORDINATION									
Reason / Description	Reason / Description									
	FAVOUR OF CENTURION MORTGAGE CAPITAL CORPORATION (FILE NO. 715589415).									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	Business Debtor Name								Ontario Corporation Number	
	Address				City	Province	Postal Code			
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									
	Address				City	Province	Postal Code			

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	715588983	4	5	19	23	04JAN 2017	D DISCHARGED		
FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
715588983		001	2		20160412 1346 1793 2841	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TERRASAN 327 ROYAL YORK RD LIMITED								
	Address			City	Province	Postal Code			
	93 SKYWAY AVENUE, SUITE 104			TORONTO	ON	M9W6N6			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	DUCA FINANCIAL SERVICES CREDIT UNION LTD.								
	Address			City	Province	Postal Code			
	5290 YONGE STREET			TORONTO	ON	M2N5P9			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ALL PRESENT AND FUTURE SECURITY INTERESTS WITH RESPECT TO 327 ROYAL YORK ROAD, TORONTO ONTARIO INCLUDING, BUT NOT LIMITED TO A GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS RELATED THERETO								
Registering Agent	Registering Agent								
	ROBINS APPLEBY LLP (CINDY APPELGATH)								
	Address			City	Province	Postal Code			
	120 ADELAIDE ST. WEST SUITE 2600			TORONTO	ON	M5H1T1			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	715588983	4	5	20	23	04JAN 2017	D DISCHARGED		
FORM 1G FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
715588983		002	2		20160412 1346 1793 2841				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description AND KNOWN AS THE ON THE GO MIMICO PROJECT.								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page					of Pages
	715588983	4	5	21					23
FORM 20 FINANCING CHANGE STATEMENT / CHANGE STATEMENT									
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under	
		01	001		20170104 1436 1530 4757				
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required		Renewal Years	Correct Period		
	715588983		X	C DISCHRG					
Reference Debtor/ Transferor	First Given Name			Initial	Surname				
	Business Debtor Name								
	TERRASAN 327 ROYAL YORK RD. LIMITED								
Other Change	Other Change								
Reason / Description	Reason / Description								
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname			
	Business Debtor Name							Ontario Corporation Number	
	Address				City	Province	Postal Code		
Assignor Name	Assignor Name								
Secured Party	Secured party, lien claimant, assignee								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent or Secured Party/ Lien Claimant								
	CANADIAN SECURITIES REGISTRATION SYSTEMS								
	Address				City	Province	Postal Code		
	4126 NORLAND AVENUE				BURNABY	BC	V5G 3S8		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD. LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	715589415	5	5	22	23	12APR 2021			
FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Cautions Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
715589415		001	2		20160412 1404 1793 2842	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	TERRASAN 327 ROYAL YORK RD. LIMITED								
	Address			City	Province	Postal Code			
	93 SKYWAY AVENUE, SUITE 104			TORONTO	ON	M9W6N6			
Individual Debtor	Date of Birth	First Given Name		Initial	Surname				
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	CENTURION MORTGAGE CAPITAL CORPORATION								
	Address			City	Province	Postal Code			
	25 SHEPPARD AVE WEST, SUITE 710			TORONTO	ON	M2N6S6			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make		Model		V.I.N.			
General Collateral Description	General Collateral Description								
	ALL PRESENT AND FUTURE SECURITY INTEREST WITH RESPECT TO 327 ROYAL YORK ROAD, TORONTO ONTARIO, INCLUDING BUT NOT LIMITED TO A GENERAL SECURITY AGREEMENT AND GENERAL ASSIGNMENT OF RENTS RELATED THERETO								
Registering Agent	Registering Agent								
	ROBINS APPLEBY LLP (CINDY APPLGATH)								
	Address			City	Province	Postal Code			
	120 ADELAIDE ST. WEST SUITE 2600			TORONTO	ON	M5H1T1			

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	TERRASAN 327 ROYAL YORK RD LIMITED								
File Currency	25JAN 2017								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	715589415	5	5	23	23	12APR 2021			
FORM 10 FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
715589415		002	2		20160412 1404 1793 2842				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address			City	Province	Postal Code			
Secured Party	Secured Party / Lien Claimant								
	Address			City	Province	Postal Code			
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description AND KNOWN AS THE ON THE GO MIMICO PROJECT.								
Registering Agent	Registering Agent								
	Address			City	Province	Postal Code			

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)




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[ServiceOntario Contact Centre](#)

THIS IS **EXHIBIT " W "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

CLEAR CERTIFICATE / CERTIFICAT LIBRE

SHERIFF OF / SHÉRIF DE : CITY OF TORONTO (TORONTO)

CERTIFICATE # /
N° DE CERTIFICAT : 30434912-1029965BDATE OF CERTIFICATE /
DATE DU CERTIFICAT : 2017-JAN-26**SHERIFF'S STATEMENT**

THIS CERTIFIES THAT THERE ARE NO ACTIVE WRITS OF EXECUTION, ORDERS OR CERTIFICATES OF LIEN FILED WITHIN THE ELECTRONIC DATABASE MAINTAINED BY THIS OFFICE IN ACCORDANCE WITH SECTION 10 OF THE *EXECUTION ACT* AT THE TIME OF SEARCHING AGAINST THE REAL AND PERSONAL PROPERTY OF:

DÉCLARATION DU SHÉRIF

CE CERTIFICAT ATTESTE QU'IL N'Y A AUCUNE ORDONNANCE ACTIVE OU AUCUN BREF D'EXÉCUTION FORCÉE OU CERTIFICAT DE PRIVILÈGE ACTIF DANS LA BASE DE DONNÉES ÉLECTRONIQUE MAINTENUE PAR CE BUREAU AUX TERMES DE L'ARTICLE 10 DE LA *LOI SUR L'EXÉCUTION FORCÉE* AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES ET IMMEUBLES DE :

NAME SEARCHED / NOM RECHERCHÉ

#	PERSON OR COMPANY / PERSONNE OU SOCIÉTÉ	NAME OR SURNAME, GIVEN NAME(S) / NOM OU NOM DE FAMILLE, PRÉNOM(S)
1.	COMPANY / SOCIÉTÉ	TERRASAN 327 ROYAL YORK RD. LIMITED

CAUTION TO PARTY REQUESTING SEARCH:

1. IT IS THE RESPONSIBILITY OF THE REQUESTING PARTY TO ENSURE THAT THE NAME SEARCHED IS CORRECT.
2. BY VIRTUE OF THIS CERTIFICATE, THE SHERIFF IS ASSURING THAT THIS NAME WILL REMAIN CLEAR UNTIL THE END OF CLOSE OF THIS BUSINESS DATE, UNLESS THE SHERIFF IS DIRECTED OTHERWISE UNDER AN ORDER OF THE COURT.

AVERTISSEMENT À LA PARTIE QUI DEMANDE LA RECHERCHE :

1. IL INCOMBE À LA PARTIE QUI DEMANDE LA RECHERCHE DE S'ASSURER QUE LE NOM RECHERCHÉ EST EXACT.
2. EN VERTU DU PRÉSENT CERTIFICAT, LE SHÉRIF ASSURE QUE CE NOM DEMEURE LIBRE JUSQU' À LA FIN DE CETTE JOURNÉE DE TRAVAIL, À MOINS DE RECEVOIR DES DIRECTIVES CONTRAIRES AUX TERMES D'UNE ORDONNANCE DU TRIBUNAL.

CHARGE FOR THIS CERTIFICATE /
FRAIS POUR CE CERTIFICAT : CDN 11.60SEARCHER REFERENCE /
REFERENCE CONCERNANT
L'AUTEUR DE LA DEMANDE : 1600183

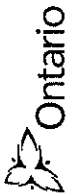
CERTIFICATE # / N° DE CERTIFICAT : 30434912-1029965B

THIS IS **EXHIBIT " X "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 1 OF 7
PREPARED FOR KRYAN123
ON 2017/01/26 AT 15:10:03

07617-0899 (LT)

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

PROPERTY DESCRIPTION: LOTS 159, 160 & 161 PLAN 164 EXCEPT PART LOTS 160 & 161 PLAN 164, PART 2 66R28185; ETOBICOKE; TOGETHER WITH AN EASEMENT OVER PART LOTS 160 & 160 PLAN 164, PART 2 66R28185 AS IN AT4215400; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4264438; SUBJECT TO AN EASEMENT IN GROSS AS IN AT4274323; CITY OF TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

OWNERS' NAMES
TERRASAN 327 ROYAL YORK RD. LIMITED

RECENTLY:
DIVISION FROM 07617-0050

CAPACITY SHARE

PIN CREATION DATE:
2016/05/19

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
** PRINTOUT		INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **				
**SUBJECT,		ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:				
**		SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *				
**		AND ESCHEATS OR FORFEITURE TO THE CROWN.				
**		THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.				
**		ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
**DATE OF CONVERSION TO LAND TITLES: 1996/03/25 **						
AT1785594	2008/05/22	TRANSFER	\$1,500,000	327 ROYAL YORK ROAD HOLDINGS INC.	TERRASAN 327 ROYAL YORK RD. LIMITED	C
AT2717994	2011/06/10	NOTICE	\$2	CITY OF TORONTO	TERRASAN 327 ROYAL YORK ROAD LIMITED	C
REMARKS: THIS NOTICE IS FOR AN INDETERMINATE PERIOD						
AT3235332	2013/02/12	CHARGE	\$7,700,000	TERRASAN 327 ROYAL YORK RD. LIMITED	VECTOR FINANCIAL SERVICES LIMITED	C
AT3235333	2013/02/12	NO ASSIGN RENT GEN		TERRASAN 327 ROYAL YORK RD. LIMITED	VECTOR FINANCIAL SERVICES LIMITED	C
REMARKS: RENTS RE:AT3235332						
AT3539503	2014/03/17	CHARGE	\$10,000,000	TERRASAN 327 ROYAL YORK RD. LIMITED	FLETCHER, JOHN PAUL	C
AT3549928	2014/04/01	NOTICE		TERRASAN 327 ROYAL YORK RD. LIMITED	FLETCHER, JOHN PAUL	C
REMARKS: AT3539503						
AT3549936	2014/04/01	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
REMARKS: AT3539503. AS TO 4.9935%						

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.



