

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

B E T W E E N:

EMPIRICAL CAPITAL CORP.

Applicant

-and-

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

APPLICATION RECORD

Date: November 25, 2021

GARFINKLE BIDERMAN LLP

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

WENDY GREENSPOON-SOER

(LSUC#: 34698L)
Tel: 416-869-1234
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Lawyers for the Applicant,
EMPIRICAL CAPITAL CORP.

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TAB 1



Court File No.

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

Electronically issued
Délivré par voie électronique : 24-Nov-2021
Toronto

BEFORE:

EMPIRICAL CAPITAL CORP.

Applicant

-and-

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

NOTICE OF APPLICATION

TO THE RESPONDENT(S)

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

THIS APPLICATION will come on for a hearing in a manner to be determined by the Court

- In person
- By telephone conference
- By video conference

at the following location: Commercial List at 330 University Avenue, 8th Floor, Toronto, Ontario, M5G 1R7, on a date to be set by the Court.

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 November 24, 2021 Issued by _____
Local Registrar

Address of court office: Superior Court of Justice ^{9th}
330 University Avenue, ~~7th~~ Floor
Toronto, Ontario, M5G 1R7

TO: THIS HONOURABLE COURT

AND TO:

IDEAL (WC) DEVELOPMENTS INC.

10 Milner Court
Scarborough, Ontario
M1B 3C6

E-mail address: omar@idealdevelopments.com

CRISTOS VITSENTZATOS

Barrister, Solicitor & Notary Public
Suite 1(B3) – 460 Wellington Street
London, Ontario
N6A 3P3

E-mail address: cv@bitselegal.com
Solicitor for Ideal (WC) Developments Inc.

SHAJIRAJ NADARAJALINGHAN

18 Forestbrook Drive
Markham, Ontario
L6B 0E4

E-mail address: shaji@idealdevelopments.com

AMERICAN CORPORATION

Suite 1001
980 Yonge Street
Toronto, Ontario
M4W 3V8

DRAGON HOLDING GLOBAL REAL ESTATE FUNDS

Suite 1001
980 Yonge Street
Toronto, Ontario
M4W 3V8

SYED MUHAMMED FARUQUI HASAN

c/o LOOPSTRA NIXON LLP

135 Queens Plate Drive
Suite 600
Toronto, Ontario
M9W 6V7

Attention: Gordon Chan

E-mail address: gchan@loonix.com

APPLICATION

1. THE APPLICANT, Empirical Capital Corp. (“Empirical” or the “Lender”) makes application for an Order substantially in the form filed herewith, seeking, *inter alia*, an Order:

(a) If necessary, abridging the time for service and filing of this Notice of Application and the Application Record or, in the alternative, dispensing with same;

(b) Appointing RSM Canada Limited (“RSM”), as the receiver (in such capacity, the “Receiver”), without security, of the real properties known municipally as 6532 and 6544 Winston Churchill Boulevard, Mississauga, Ontario and more particularly described as

PIN – 13243 – 0378 LT

PART LOT 9 CONCESSION 11 (NEW SURVEY) TRAFALGAR,
DESIGNATED AS PART 1, PLAN 43R37427; CITY OF MISSISSAUGA

- and -

PIN – 13243 – 0269 LT

PCL BLOCK 19-1, SEC 43M932; BLK 19, PL 43M932; CITY OF
MISSISSAUGA

(Hereinafter referred to as the “Property”) owned by Ideal (WC) Developments Inc.
(the “Borrower” and/or “Debtor”);

(c) Granting a charge over the Property in favour of the Receiver and the Receiver’s counsel to secure their fees and disbursements in respect of this proceeding on the terms as set out in the draft Order filed (the “Receiver’s Charge”);

(d) Staying all rights and remedies against the Receiver or affecting the Property; and

- (e) Such further and other relief as counsel may request and to this Honourable Court may seem just.

2. THE GROUNDS FOR THE APPLICATION are:

Background

- (a) The Respondent corporation, the Debtor, is a corporation incorporated pursuant to the laws of the Province of Ontario. It is a single purpose company, incorporated for a planned residential real estate development on the Property and is the registered title holder of same. The Debtor does not carry on any other business.
- (b) Pursuant to a Commitment Letter dated March 26, 2018, the Lender made a loan to the Debtor in the principal amount of \$5,500,000.00 (the "Loan"). The Debtor, as security for the Loan, executed and delivered a Mortgage (the "Mortgage") registered on April 11, 2018 as Instrument No.: PR3308660 in favour of the Lender against the Property.
- (c) The Debtor executed and delivered to the Lender additional security including a General Assignment of Rents registered on April 11, 2018 as Instrument No. PR3308661 and a Security Agreement registered under the PPSA on April 11, 2018 as file number 20180411130318620380 (the "Security Agreement").
- (d) The Loan was guaranteed by the Personal Guarantee of the principal of the Debtor, Shajiraj Nadarajalinghan (the "Guarantor").
- (e) The Loan as secured by the Mortgage was to be fully repaid on March 2nd, 2020, however, the Lender and the Debtor entered into subsequent Forbearance Agreements, the last of which was dated October 20, 2021 and which extended the due date for the

payment of all amounts outstanding under the Loan until November 15th, 2021 provided certain conditions were met (the “Forbearance”).

- (f) The Debtor breached the terms of the Forbearance on October 26, 2021 and, further, failed to pay the outstanding indebtedness at the end of the Forbearance term on November 15th, 2021.
- (g) As of November 15, 2021, the Debtor was indebted to the Applicant in the amount of \$6,016,194.48, together with accrued and accruing interest, fees and costs.

Default and Issuance of Notice of Sale and Intent to Enforce Security

- (h) On September 9, 2021, as a result of the Debtor’s then default, the Applicant made demand upon the Debtor and the Guarantor with respect to the amounts outstanding under the Loan.
- (i) On September 21, 2021, as a result of the Debtor’s continued default, the Applicant (i) made written demand upon the Debtor; (ii) delivered Notice of Intention to Enforce Security pursuant to s. 244 of the BIA, and (iii) delivered Notice pursuant to Section 63(5) of the Personal Property Security Act (Ontario). (“NITES”)
- (j) The Applicant provided the Debtor with substantial time to redeem the Loan, refinance it or to sell the Property during the Forbearance period.
- (k) The Debtor indicated that it had entered into an Agreement of Purchase and Sale with respect to the Property, however, the Debtor failed to provide satisfactory evidence by October 26, 2021 of the purchaser’s ability to finance the purchase of the Property (one of the conditions of the Forbearance) and failed to complete the sale transaction on the scheduled closing date of November 15th, 2021.

The Other Creditors

- (a) In addition to the indebtedness to the Applicant, title searches reveal the following further encumbrances against the Property:
 - (i) A \$1,400,00.00 Mortgage in favour of Amercan Corporation in second ranking position, which Mortgage was registered as Instrument No. PR3114761 on April 24, 2017, postponed in favour of the Applicant by Postponement registered April 11th, 2018 as Instrument No.: PR3308694, and amended by Agreement Amending Charge registered on March 16, 2021 as Instrument No.: PR3799133;
 - (ii) A \$2,300,000.00 Mortgage in favour of Dragon Holding Global Real Estate Funds Inc. in third ranking position, which Mortgage was registered on March 16th, 2021 as Instrument No.: PR3799134;

Necessity for Appointment of the Receiver

- (b) The Debtor is insolvent and unable to fulfill its obligations to the Applicant and other creditors.
- (c) The Property consists of 0.870 acres of development land intended to be developed for site plan approval for 15 townhomes to the extent and status of the Debtor's site plan approval is unknown to the Applicant however, the Applicant is aware that the Debtor has entered into some pre-construction Agreements of Purchase and Sale for townhomes that are to be built.
- (d) The Debtor appears to be unable to complete the intended development of the Property and would therefore appear to be unable to complete any Agreements of Purchase and Sale entered into to date, One purchaser has registered a Caution against the title with



respect to the purported termination by the Debtor of Agreements of Purchase and Sale for two lots within the planned development.

- (e) The Debtor has purported to terminate Agreements of Purchase and Sale on the basis that it has lost its license to construct. In August of 2021, the Home Construction Regulatory Authority (“HCRA”) charged a related corporation, Ideal BC Development Inc. with ten counts of alleged illegal sales.
- (f) The Applicant seeks to appoint a Receiver to assume control over the Property and pursue a sale of the Property with the view to maximize the value for all creditors.
- (g) The Applicant is entitled to the appointment of a Receiver pursuant to the terms of the Security Agreement.
- (h) RSM is a Licensed Insolvency Trustee.
- (i) The appointment of RSM as Receiver is just and convenient in the circumstances.
- (j) RSM has consented to act as Receiver of the Property.
- (k) Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.
- (l) Rules 2.03, 3.02, 14.05(2) and 41 of the Rules of Civil Procedure, R.R.O. 1990. Reg. 194, as amended; and
- (m) Such further and other grounds as counsel may advise and this Court may permit.