Ontario

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LAND
REGISTRY
OFFICE #66

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

PAGE 2 OF 7

PREPARED FOR KRY00123
ON 2017/01/26 AT 15:10:03

07617-0889 (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
AT3555412 REMARKS: AT35334503.	2014/04/09	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3561505 REMARKS: AT35334503.	2014/04/17	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3566547 REMARKS: AT35334503.	2014/04/25	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3575227 REMARKS: AT35334503.	2014/05/06	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3585296 REMARKS: AT35334503.	2014/05/20	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3560048 REMARKS: AT35334503.	2014/05/30	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3601926 REMARKS: AT35334503.	2014/06/06	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3607117 REMARKS: AT35334503.	2014/06/13	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3613001 REMARKS: AT35334503.	2014/06/20	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3619994 REMARKS: AT35334503.	2014/06/27	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3658194 REMARKS: AT35334503	2014/08/11	NOTICE		TERRASAN 327 ROYAL YORK RD. LIMITED	FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY	C
AT3658196 REMARKS: AT35334503.	2014/08/11	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3666880 REMARKS: AT35334503.	2014/08/20	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3665946 REMARKS: RE AT3233332.	2014/09/11	NOTICE	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	VECTOR FINANCIAL SERVICES LIMITED	C

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ON 2017/01/26 AT 15:10:03

07617-0889 (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/ CHRD
AT3703135 REMARKS: AT3539503.	2014/09/30	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3708826	2014/10/07	NOTICE		TERRASAN ROYAL YORK RD. LIMITED	FLETCHER, JOHN PAUL	C
AT3710726 REMARKS: AT3539503.	2014/10/09	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT37117540 REMARKS: AT3539503.	2014/10/20	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3723532 REMARKS: AT3539503.	2014/10/28	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3728118 REMARKS: AT3539503.	2014/10/30	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3741238 REMARKS: AT3539503.	2014/11/14	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3745031 REMARKS: AT3539503.	2014/11/20	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	C
AT3749969 REMARKS: AT3539503.	2014/11/26	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3765342 REMARKS: AT3539503.	2014/12/12	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3769051 REMARKS: AT3539503	2014/12/17	NOTICE		FLETCHER, JOHN PAUL		C
AT3790042 REMARKS: AT3539503.	2015/01/19	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3793278 REMARKS: AT3235332 AND AT3685946	2015/01/22	NOTICE		TERRASAN 327 ROYAL YORK RD. LIMITED	VECTOR FINANCIAL SERVICES LIMITED	C
AT3818095 REMARKS: AT3539503.	2015/02/25	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C

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07617-0889 (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
AT3841250	2015/03/26	CHARGE	\$15,053,500	TERRASAN 327 ROYAL YORK RD. LIMITED	THE GUARANTEE COMPANY OF NORTH AMERICA	C
AT3844741	2015/03/31	TRANSFER OF CHARGE REMARKS: AT3539503.		FLETCHER, JOHN PAUL	OLYMPIA TRUST COMPANY	C
AT3850533	2015/04/07	NOTICE REMARKS: AT3539503.		TERRASAN 327 ROYAL YORK RD. LIMITED	FLETCHER, JOHN PAUL	C
AT3881044	2015/05/12	NOTICE REMARKS: AT3539503		FLETCHER, JOHN PAUL		C
AT3884276	2015/05/28	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	THE GUARANTEE COMPANY OF NORTH AMERICA	C
		REMARKS: YR3539503 TO YR3841250				
AT3941583	2015/07/09	NOTICE		FLETCHER, JOHN PAUL		C
AT3989173	2015/08/26	TRANSFER EASEMENT	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	ENBRIDGE GAS DISTRIBUTION INC.	C
AT3989335	2015/08/26	POSTPONEMENT REMARKS: AT3235332, AT3235333, AT3685946, AT3793276 TO AT3989173		VECTOR FINANCIAL SERVICES LIMITED	ENBRIDGE GAS DISTRIBUTION INC.	C
AT3989337	2015/08/26	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	ENBRIDGE GAS DISTRIBUTION INC.	C
		REMARKS: AT3539503, AT3549928, 3549936, AT3555412, AT3566547, AT3575227, AT3585296, AT3596048, AT3601926, AT3607117, AT3613001, AT3619994, AT3638194, AT3658196, AT3666680, AT3703135, AT3708526, AT3710726, AT3717540, AT3723532, AT3728118, AT3741238, AT3745031, AT3749969, AT3765342, AT3769051, AT3780042, AT3818095, AT3844741, AT3850533,				
AT3989338	2015/08/26	POSTPONEMENT REMARKS: AT3841250 TO AT3989173		THE GUARANTEE COMPANY OF NORTH AMERICA	ENBRIDGE GAS DISTRIBUTION INC.	C
AT4035434	2015/10/14	TRANSFER OF CHARGE REMARKS: AT3235332.		VECTOR FINANCIAL SERVICES LIMITED	DIVERSIFIED CAPITAL INC.	C
AT4035435	2015/10/14	NO ASSIGN RENT GEN REMARKS: AT3235333		VECTOR FINANCIAL SERVICES LIMITED	DIVERSIFIED CAPITAL INC.	C
AT4066213	2015/11/13	TRANSFER OF CHARGE REMARKS: AT3539503.		FLETCHER, JOHN PAUL	FLETCHER, JOHN PAUL	C
AT4066214	2015/11/13	NOTICE		TERRASAN 327 ROYAL YORK RD. LIMITED	FLETCHER, JOHN PAUL	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
AT4132320	2016/01/29	NOTICE	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	DIVERSIFIED CAPITAL INC.	C
		REMARKS: AT3235332				
AT4132321	2016/01/29	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	DIVERSIFIED CAPITAL INC.	C
		REMARKS: AT3535503, AT4066213 TO AT4132320				
AT4132323	2016/01/29	POSTPONEMENT		THE GUARANTEE COMPANY OF NORTH AMERICA	DIVERSIFIED CAPITAL INC.	C
		REMARKS: AT3841250 TO AT4132320				
AT4192703	2016/04/14	POSTPONEMENT		DIVERSIFIED CAPITAL INC.	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
		REMARKS: AT3235332, AT3235333, AT3685946, AT3793278, AT4035434, AT4035435 TO AT4192670, AT4192671				
AT4192704	2016/04/14	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	DUCA FINANCIAL SERVICES CREDIT UNION LTD.	C
		REMARKS: AT3535503, AT3549928, AT3549936, AT3555412, AT3561505, AT3566547, AT3575227, AT3585296, AT3596048, AT3601926, AT3607117, AT3613001, AT3619994, AT3658194, AT3658196, AT3666880, AT3703135, AT3708526, AT3710726, AT3717540, AT3723532, AT3728118, AT3741238, AT3745031, AT3749969, AT3765342, AT3769051, AT3790042, AT3818095, AT3844741, AT3850533, AT3881044, AT3941583, AT4066213, AT4066214 TO AT4192670				
AT4192730	2016/04/14	CHARGE	\$21,800,000	TERRASAN 327 ROYAL YORK RD. LIMITED	CENTURION MORTGAGE CAPITAL CORPORATION	C
AT4192731	2016/04/14	NO ASSGN RENT GEN		TERRASAN 327 ROYAL YORK RD. LIMITED	CENTURION MORTGAGE CAPITAL CORPORATION	C
		REMARKS: AT4192730.				
AT4192760	2016/04/14	POSTPONEMENT		DIVERSIFIED CAPITAL INC.	CENTURION MORTGAGE CAPITAL CORPORATION	C
		REMARKS: AT3235332, AT3235333, AT3685946, AT3793278, AT4035434, AT4035435 TO AT4192730, AT4192731				
AT4192761	2016/04/14	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	CENTURION MORTGAGE CAPITAL CORPORATION	C
		REMARKS: AT3535503, AT3549928, AT3549936, AT3555412, AT3561505, AT3566547, AT3575227, AT3585296, AT3596048, AT3601926, AT3607117, AT3613001, AT3619994, AT3658194, AT3658196, AT3666880, AT3703135, AT3708526, AT3710726, AT3717540, AT3723532, AT3728118, AT3741238, AT3745031, AT3749969, AT3765342, AT3769051, AT3790042, AT3818095, AT3844741, AT3850533, AT3881044, AT3941583, AT4066213, AT4066214 TO AT4192730				
AT4192762	2016/04/14	POSTPONEMENT		THE GUARANTEE COMPANY OF NORTH AMERICA	CENTURION MORTGAGE CAPITAL CORPORATION	C
		REMARKS: AT3841250 TO AT4192730				
AT4193455	2016/04/14	NOTICE	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	DIVERSIFIED CAPITAL INC.	C
		REMARKS: AT3235332				

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
AT4215393	2016/05/11	NOTICE	\$2	CITY OF TORONTO	TERRASAN 327 ROYAL YORK RD. LIMITED	C
AT4264438	2016/06/30	TRANSFER EASEMENT	\$2	TERRASAN 327 ROYAL YORK RD. LIMITED	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4264603	2016/06/30	POSTPONEMENT REMARKS: AT4192670 TO AT4264438		DUCA FINANCIAL SERVICES CREDIT UNION LTD.	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4264604	2016/06/30	POSTPONEMENT REMARKS: AT4192730 TO AT4264438		CENTURION MORTGAGE CAPITAL CORPORATION	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4264605	2016/06/30	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4264606	2016/06/30	POSTPONEMENT REMARKS: AT3535503 TO AT4264438		DIVERSIFIED CAPITAL INC.	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4264607	2016/06/30	POSTPONEMENT REMARKS: AT3844250 TO AT4264438		THE GUARANTEE COMPANY OF NORTH AMERICA	CANADIAN NATIONAL RAILWAY COMPANY	C
AT4274323	2016/07/11	TRANSFER EASEMENT		TERRASAN 327 ROYAL YORK RD. LIMITED	METROLINX	C
AT4274414	2016/07/11	POSTPONEMENT REMARKS: AT4192730 TO AT4274323		CENTURION MORTGAGE CAPITAL CORPORATION	METROLINX	C
AT4274415	2016/07/11	POSTPONEMENT REMARKS: AT4192670 TO AT4274323		DUCA FINANCIAL SERVICES CREDIT UNION LTD.	METROLINX	C
AT4274416	2016/07/11	POSTPONEMENT REMARKS: AT3235332, AT4035434 TO AT4274323		DIVERSIFIED CAPITAL INC.	METROLINX	C
AT4274417	2016/07/11	POSTPONEMENT		FLETCHER, JOHN PAUL OLYMPIA TRUST COMPANY COMMUNITY TRUST COMPANY	METROLINX	C
AT4274418	2016/07/11	POSTPONEMENT REMARKS: AT3844250 TO AT4274323		THE GUARANTEE COMPANY OF NORTH AMERICA	METROLINX	C
AT4327730	2016/08/31	TRANSFER OF CHARGE REMARKS: AT3535503.		OLYMPIA TRUST COMPANY	FLETCHER, JOHN PAUL	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
AT4455871	2017/01/11	CONSTRUCTION LIEN	\$435,519	CRH CANADA GROUP INC.		C
AT4458595	2017/01/13	CONSTRUCTION LIEN	\$111,313	SUMMIT CONCRETE & DRAIN LTD.		C
AT4459539	2017/01/13	CONSTRUCTION LIEN	\$504,413	RONI EXCAVATING LIMITED		C
AT4462727	2017/01/18	CONSTRUCTION LIEN	\$469,827	BLUESCAPE CONSTRUCTION MANAGEMENT INC.		C
AT4464383	2017/01/19	TRANSFER OF CHARGE		FLETCHER, JOHN PAUL	FLETCHER, JOHN PAUL	
		REMARKS: AT3539503.				
AT4464740	2017/01/19	CONSTRUCTION LIEN	\$228,336	MANSTEEL REBAR LTD.		
AT4467005	2017/01/23	CONSTRUCTION LIEN	\$285,237	DESROSIERS GEOTHERMAL CORPORATION		
AT4468556	2017/01/24	CONSTRUCTION LIEN	\$34,881	R. MANCINI AND ASSOCIATES LTD.		
AT4468557	2017/01/24	CONSTRUCTION LIEN	\$29,826	R. MANCINI AND ASSOCIATES LTD.		

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THIS IS **EXHIBIT " Y"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

SUBORDINATION, POSTPONEMENT AND STANDSTILL AGREEMENT

TO: Centurion Mortgage Capital Corporation ("Centurion")

RE: Centurion loan to Terrasan 327 Royal York Rd. Limited on the security of 327 Royal York Road, Toronto ON (the "Lands")

WHEREAS the undersigned (the "Subordinate Lender") has been or will be granted a fourth charge on the condominium project (the "Project") being constructed on the Land and other security interests, claims, charges, liens or other encumbrances Terrasan 327 Royal York Rd. Limited (the "Corporation") and has registered or may register such security interests, claims, charges, liens or other encumbrances against the Corporation, including, without limitation, under the *Personal Property Security Act* (Ontario) or other applicable personal property security legislation (collectively, the "Security") pursuant to a credit agreement dated (the "Credit Agreement");

AND WHEREAS Centurion requires a security position in priority to the undersigned against all of the Corporation's present and after-acquired property, assets and undertakings as a condition to extending credit to the Corporation;

AND WHEREAS Centurion has been or will be granted security interests, claims, charges, liens and other encumbrances by the Corporation and has registered or will register such security interest, claims, charges, liens and other encumbrances against the Corporation, including, without limitation, under the *Personal Property Security Act* (Ontario) or other applicable personal property security legislation (the "Centurion Security") pursuant to a commitment letter dated March 23, 2016 (the "Commitment Letter");

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby consents to the Centurion Security granted by the Corporation to and in favour of Centurion and acknowledges, covenants and agrees to and in favour of Centurion:

- (a) that notwithstanding any priority provided by any principle of law, equity or statute or the relative order of execution, delivery, creation, grant, registration, advance, attachment, possession, perfection or non-perfection, default, demand, notice, crystallization, enforceability or enforcement of the Centurion Security or the Security, or any other matter or thing whatsoever, the Security of the undersigned in and to any and all of the present and after-acquired property, assets and undertakings of the Corporation, and any and all proceeds therefrom, and any and all insurance claims and proceeds in connection therewith, which the undersigned may now have or hereinafter obtain and be perfected by any existing registrations under the *Personal Property Security Act* (Ontario) or any other personal property security legislation, or any subsequent registrations, shall be fully and unconditionally subordinated to the Centurion Security in favour of Centurion;
 - (b) to give written notice to Centurion of any default of the Corporation regarding any indebtedness, liability or obligation of the Corporation to the undersigned;
 - (c) until such time as Centurion takes Enforcement Steps (as herein defined) under the Centurion Security, that the undersigned shall not, without the prior written consent of Centurion, which consent may be withheld at the sole discretion of Centurion, take any steps (the "Subordinate Enforcement Steps") whatsoever to enforce the Security (including, without limitation, asserting any rights of set-off or claims against any of the property assets or undertakings of the Corporation, making any demand, accelerating any of the obligations, commencing any bankruptcy proceedings, foreclosure, sale, power or sale, taking of
-

possession, giving in payment, appointing or making application to a court for an order appointing an agent or a receiver of receiver-manager over all or any part of the property, assets or undertakings of the Corporation or by any other means of enforcement thereof), unless and until the obligations of the Corporation to Centurion have been indefeasibly paid and performed in full to the absolute and sole satisfaction of Centurion; ("Enforcement Steps" shall mean issuance of notice of power of sale proceedings, commencement of foreclosure or receivership proceedings or appointment of a receiver);

- (d) to do all things and execute all documents which may be reasonably requested by Centurion to give effect to this Subordination, Postponement and Standstill Agreement; and
- (e) that it shall not take any steps whatsoever whereby the priority or rights of Centurion as established hereunder shall or might be delayed, defeated, impaired or diminished. Without limiting the generality of the foregoing, the undersigned shall not and shall not cause any other person to challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by Centurion in connection with the enforcement by Centurion of the Centurion Security or realization of any of the Corporation's personal property, assets, undertaking and collateral.

Notwithstanding the foregoing, the Subordinate Lender shall be free to take Subordinate Enforcement Steps in the event of a default under the Centurion Security or Commitment Letter which has not been rectified for a period of 180 days from the date of such default.

Notwithstanding the foregoing, provided that Centurion has not advised the Subordinate Lender that the Corporation is in default under the Commitment Letter, it is agreed that payments may be made by the Corporation to the undersigned on account of interest owing pursuant to the Security at any time without the consent of Centurion and any such payments shall not constitute an event of default under the Centurion Security, provided that such payments are made from sources other than that of the Corporation or the property subject to the Centurion Security.

This Subordination, Postponement and Standstill Agreement shall enure to the benefit of and be binding upon the parties hereto and Centurion and their respective successors and assigns.

The undersigned hereby authorizes Robins Appleby LLP to register the necessary financing statement to record the subordination created herein.

It is specifically acknowledged and agreed that this Subordination, Postponement and Standstill Agreement may be executed in several counterparts, each of which shall be deemed to be an original and that such separate counterparts shall together constitute one and the same agreement.

DATED this day of March, 2016.

DIVERSIFIED CAPITAL INC.

Per: 

Name: Russ Giannotta

Title: President

Per: _____

Name:

Title:

I/We have authority to bind the Corporation.

THE UNDERSIGNED HEREBY ACKNOWLEDGES receipt of a copy of the foregoing Subordination, Postponement and Standstill Agreement, accepts all of the terms and conditions contained therein and further agrees with Centurion to give effect to all of the provisions thereof. The undersigned further acknowledges that nothing contained in this agreement shall confer any rights or benefits on the Corporation.

DATED this day of March, 2016.

TERRASAN 327 ROYAL YORK RD. LIMITED

Per: _____
Name: Luigi Santaguida
Title: President

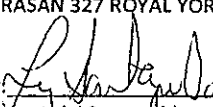
I have authority to bind the Corporation.

THE UNDERSIGNED HEREBY ACKNOWLEDGES receipt of a copy of the foregoing Subordination, Assignment, Postponement and Standstill Agreement, accepts all of the terms and conditions contained therein and further agrees with Centurion to give effect to all of the provisions thereof. The undersigned further acknowledges that nothing contained in this agreement shall confer any rights or benefits on the Corporation.

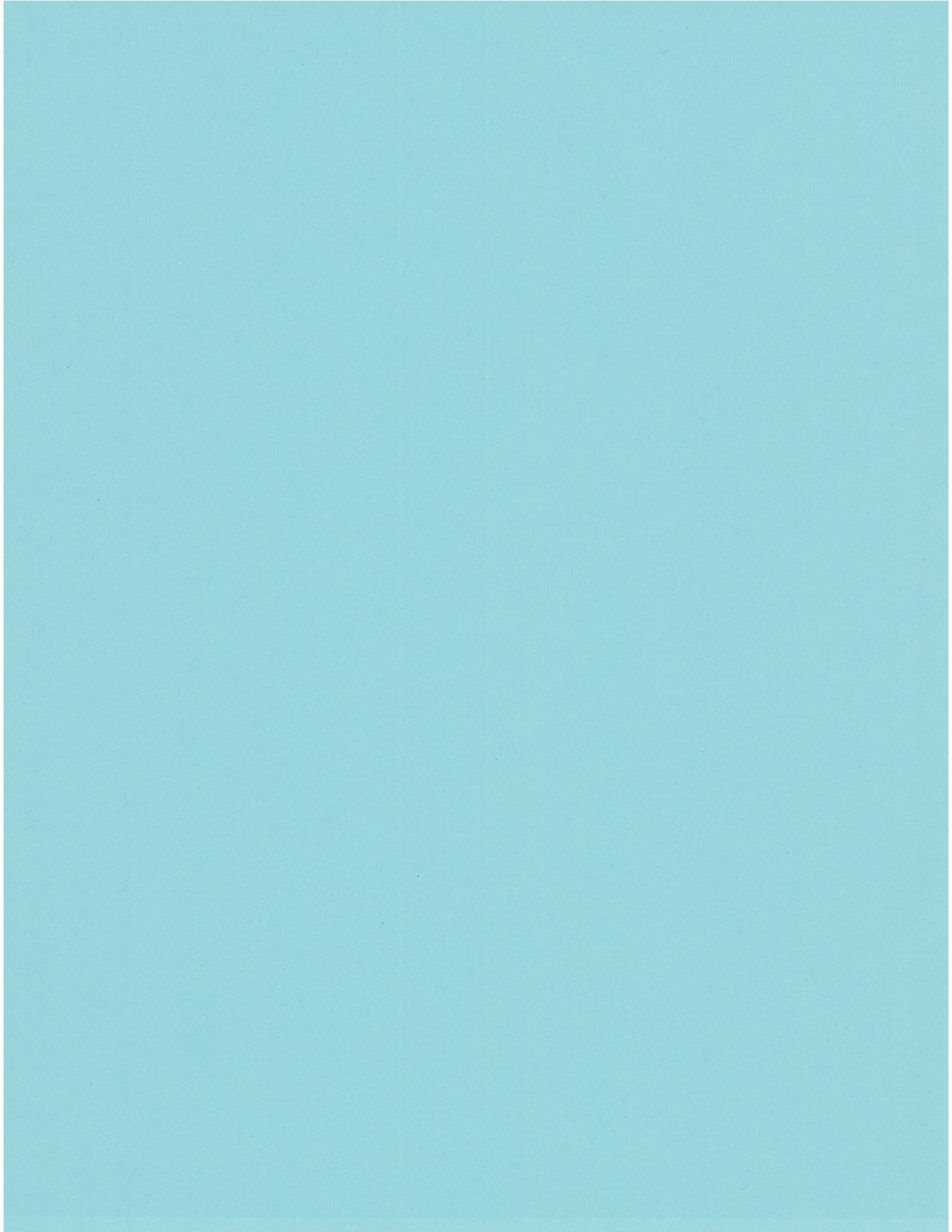
DATED this ^{6th} day of March, 2016.

APC

TERRASAN 327 ROYAL YORK RD. LIMITED

Per: 
Name: Luigi Santaguida
Title: President

I have authority to bind the Corporation.



SUBORDINATION, ASSIGNMENT, POSTPONEMENT AND STANDSTILL AGREEMENT TO:

Centurion Mortgage Capital Corporation ("Centurion")

Re: Centurion loan to Terrasan 327 Royal York Rd. Limited on the security of 327 Royal York Road, Toronto ON (the "Lands")

WHEREAS the undersigned (collectively, the "Subordinate Lender") has been or will be granted a fifth charge on the condominium project (the "Project") being constructed on the Land and other security interests, claims, charges, liens or other encumbrances by Terrasan 327 Royal York Rd. Limited (the "Corporation") and has registered or may register such security interests, claims, charges, liens or other encumbrances against the Corporation, including, without limitation, under the *Personal Property Security Act* (Ontario) or other applicable personal property security legislation (collectively, the "Security") pursuant to a credit agreement dated the 26th day of February, 2014 (the "Credit Agreement");

AND WHEREAS Centurion requires a security position in priority to the undersigned against all of the Corporation's present and after-acquired property, assets and undertakings as a condition to extending credit to the Corporation;

AND WHEREAS Centurion has been or will be granted security interests, claims, charges, liens and other encumbrances by the Corporation and has registered or will register such security interest, claims, charges, liens and other encumbrances against the Corporation, including, without limitation, under the *Personal Property Security Act* (Ontario) or other applicable personal property security legislation (the "Centurion Security") pursuant to a commitment letter dated March 23, 2016 (the "Commitment Letter");

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the undersigned, the undersigned hereby consents to the Centurion Security granted by the Corporation to and in favour of Centurion and acknowledges, covenants and agrees to and in favour of Centurion:

- (a) that notwithstanding any priority provided by any principle of law, equity or statute or the relative order of execution, delivery, creation, grant, registration, advance, attachment, possession, perfection or non-perfection, default, demand, notice, crystallization, enforceability or enforcement of the Centurion Security or the Security, or any other matter or thing whatsoever, the Security of the undersigned in and to any and all of the present and after-acquired property, assets and undertakings of the Corporation, and any and all proceeds therefrom, and any and all insurance claims and proceeds in connection therewith, which the undersigned may now have or hereinafter obtain and be perfected by any existing registrations under the *Personal Property Security Act* (Ontario) or any other personal property security legislation, or any subsequent registrations, shall be fully and unconditionally subordinated to the Centurion Security in favour of Centurion;
- (b) to give written notice to Centurion of any default of the Corporation regarding any indebtedness, liability or obligation of the Corporation to the undersigned;
- (c) until such time as Centurion takes Enforcement Steps (as herein defined) under the Centurion Security, that it shall not, without Centurion's prior written consent, which consent may be withheld at the sole discretion of Centurion, take any steps (the "Subordinate Enforcement Steps") whatsoever to enforce the Security (including, without limitation, asserting any rights of set-off or claims against any of the property assets or undertakings of the Corporation, making any demand, accelerating any of the obligations, commencing any bankruptcy proceedings, foreclosure, sale, power of sale, taking of possession, giving in payment, appointing or making application to a court for an order appointing an agent or a receiver of receiver-manager over all or any part of the property, assets or undertakings of the Corporation or by any other means of enforcement thereof), unless and until the obligations of the Corporation to Centurion have been indefeasibly paid and performed in full to the absolute and sole satisfaction of Centurion;

- (d) to do all things and execute all documents which may be reasonably requested by Centurion to give effect to this Subordination, Assignment, Postponement and Standstill Agreement ("Enforcement Steps" shall mean issuance of notice of power of sale proceedings, commencement of foreclosure or receivership proceedings or appointment of a receiver);
- (e) that all present and future indebtedness and liability of the Corporation to the undersigned is hereby assigned by the undersigned to Centurion and postponed to all obligations of the Corporation to Centurion and any and all moneys received by the undersigned in respect thereof will be received in trust for and forthwith paid over to Centurion; and
- (f) that it shall not take any steps whatsoever whereby the priority or rights of Centurion as established hereunder shall or might be delayed, defeated, impaired or diminished. Without limiting the generality of the foregoing, the undersigned shall not and shall not cause any other person to challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by Centurion in connection with the enforcement by Centurion of the Centurion Security or realization of any of the Corporation's personal property, assets, undertaking and collateral.


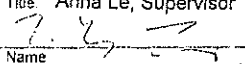
Notwithstanding the foregoing, provided that Centurion has not advised the Subordinate Lender that the Corporation is in default under the Commitment Letter, it is agreed that payments may be made by the Corporation to the undersigned on account of interest owing pursuant to the Security at any time without the consent of Centurion and any such payments shall not constitute an event of default under the Centurion Security, provided that such payments are made from sources other than that of the Corporation or the property subject to the Centurion Security.

This Subordination, Assignment, Postponement and Standstill Agreement shall enure to the benefit of and be binding upon the parties hereto and Centurion and their respective successors and assigns.

The undersigned hereby authorizes Robins Appleby LLP to register the necessary financing statement to record the subordination created herein.

It is specifically acknowledged and agreed that this Subordination, Assignment, Postponement and Standstill Agreement may be executed in several counterparts, each of which shall be deemed to be an original and that such separate counterparts shall together constitute one and the same agreement

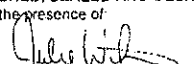
DATED this day of March, 2016

OLYMPIA TRUST COMPANY
 Per: 
 Name: _____
 Title: Anna Le, Supervisor ...
 Per: 
 Name: _____
 Title: Johnny Luoma, Team Lead

COMMUNITY TRUST COMPANY
 Per: _____
 Name: _____
 Title: _____
 Per: _____
 Name: _____
 Title: _____

We have the authority to bind the Corporation

We have the authority to bind the Corporation

SIGNED, SEALED AND DELIVERED
 in the presence of

 Witness

JOHN PAUL FLETCHER

- (d) to do all things and execute all documents which may be reasonably requested by Centurion to give effect to this Subordination, Assignment, Postponement and Standstill Agreement ("Enforcement Steps" shall mean issuance of notice of power of sale proceedings, commencement of foreclosure or receivership proceedings or appointment of a receiver);
- (e) that all present and future indebtedness and liability of the Corporation to the undersigned is hereby assigned by the undersigned to Centurion and postponed to all obligations of the Corporation to Centurion and any and all moneys received by the undersigned in respect thereof will be received in trust for and forthwith paid over to Centurion; and
- (f) that it shall not take any steps whatsoever whereby the priority or rights of Centurion as established hereunder shall or might be delayed, defeated, impaired or diminished. Without limiting the generality of the foregoing, the undersigned shall not and shall not cause any other person to challenge, object to, compete with or impede in any manner any act taken or proceeding commenced by Centurion in connection with the enforcement by Centurion of the Centurion Security or realization of any of the Corporation's personal property, assets, undertaking and collateral.

Notwithstanding the foregoing, provided that Centurion has not advised the Subordinate Lender that the Corporation is in default under the Commitment Letter, it is agreed that payments may be made by the Corporation to the undersigned on account of interest owing pursuant to the Security at any time without the consent of Centurion and any such payments shall not constitute an event of default under the Centurion Security, provided that such payments are made from sources other than that of the Corporation or the property subject to the Centurion Security.

This Subordination, Assignment, Postponement and Standstill Agreement shall enure to the benefit of and be binding upon the parties hereto and Centurion and their respective successors and assigns.

The undersigned hereby authorizes Robins Appleby LLP to register the necessary financing statement to record the subordination created herein.

It is specifically acknowledged and agreed that this Subordination, Assignment, Postponement and Standstill Agreement may be executed in several counterparts, each of which shall be deemed to be an original and that such separate counterparts shall together constitute one and the same agreement.

DATED this day of March, 2016.

OLYMPIA TRUST COMPANY

Per: _____

Name:
Title:

Per: _____

Name:
Title:

We have the authority to bind the Corporation

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

Community Trust Company
In Trust for TFSA 8200026 as to 31,000.00 share

COMMUNITY TRUST COMPANY

Per: _____

Name: Michael E. Favelyukis
Title: Vice President, Finance and Administration

Per: _____

Name: Lisa Abbatangelo
Title: AVP, Mortgage Operations
Community Trust Company

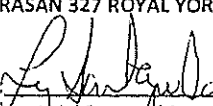
We have the authority to bind the Corporation

JOHN PAUL FLETCHER

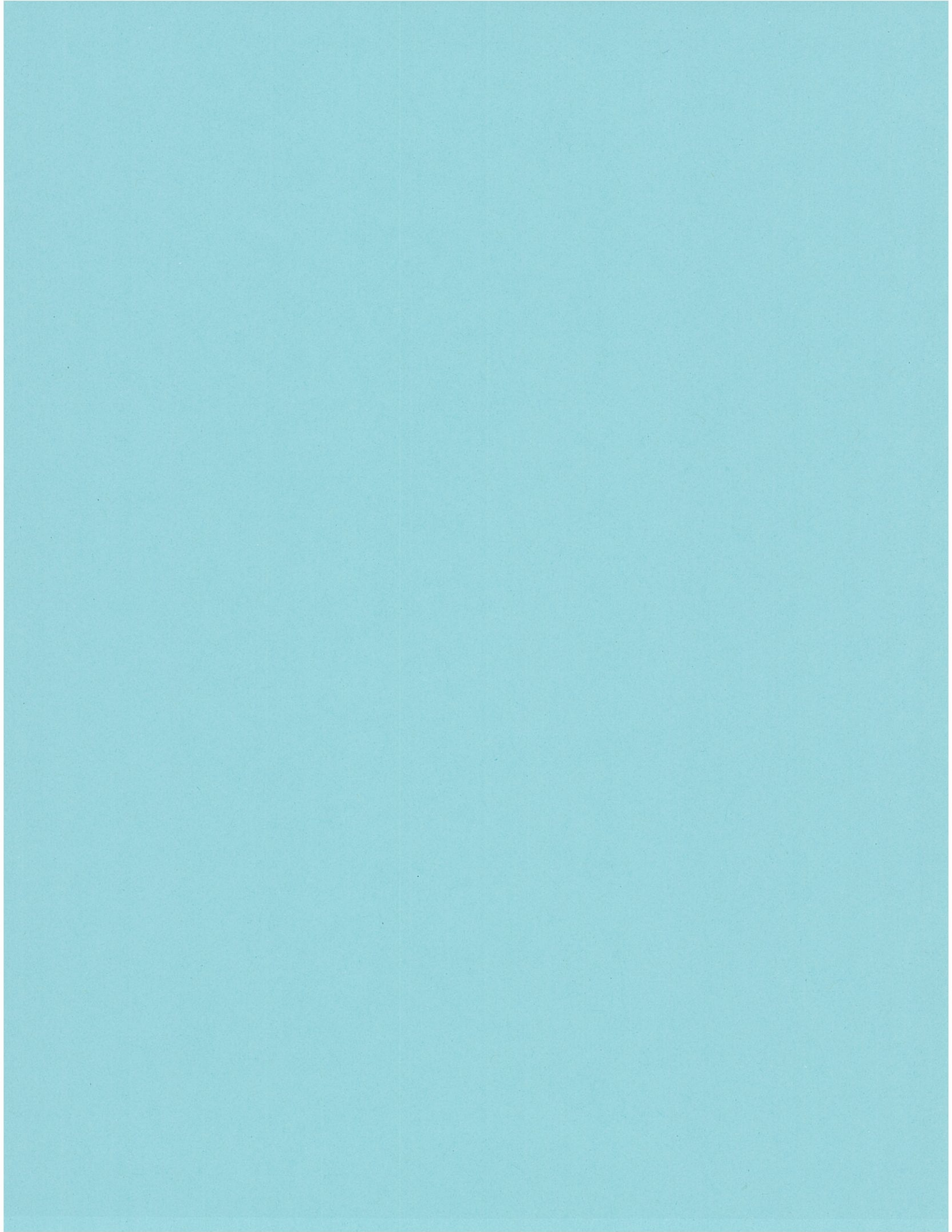
THE UNDERSIGNED HEREBY ACKNOWLEDGES receipt of a copy of the foregoing Subordination, Assignment, Postponement and Standstill Agreement, accepts all of the terms and conditions contained therein and further agrees with Centurion to give effect to all of the provisions thereof. The undersigned further acknowledges that nothing contained in this agreement shall confer any rights or benefits on the Corporation.

DATED this 6th day of March, 2016.
HPC

TERRASAN 327 ROYAL YORK RD. LIMITED

Per: 
Name: Luigi Santaguida
Title: President

I have authority to bind the Corporation.



PRIORITY AGREEMENT

291

THIS AGREEMENT dated the _____ day of _____, 2016.

BETWEEN:

THE GUARANTEE COMPANY OF NORTH AMERICA

(hereinafter called "GCNA")

- and -

CENTURION MORTGAGE CAPITAL CORPORATION

(hereinafter called "Construction Lender #2")

WHEREAS:

1. Terrasan 327 Royal York Rd. Limited (hereinafter called the "Principal") has entered into a or commitment letter with the Construction Lender #2 dated the 23rd day of March, 2016, pursuant to which the Principal has executed and delivered certain security to the Construction Lender #2, including without limitation a Charge/Mortgage of Land (the "Charge") dated the _____ day of _____, 2016, in the principal amount of TWENTY ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$21,800,000.00) (the "Construction Mortgage #2") and certain other security (all present and future security granted by the Principal to the Construction Lender #2, collectively referred to herein as the "Construction Lender #2 Security").
2. The Construction Mortgage was registered in the Land Titles Division of Toronto, as Instrument No. _____ against the lands described in Schedule "A" hereto (the "Property").
3. The Principal has requested GCNA to provide a Bond to Tarion Warranty Corporation and/or excess condominium deposit insurance policies ~~and/or a construction lien bond (collectively referred to herein as "ECDI")~~ ("ECDI") in connection with the Principal's proposed development of a residential condominium project (the "Project") on the Property.
4. The Principal has entered into a deposit trust agreement dated February 10, 2015 as amended March 16, 2016 (collectively, the "Deposit Trust Agreement") with GCNA and Schneider Ruggiero LLP (the "Escrow Agent") in connection with deposit monies received from time to time from purchasers of dwelling units in the Project and accrued interest thereon (the "Deposit Monies") pursuant to which the Deposit Monies are to be placed and held in trust in a designated and segregated trust account monitored by GCNA (the "Designated Trust Account").
5. By a Charge/Mortgage of Land (the "GCNA Mortgage") made between the Principal as mortgagor and GCNA as mortgagee which GCNA Mortgage was registered on the 26th day of March, 2015 in the Land Titles Division of Toronto as Instrument No. AT3841250, the Principal did mortgage the Property to GCNA to secure payment of the sum of FIFTEEN MILLION FIFTY THREE THOUSAND FIVE HUNDRED DOLLARS (\$15,053,500.00) and interest as set out in the GCNA Mortgage.
6. The Principal has granted to GCNA, pursuant to the provisions of the GCNA Mortgage and the Deposit Trust Agreement, a first charge and security interest in the Deposit Monies held in trust in the Designated Trust Account pursuant to the terms of the Deposit Trust Agreement (all present and future security granted by the Principal to GCNA, including such security granted pursuant to the GCNA Mortgage and the Deposit Trust Agreement, hereinafter referred to as the "GCNA Security").
7. The parties hereto wish to record their agreement as to the priorities of the Construction Lender #2 Security and GCNA Security.

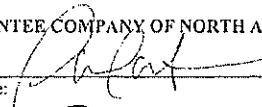
NOW THEREFORE for good and valuable consideration (the receipt and sufficiency of which are acknowledged) GCNA and the Construction Lender #2 agree as follows:

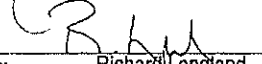
- (a) The Construction Mortgage and all amounts secured thereby (including all costs, charges and fees and expenses incurred by the Construction Lender #2, or any agent, receiver, or receiver and manager appointed by the Construction Lender #2, in connection therewith but including advances made or to be made thereunder, only to the extent of TWENTY ONE MILLION EIGHT HUNDRED THOUSAND DOLLARS (\$21,800,000.00), plus interest thereunder and secured thereby shall be an encumbrance upon the Property prior to the GCNA Mortgage, and GCNA hereby postpones and subordinates all of its rights and interests under the GCNA Mortgage to the Construction Mortgage, to all amounts secured thereby (including all costs, charges, fees and expenses incurred by the Construction Lender #2, or any agent, receiver or receiver and manager appointed by the Construction Lender #2, in connection therewith) and all advances made or to be made thereunder to the extent noted above and to all interest accruing thereunder and security thereby. In order to give effect to this postponement and subordination, GCNA releases to the Construction Lender #2 all of its rights and claims to priority with respect to the GCNA Mortgage to the extent noted above.
- (b) Subject to the provisions of Paragraph (a) above in respect of the Construction Mortgage and the GCNA Mortgage, the GCNA Security shall at all times be postponed to and rank subordinate to the Construction Lender #2 Security, except in respect of the Deposit Monies, in respect to the GCNA Security shall have priority over the Construction Lender #2 Security for only so long as, and to the extent that, such Deposit Monies shall remain in trust in the Designated Trust Account pursuant to the provisions of the Deposit Trust Agreement. For such purposes the Construction Lender #2 hereby subordinates the Construction Lender #2 Security, including all registrations made under the Personal Property Security Act (the "PPSA") in respect thereof, the GCNA Security in respect of the Deposit Monies.
- (c) The above postponements and subordinations shall apply notwithstanding the respective dates of execution and registration of any of the Construction Lender #2 Security or the GCNA Security, the date of attachment or perfection of any security interest granted thereby, the date of any advance, the date of any default, or any other matter. Each of the parties hereto agrees that it shall not claim against the other the benefit of any charge, mortgage, security interest, trust or other claim which would affect the priorities set out therein.
- (d) GCNA hereby confirms that notwithstanding any provision to the contrary in any of the GCNA Security, the security provided by the GCNA Security over the Property and other assets of the Principal in any way related to the Project (including without limitation, the Deposit Monies) shall not secure any indebtedness, liability or obligation of the Principal except in respect of the Project, while any amounts under the Construction Lender #2 Security remains unpaid.
- (e) GCNA and the Construction Lender #2 consent to the granting of the security by the Principal referred to herein, and shall at all times and from time execute and deliver to the other all such further documents, agreements or other assurances as may be necessary to give effect to this agreement and to carry out the intent hereof.
- (f) Nothing herein shall affect the rights of GCNA and the Construction Lender #2 respectively against the Principal. The provisions of this agreement shall enure to the benefit of and be binding upon the Construction Lender #2 and GCNA and their respective successors and assigns, and shall be interpreted and construed according to the laws of the Province of Ontario.

- (g) GCNA hereby covenants, agrees and undertakes to and with the Construction Lender #2 to execute and deliver without payment (whether on account of principal, interest or otherwise) therefor and notwithstanding any default under the GCNA Security:
 - (i) any and all plans, documents and agreements whatsoever which may be necessary or desirable in order to facilitate the development of the Property, including without limitation, the registration of a plan or plans of condominium;
 - (ii) such partial discharge or discharges or other assurances as may be required to convey to any municipality, public authority, other governmental body or authority, railway company, utility, or conservation authority, any lands required for municipal, public or any other purpose, in order to permit the registration of a plan or plans of condominium, or for any other municipal or public purpose, including but without limiting in any way the generality of the foregoing, such public or private purposes as roads, road widenings, highways, walkways, reserves and parks;
 - (iii) such partial discharge or discharges and any consents, subordinations or postponements required in order to create and grant easements, rights-of-way, licences or reserves for utilities whether public, quasi public or private and whether for gas, water, electricity, telephone, sewer (sanitary and storm), cable television or similar services;
 - (iv) any document required by the Principal in connection with the entering into of any condominium, development, site plan, engineering or similar development agreement with the relevant municipality, public or private utility or other governmental authority; and
 - (v) partial discharges of the GCNA Security in respect of condominium units (and their appurtenant common interests) and any other part of the Property to facilitate the closing of sales thereof, until the indebtedness secured by the Construction Lender #2 Security has been paid in full, provided that the net proceeds from such sales are applied to reduce the indebtedness outstanding to the Construction Lender #2.
- (h) This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. Counterparts may be executed and delivered by facsimile or other form of electronic transmission and shall have the same legally binding effect as if they were an original; provided, however that any party providing its signature in such manner shall promptly forward to the other parties an original of the executed copy of this Agreement which was so faxed or electronically transmitted.

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

THE GUARANTEE COMPANY OF NORTH AMERICA

Per:  Pamela Martin
 Name: _____ Director, Developer Surety
 Title: _____

Per: 
 Name: Richard Longland
 Title: National Vice President
 Commercial & Developer Surety

We have authority to bind the Corporation.

CENTURION MORTGAGE CAPITAL CORPORATION

Per: _____
 Name: _____
 Title: _____

Per: _____
 Name: _____
 Title: _____

I/We have authority to bind the Corporation.

- (g) GCNA hereby covenants, agrees and undertakes to and with the Construction Lender #2 to execute and deliver without payment (whether on account of principal, interest or otherwise) therefor and notwithstanding any default under the GCNA Security:
 - (i) any and all plans, documents and agreements whatsoever which may be necessary or desirable in order to facilitate the development of the Property, including without limitation, the registration of a plan or plans of condominium;
 - (ii) such partial discharge or discharges or other assurances as may be required to convey to any municipality, public authority, other governmental body or authority, railway company, utility, or conservation authority, any lands required for municipal, public or any other purpose, in order to permit the registration of a plan or plans of condominium, or for any other municipal or public purpose, including but without limiting in any way the generality of the foregoing, such public or private purposes as roads, road widenings, highways, walkways, reserves and parks;
 - (iii) such partial discharge or discharges and any consents, subordinations or postponements required in order to create and grant easements, rights-of-way, licences or reserves for utilities whether public, quasi public or private and whether for gas, water, electricity, telephone, sewer (sanitary and storm), cable television or similar services;
 - (iv) any document required by the Principal in connection with the entering into of any condominium, development, site plan, engineering or similar development agreement with the relevant municipality, public or private utility or other governmental authority; and
 - (v) partial discharges of the GCNA Security in respect of condominium units (and their appurtenant common interests) and any other part of the Property to facilitate the closing of sales thereof, until the indebtedness secured by the Construction Lender #2 Security has been paid in full, provided that the net proceeds from such sales are applied to reduce the indebtedness outstanding to the Construction Lender #2.
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IN WITNESS WHEREOF the parties have duly executed this agreement as of the date first above written.


THE GUARANTEE COMPANY OF NORTH AMERICA

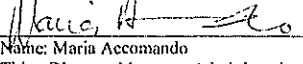
Per: _____
Name:
Title:

Per: _____
Name:
Title:

We have authority to bind the Corporation.

CENTURION MORTGAGE CAPITAL CORPORATION

Per: 
Name: Ryan Buzzell
Title: Director, Mortgage Investments & Joint Ventures

Per: 
Name: Maria Accomando
Title: Director, Mortgage Administration & Compliance

I/We have authority to bind the Corporation.

SCHEDULE "A"

Legal description of the Lands

Lots 159, 160 & 161, Plan 164; Etobicoke, City of Toronto; subject to an easement as in AT3989173.

K:\Clients A to G\Guarantee Company of North America, The\Terrasan 327 Royal York Rd Limited 36508\Priority Agreement Centerion March 2016.doc

THIS IS **EXHIBIT " Z"** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

296

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Courier
File No.: 1600183

January 20, 2017

Diversified Capital Inc.
1243 Islington Avenue, Suite 701
Toronto, Ontario M8X 1Y9

Attention: Russ Giannotta

Dear Sirs:

RE: DUCA Financial Services Credit Union Ltd. ("DUCA") loan to Terrasan 327
 Royal York Rd. Limited ("Terrasan") (the "DUCA Loan")
AND RE: Centurion Mortgage Capital Corporation (the "Lender")
 Second Mortgage loan to Terrasan 327 Royal York Rd. Limited (the
 "Centurion Loan") - 327 Royal York Road, Toronto (the "Property")
AND RE: Diversified Capital Inc. loan to Terrasan 327 Royal York Rd. Limited
 ("Terrasan")

Please be advised that we act as solicitors on behalf of Centurion Mortgage Capital Corporation
"Centurion").

As you may be aware, both DUCA and Centurion previously issued Notices of Intention to
Enforce Security under their respective First and Second Mortgages, both of which Notices
have expired. Centurion, in order to protect its Security position, has paid out the DUCA
Mortgage in full and added the amount to the Mortgage debt totalling **\$576,944.23** under its
Second Mortgage which will now become a First Mortgage once the DUCA Discharge is
registered.

We enclose herewith a copy of the Mortgage Discharge Statement from DUCA as well as the
Notice of Intention to Enforce Security previously issued by Centurion.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

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- 2 -

Our client will be taking steps to ensure that the Property is secured and maintained pending its ultimate sale. It is currently taking steps to seek the appointment of a court appointed receiver, in order to supervise the maintenance of the Property and its ultimate sale.

Yours very truly,

ROBINS APPLEBY LLP

Per:


Leor Margulies

LM:mk

Encls.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)
DUCA (Attn: Sergiu Cosmin)

robappl3683871.1

NOTICE OF INTENTION TO ENFORCE SECURITY
 (Section 244 of the *Bankruptcy and Insolvency Act*)

TO: **TERRASAN 327 ROYAL YORK RD. LIMITED**, the insolvent corporation
 93 Skyway Avenue, Suite 210
 Toronto ON M9W 6N6

TAKE NOTICE THAT:

1. Centurion Mortgage Capital Corporation ("**Centurion**"), a secured creditor, intends to enforce its security on the property of the insolvent person/corporation described as:

 Description: Lots 159, 160 and 161, Plan 164, City of Toronto and being the whole of PIN 07617-0050.
2. The security that is to be enforced is described in Schedule "A" attached hereto.
3. The total amount of indebtedness secured by the security as of December 19, 2016 is \$11,327,571.78, plus legal, enforcement and remediation costs, and interest from and including December 19, 2016 at the rate of ten (10%) per cent, per annum, as set out in Schedules "B" and "C" attached hereto.
4. The secured creditor will not have the right to enforce the security until after expiry of the 10-day period following the sending of this notice, unless the insolvent person/corporation consents to an earlier enforcement.

DATED at Toronto, this 19th day of December, 2016.

**CENTURION MORTGAGE CAPITAL
 CORPORATION**

by its lawyers,

ROBINS APPLEBY LLP

120 Adelaide St. West

Suite 2600

Toronto, Ontario M5H 1T1

Per: 

Leor Margulies

File No. 1500489

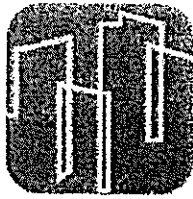
Phone: 416-360-3372

Fax: 416-868-0306

NOTE: This Notice is given for precautionary purposes only and there is no acknowledgement that any person to whom this Notice is delivered is insolvent, or that the provisions of the *Bankruptcy and Insolvency Act* apply to the enforcement of this security.

SCHEDULE "A"

- 1) Charge/Mortgage of Land between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation, registered on April 14, 2016 as Instrument No. AT4192730;
- 2) Notice of Assignment of Rents between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation, registered on April 14, 2016 as Instrument No. AT4192731;
- 3) General Security Agreement between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation, dated March 30, 2016;
- 4) Financing Statement No. 20160412-1404-1793-2842 (Business Debtor-Terrasan 327 Royal York Rd. Limited);
- 5) Guarantee and Postponement of Claim between Luigi Santaguida and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 6) Environmental Indemnity dated March 30, 2016;
- 7) Undertaking and Agreement to Complete, Fund Cost Overruns and Debt Service Agreement dated March 30, 2016;
- 8) Acknowledgment and Direction with respect to the Pledge of Stated Sum as Cash Collateral given to DUCA Financial Services Credit Union, dated March 30, 2016 in the amount of \$1,000,000.00;
- 9) Assignment of Material Contracts between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 10) Specific Assignment of Construction Management Contract between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 11) General Assignment of Agreements of Purchase and Sale between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016;
- 12) Specific Assignment of Loan Agreement between Terrasan 327 Royal York Rd. Limited and Centurion Mortgage Capital Corporation dated March 30, 2016, of a loan agreement with J. Paul Fletcher dated February 26, 2014, as amended by the First Amending Agreement dated March 15, 2015 and further amended by the Second Amending Agreement dated June 1, 2015;
- 13) Irrevocable Direction to Schneider Ruggiero LLP dated March 30, 2016;
- 14) Assignment of Insurance Proceeds dated March 30, 2016;



CENTURION

MORTGAGE CAPITAL CORPORATION

DISCHARGE STATEMENT

December 14th, 2016

Terrasan 327 Royal York Road Limited
 93 Skyway Avenue
 Suite # 210
 Toronto, Ontario
 M9W 6N6

Attention: Luigi Santaguida

Dear Mr. Santaguida:

Re: Borrower Name: Terrasan 327 Royal York Road Limited
 Centurion Loan # 103
 Security Address: 327 Royal York Road, Toronto, Ontario

This discharge statement is prepared as of December 14th, 2016 and is valid until December 31st, 2016.

Term: 30 Months
 Maturity Date: November 1, 2018
 Interest Rate: 10.00%

Principal Balance at April 14 th , 2016:	\$10,326,957.00
Accrued Interest from April 14 th to and including, Dec. 14 th , 2016:	\$ 713,901.63
Discharge/Admin Fee:	\$ 500.00
Total Due on December 14 th , 2016:	<u>\$11,041,358.63</u>

Per Diem Interest: \$3,012.77

Note: Interest must be added at the rate of \$3,012.77 per day from December 14th, 2016, until the date that certified funds are received by Centurion Mortgage Capital Corporation. All funds must be received in our offices by not later than 1:00 p.m. on the discharge date.

Note, this statement does not include legal fees and disbursements and any other costs that may be incurred by the Lender.

Yours truly,

CENTURION MORTGAGE CAPITAL CORPORATION


 Maria Accomando
 Director, Mortgage Administration & Compliance

E. & O. E.

SCHEDULE "C"

BONUS INTEREST UNDER SECTION 17
OF THE MORTGAGES ACT (ONTARIO)

90 days @ \$3,012.77

\$271,149.30

robapp\3668650.1



DUCA Financial Services Credit Union Ltd.
5290 Yonge Street, Toronto, ON M2N 5P9
T: (416)223-8938 W: www.duca.com

DISCHARGE STATEMENT

DATE: December 22, 2016

RE: **BORROWER:** Terrasan 327 Royal York Road Limited
ACCOUNT NUMBER: 914670.73 & LC 2016-005
PROPERTY ADDRESS: 327 Royal York Road, Toronto

Principal Balance	\$	1,044,508.00
Accrued Interest to Dec. 23/16	\$	3,745.91
Cash Collateral	\$	(1,000,000.00)
Discharge Fee	\$	500.00
PPSA Discharge Fee	\$	50.00
Registration Fee	\$	75.00
Letter of Credit Cash Collateral**	\$	173,535.00
Interest Penalty	\$	15,324.30
Aborted Forbearance Fee	\$	(50,403.00)
Estimated Legal Fees	\$	28,600.00
Paid Project Monitor Fees	\$	8,039.70
Project Monitor Contingency Fees	\$	15,000.00
TOTAL	\$	238,972.91
Per Diem Rate	\$	170.27

** Mortgage Charge also secures Letter of Credit 2016-005 issued to The Corporation of the City of Toronto in the amount of \$173,535.00. Borrower must deliver \$173,535.00 cash to cover the contingent liability.

Funds must be made payable to DUCA FINANCIAL SERVICES CREDIT UNION LTD. and delivered to the attention of the Commercial Mortgage Department at our offices at 5290 Yonge Street, Toronto, ON M2N 5P9.

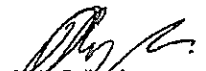
Please be advised that any monies received in our offices after 2:00 p.m. will be processed on the next business day and will be subject to the applicable per diem rate.

Upon receipt of the "TOTAL" amount indicated on this statement, we will execute a Discharge of Charge. If a registration fee for E-Registration has been charged above, a registered document will be forwarded instead, within a reasonable period of time.

This statement is only valid for 30 days from the date of this letter. If payout figures are required after this time period, please request another statement.

Legal fees are an estimate only and subject to change.

DUCA FINANCIAL SERVICES CREDIT UNION LTD.


Alida Pellegrino
Vice President, Credit
E.&O.E.

Nov-06



DUCA Financial Services Credit Union Ltd.
5290 Yonge Street, Toronto, ON M2N 5P9
T: (416)223-8838 W: www.duca.com

DISCHARGE STATEMENT

DATE: December 22, 2016

RE: **BORROWER:** Terrasan 327 Royal York Road Limited
ACCOUNT NUMBER: 914670.58 (Swingline)
PROPERTY ADDRESS: 327 Royal York Road, Toronto

Principal Balance	\$	331,880.53
Accrued Interest to Dec. 23/16	\$	1,221.79
Discharge Fee	\$	-
PPSA Discharge Fee	\$	-
Registration Fee	\$	-
Statement Fee	\$	-
Interest Penalty	\$	4,869.00
TOTAL	\$	337,971.32
Per Diem Rate	\$	54.10

Funds must be made payable to DUCA FINANCIAL SERVICES CREDIT UNION LTD. and delivered to the attention of the Commercial Mortgage Department at our offices at 5290 Yonge Street, Toronto, ON M2N 5P9.

Please be advised that any monies received in our offices after 2:00 p.m. will be processed on the next business day and will be subject to the applicable per diem rate.


Upon receipt of the "TOTAL" amount indicated on this statement, we will execute a Discharge of Charge. If a registration fee for E-Registration has been charged above, a registered document will be forwarded instead, within a reasonable period of time.

Limit on Swingline has been cancelled.

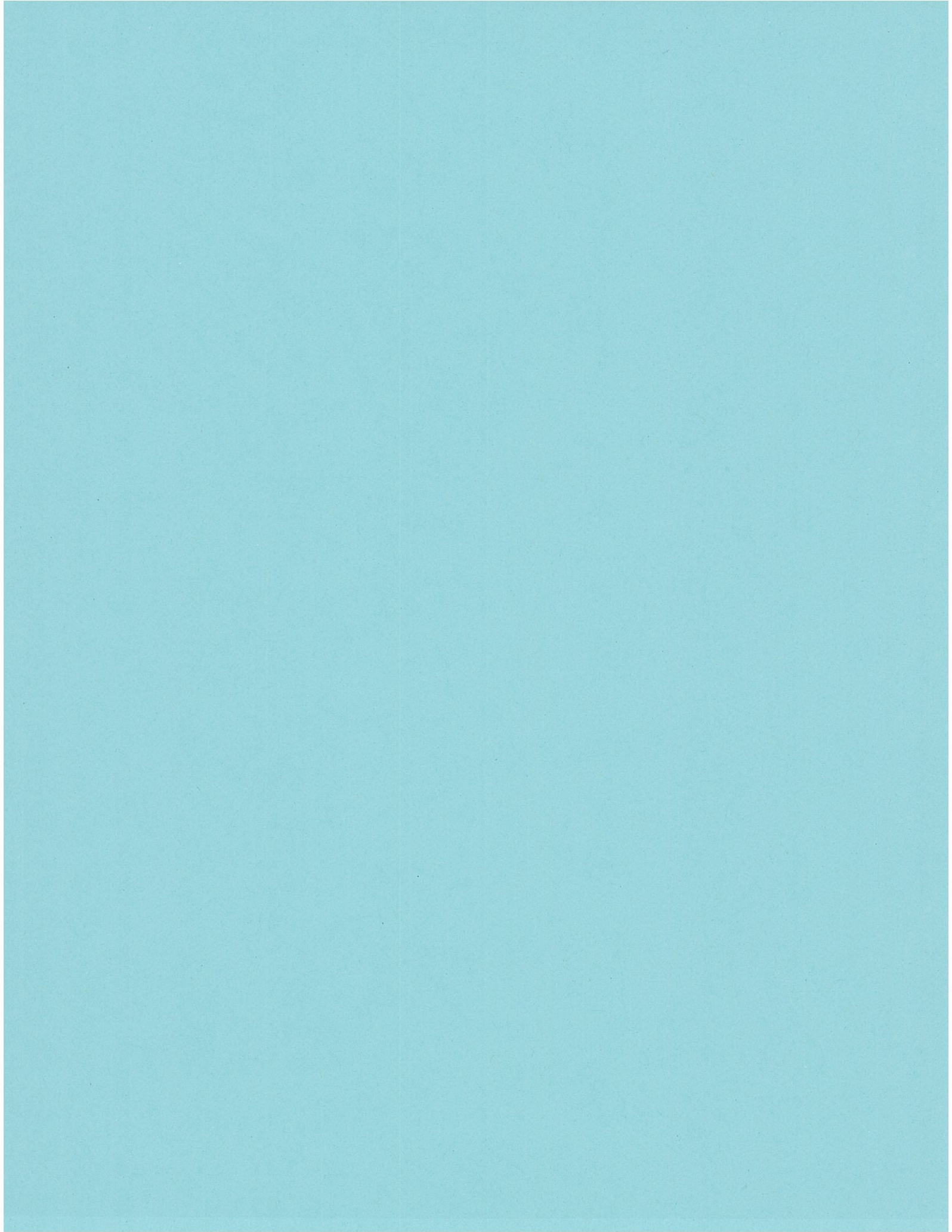
This statement is only valid for 30 days from the date of this letter. If payout figures are required after this time period, please request another statement.

Discharge statement does not include any accrued legal fees or project monitor costs which may become due and payable.

DUCA FINANCIAL SERVICES CREDIT UNION LTD.


Alida Pellegrino
Vice President, Credit
E.&O.E.

Nov-06





ROBINS APPLEBY
BARRISTERS + SOLICITORS

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Courier
File No.: 1600183

January 20, 2017

The Guarantee Company of North America
4950 Yonge Street
Suite 1400, Madison Centre
Toronto, Ontario M2N 6K1

Attention: Pam Martin

Dear Madam:

**RE: DUCA Financial Services Credit Union Ltd. ("DUCA") loan to Terrasan 327
Royal York Rd. Limited ("Terrasan") (the "DUCA Loan")**
**AND RE: Centurion Mortgage Capital Corporation (the "Lender")
Second Mortgage loan to Terrasan 327 Royal York Rd. Limited (the
"Centurion Loan") - 327 Royal York Road, Toronto (the "Property")**
**AND RE: The Guarantee Company of North America loan to Terrasan 327 Royal York
Rd. Limited ("Terrasan")**

Please be advised that we act as solicitors on behalf of Centurion Mortgage Capital Corporation ("Centurion").

As you may be aware, both DUCA and Centurion previously issued Notices of Intention to Enforce Security under their respective First and Second Mortgages, both of which Notices have expired. Centurion, in order to protect its Security position, has paid out the DUCA Mortgage in full and added the amount to the Mortgage debt totalling **\$576,944.23** under its Second Mortgage which will now become a First Mortgage once the DUCA Discharge is registered.

We enclose herewith a copy of the Mortgage Discharge Statement from DUCA as well as the Notice of Intention to Enforce Security previously issued by Centurion.



Our client will be taking steps to ensure that the Property is secured and maintained pending its ultimate sale. It is currently taking steps to seek the appointment of a court appointed receiver in order to supervise the maintenance of the Property and its ultimate sale.

Yours very truly,

ROBINS APPLEBY LLP

Per:

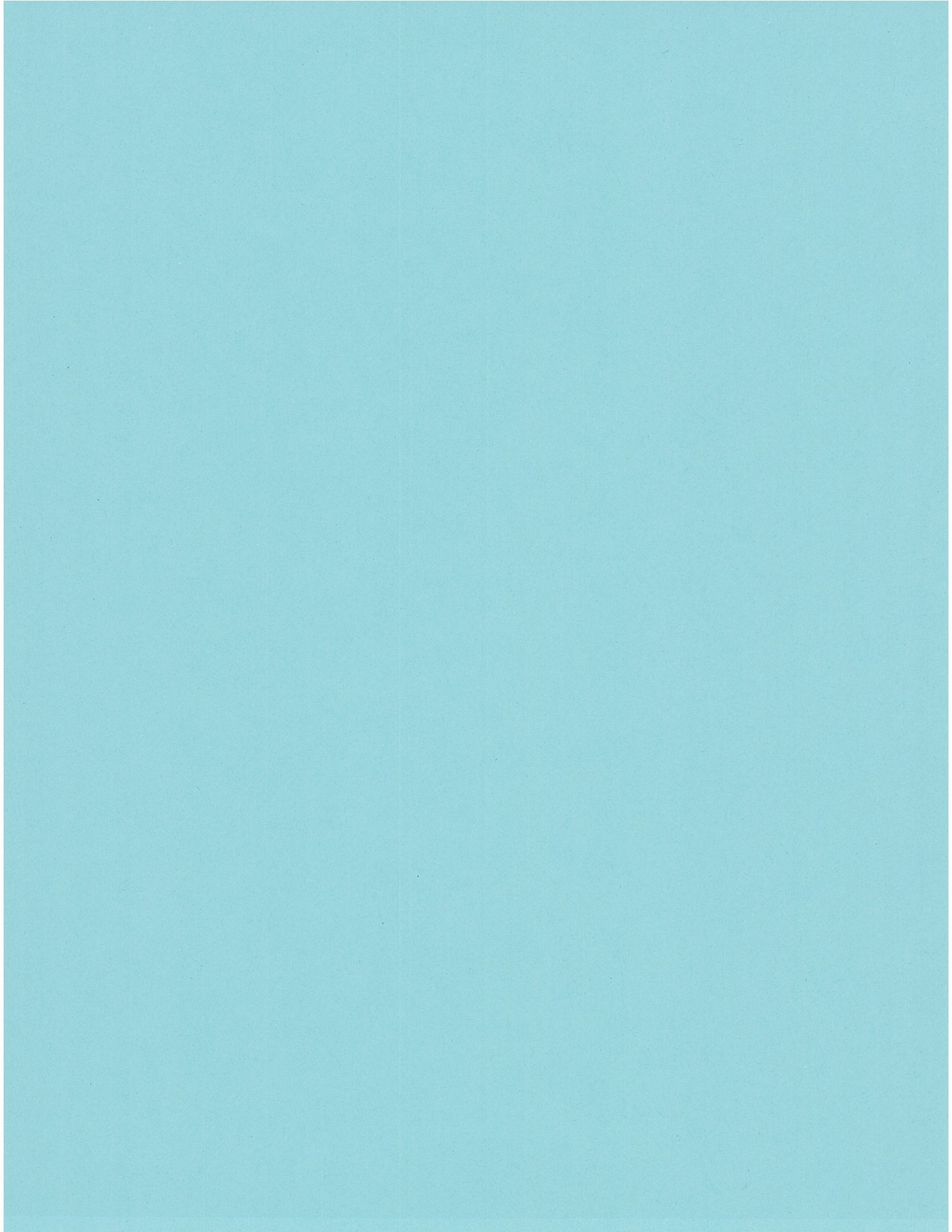
Leor Margulies

LM:mk

Encls.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)
DUCA (Attn: Sergiu Cosmin)

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ROBINS APPLEBY
BARRISTERS + SOLICITORS

306

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Courier!
File No.: 1600183

January 20, 2017

Olympia Trust Company, In Trust
2200- 125 9th Avenue SE
Calgary, Alberta T2G 9P6

Dear Sirs:

**RE: DUCA Financial Services Credit Union Ltd. ("DUCA") loan to Terrasan 327
Royal York Rd. Limited ("Terrasan") (the "DUCA Loan")**
**AND RE: Centurion Mortgage Capital Corporation (the "Lender")
Second Mortgage loan to Terrasan 327 Royal York Rd. Limited (the
"Centurion Loan") - 327 Royal York Road, Toronto (the "Property")**
**AND RE: Olympia Trust Company, In Trust, ("Olympia") loan to Terrasan 327 Royal
York Rd. Limited ("Terrasan")**

Please be advised that we act as solicitors on behalf of Centurion Mortgage Capital Corporation ("Centurion").

As you may be aware, both DUCA and Centurion previously issued Notices of Intention to Enforce Security under their respective First and Second Mortgages, both of which Notices have expired. Centurion, in order to protect its Security position, has paid out the DUCA Mortgage in full and added the amount to the Mortgage debt totalling **\$576,944.23** under its Second Mortgage which will now become a First Mortgage once the DUCA Discharge is registered.

We enclose herewith a copy of the Mortgage Discharge Statement from DUCA as well as the Notice of Intention to Enforce Security previously issued by Centurion.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 2 -

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Our client will be taking steps to ensure that the Property is secured and maintained pending its ultimate sale. It is currently taking steps to seek the appointment of a court appointed receiver in order to supervise the maintenance of the Property and its ultimate sale.

Yours very truly,

ROBINS APPLEBY LLP

Per:

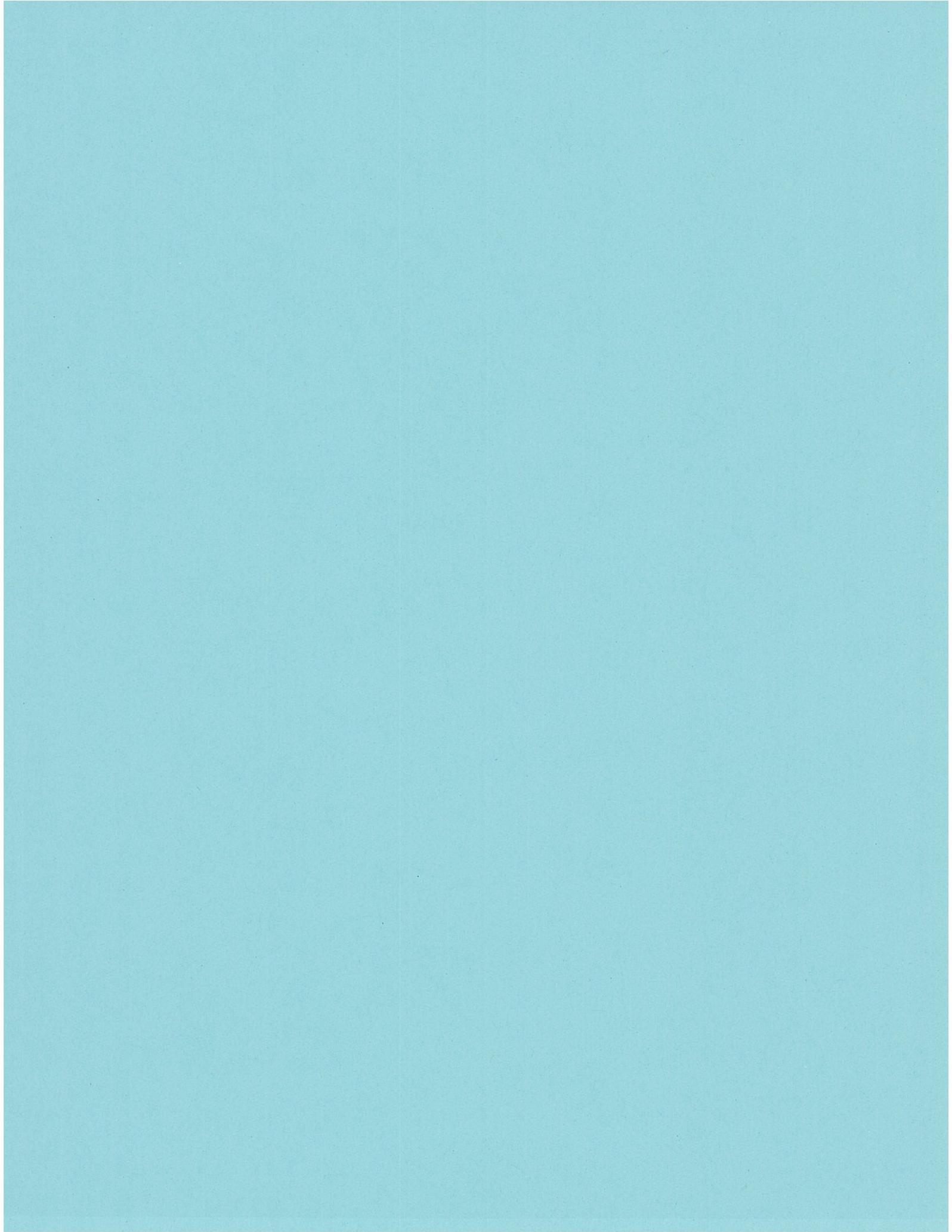

Leor Margulies

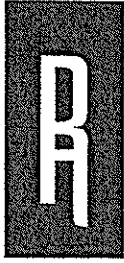
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Encls.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)
DUCA (Attn: Sergiu Cosmin)

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ROBINS APPLEBY
BARRISTERS + SOLICITORS

308

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Courier
File No.: 1600183

January 20, 2017

Community Trust Company
2325 Skymark Avenue
Mississauga, Ontario L4W 5A9

Attention: Clevia Martins

Dear Madam:

**RE: DUCA Financial Services Credit Union Ltd. ("DUCA") loan to Terrasan 327
Royal York Rd. Limited ("Terrasan") (the "DUCA Loan")**
**AND RE: Centurion Mortgage Capital Corporation (the "Lender")
Second Mortgage loan to Terrasan 327 Royal York Rd. Limited (the
"Centurion Loan") - 327 Royal York Road, Toronto (the "Property")**
**AND RE: Community Trust Company ("Community") loan to Terrasan 327 Royal York
Rd. Limited ("Terrasan")**

Please be advised that we act as solicitors on behalf of Centurion Mortgage Capital Corporation ("Centurion").

As you may be aware, both DUCA and Centurion previously issued Notices of Intention to Enforce Security under their respective First and Second Mortgages, both of which Notices have expired. Centurion, in order to protect its Security position, has paid out the DUCA Mortgage in full and added the amount to the Mortgage debt totalling **\$576,944.23** under its Second Mortgage which will now become a First Mortgage once the DUCA Discharge is registered.

We enclose herewith a copy of the Mortgage Discharge Statement from DUCA as well as the Notice of Intention to Enforce Security previously issued by Centurion.



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BARRISTERS + SOLICITORS

- 2 -

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Our client will be taking steps to ensure that the Property is secured and maintained pending its ultimate sale. It is currently taking steps to seek the appointment of a court appointed receiver in order to supervise the maintenance of the Property and its ultimate sale.

Yours very truly,

ROBINS APPLEBY LLP

Per:

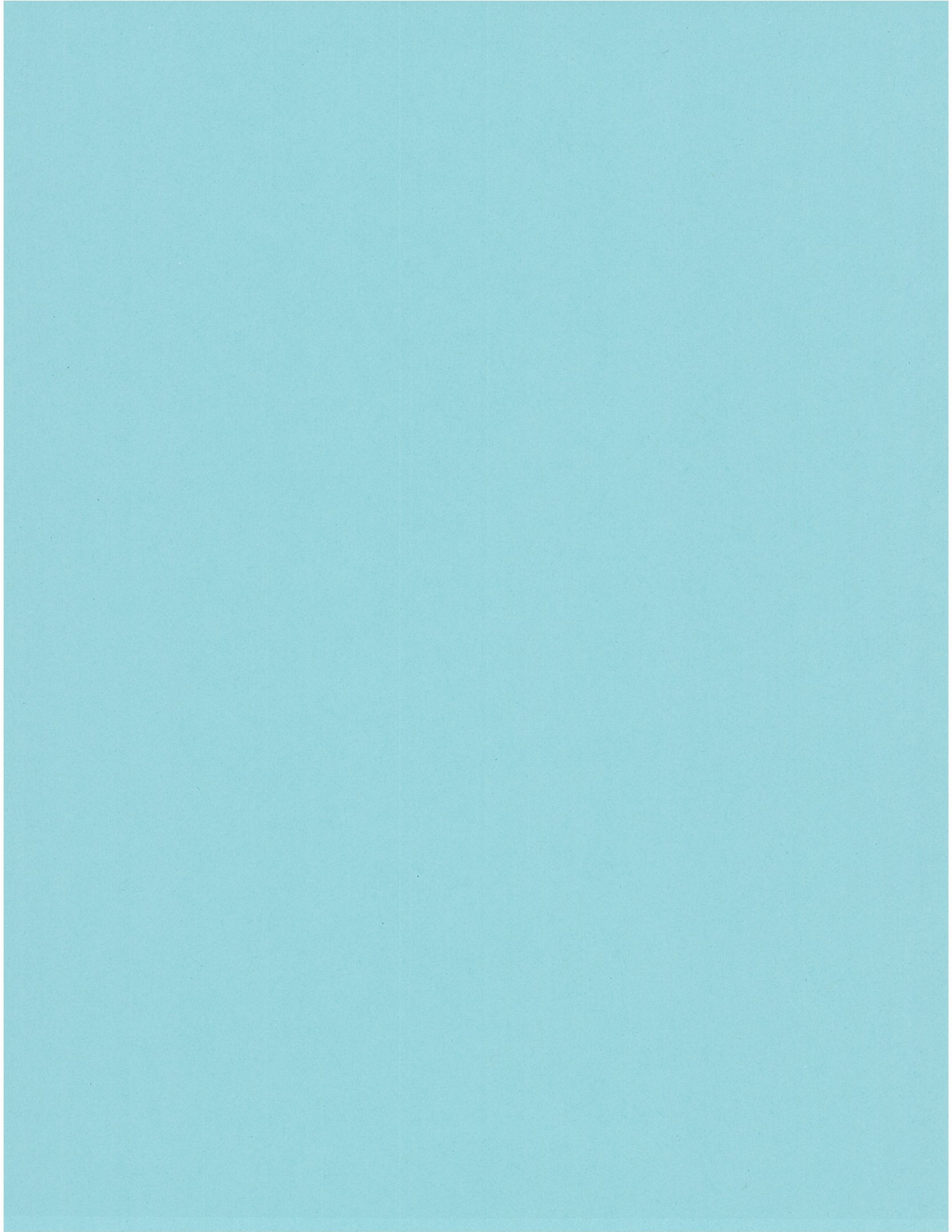
Leor Margulies

LM:mk

Encls.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)
DUCA (Attn: Sergiu Cosmin)

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ROBINS APPLEBY
BARRISTERS + SOLICITORS

310

Leor Margulies
T. 416.360.3372
E. lmargulies@robapp.com
F. 416.868.0306

Delivered by: Courier
File No.: 1600183

January 20, 2017

PERSONAL & CONFIDENTIAL

Mr. John Paul Fletcher
3355 Brock Road
R.R. #1
Locust Hill, Ontario L0H 1J0

Dear Sir:

**RE: DUCA Financial Services Credit Union Ltd. ("DUCA") loan to Terrasan 327
Royal York Rd. Limited ("Terrasan") (the "DUCA Loan")**
**AND RE: Centurion Mortgage Capital Corporation (the "Lender")
Second Mortgage loan to Terrasan 327 Royal York Rd. Limited (the
"Centurion Loan") - 327 Royal York Road, Toronto (the "Property")**
AND RE: John Paul Fletcher loan to Terrasan 327 Royal York Rd. Limited "Terrasan")

Please be advised that we act as solicitors on behalf of Centurion Mortgage Capital Corporation ("Centurion").

As you may be aware, both DUCA and Centurion previously issued Notices of Intention to Enforce Security under their respective First and Second Mortgages, both of which Notices have expired. Centurion, in order to protect its Security position, has paid out the DUCA Mortgage in full and added the amount to the Mortgage debt totalling **\$576,944.23** under its Second Mortgage which will now become a First Mortgage once the DUCA Discharge is registered.

We enclose herewith a copy of the Mortgage Discharge Statement from DUCA as well as the Notice of Intention to Enforce Security previously issued by Centurion.



Our client will be taking steps to ensure that the Property is secured and maintained pending its ultimate sale. It is currently taking steps to seek the appointment of a court appointed receiver in order to supervise the maintenance of the Property and its ultimate sale.

Yours very truly,

ROBINS APPLEBY LLP

Per:

Leor Margulies

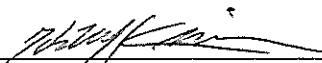
LM:mk

Encls.

c.c. Centurion Mortgage Capital Corporation (Attn: Ryan Buzzell)
DUCA (Attn: Sergiu Cosmin)

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THIS IS **EXHIBIT " AA "** REFERRED TO IN
THE AFFIDAVIT OF RYAN BUZZELL
SWORN BEFORE ME THIS 27th
DAY OF JANUARY 2017.



Commissioner for Taking Affidavits etc./Notary Public

Keun Tae Kim, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires August 16, 2019.

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy and Insolvency Act*

B E T W E E N:

CENTURION MORTGAGE CAPITAL CORPORATION

Applicant

-and-

TERRASAN 327 ROYAL YORK RD. LIMITED

Respondent

CONSENT

BDO Canada Limited, a licensed trustee in bankruptcy, hereby agrees to act as Receiver of the properties, assets and undertakings of the Respondent, Terrasan 327 Royal York Rd. Limited.

Dated at Toronto this 26 day of January, 2017.

BDO Canada Limited



Per: _____

Name: Josie Parisi

Title: Partner and Senior Vice President

**CENTURION MORTGAGE
CAPITAL CORPORATION**

- and -

**TERRASAN 327 ROYAL YORK RD.
LIMITED**

Applicant

Respondent

Court File No. CV-17-11679-00CL

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

IN THE MATTER OF Section 101 of the
Courts of Justice Act and Section 243 of the *Bankruptcy
and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

CONSENT

ROBINS APPLEBY LLP

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

Dominique Michaud LSUC #56871V

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

Ellad Gersh LSUC #58579S

egersh@robapp.com
Tel: (416) 360-3740
Fax: (416) 868-0306

Lawyers for the Applicant

CENTURION MORTGAGE -and-
CAPITAL CORPORATION

TERRASAN 327 ROYAL YORK RD.
LIMITED

Applicant

Respondent

Court File No. CV-17-11679-00CL

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

IN THE MATTER OF Section 101 of
the *Courts of Justice Act* and Section of the
243 of the *Bankruptcy and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF RYAN BUZZELL

ROBINS APPLEBY LLP

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

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Ellad Gersh LSUC #58579S

egersh@robapp.com
Tel: (416) 360-3740
Fax: (416) 868-0306

Lawyers for the Applicant

CENTURION MORTGAGE -and-
CAPITAL CORPORATION

TERRASAN 327 ROYAL YORK RD.
LIMITED

Applicant

Respondent

Court File No. CV-17-11679-00CL

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

IN THE MATTER OF Section 101 of
the *Courts of Justice Act* and Section of the
243 of the *Bankruptcy and Insolvency Act*

PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD

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

Dominique Michaud LSUC #56871V
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Fax: (416) 868-0306

Lawyers for the Applicant