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

- (a) Affidavit of Abraham Strahl to be sworn;
- (b) The Consent of RSM to act as Receiver of the Property; and
- (c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

Date: November 24, 2021

GARFINKLE BIDERMAN LLP

Barristers & Solicitors
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Toronto, Ontario
M5C 2V9

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Lawyers for the Applicant,
EMPIRICAL CAPITAL CORP.

EMPIRICAL CAPITAL CORP.
Applicant

IDEAL (WC) DEVELOPMENTS INC.
Respondent

Court File No.

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

Proceeding commenced at Toronto

NOTICE OF APPLICATION

GARFINKLE BIDERMAN LLP

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M5C 2V9

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Lawyers for the Applicant,
EMPIRICAL CAPITAL CORP.

File Number: 11087-008

TAB 2

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

B E T W E E N:

EMPIRICAL CAPITAL CORP.

Applicant

-and-

IDEAL (WC) DEVELOPMENTS INC.

Respondent

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

AFFIDAVIT OF ABRAHAM STRAHL

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

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

2. This Affidavit is sworn in support of an Application by Empirical (the “Lender”) for an Order appointing RSM Canada Limited (“RSM”) as the Receiver (the “Receiver”) of the real properties known municipally as 6532 and 6544 Winston Churchill Boulevard, Mississauga, Ontario, owned by the Respondent, Ideal (WC) Developments Inc. (the “Debtor”) pursuant to Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43 as amended and Section 43(1) of the *Bankruptcy and Insolvency Act*, R.S.O. 1985, c.B-3, as amended (the “BIA”).

RESPONDENT

3. According to the records maintained by the Ministry of Government Services, the Debtor was incorporated on November 18, 2013 under the laws of the Province of Ontario. Appended hereto as **Exhibit "A"** to this my Affidavit is a true copy of the Corporate Profile Report for the Respondent.

4. The Debtor is a single purpose entity incorporated as a holding company for a planned residential real estate development in Mississauga, Ontario. The Debtor is the registered titleholder of the properties known municipally as 6532 and 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "Property"). The Property consists of approximately 0.870 acres of development land intended to be developed for site plan approval for 15 Town homes. The Property is legally described as follows:

PIN – 13243 – 0378 (LT)
PART LOT 9 CONCESSION 11 (NEW SURVEY) TRAFALGAR,
DESIGNATED AS PART 1, PLAN 43R37427; CITY OF MISSISSAUGA
-and-

PIN – 13243 – 0269 (LT)
PCL BLOCK 19-1, SEC 43M932; BLK 19, PL 43M932; CITY OF
MISSISSAUGA

5. Shajiraj Nadarajalingam ("Sharjiraj") is a director and shareholder of the Respondent.

THE LOAN TO THE DEBTOR

6. Pursuant to a Loan Proposal dated February 20th, 2018 ("Loan Proposal") and Commitment Letter dated March 26th, 2018 (the "Commitment"), the Lender made a loan to the Debtor in the principal amount of \$5,500,000.00 (the "Loan"). As security for the Loan, the Debtor executed and delivered a mortgage registered on April 11th, 2018 against the title to the Property, as Instrument No. PR3308660 (the "Mortgage"). Pursuant to the terms of the Mortgage, interest is currently accruing on the principal outstanding at the rate of 12% per annum. Now shown to me and appended hereto as **Exhibit "B"** to this my Affidavit is a true copy of the Loan Proposal and Commitment. Now shown to me and appended hereto as **Exhibit "C"** to this my Affidavit is a true copy of the Mortgage.

7. As additional security for the Loan, the Debtor executed a General Assignment of Rents,

registered on April 11th, 2018 as Instrument No. PR3308661 (the "GAR"). Now shown to me and appended hereto as **Exhibit "D"** to this my Affidavit is a true copy of the GAR. The Debtor also executed a Security Agreement dated April 2018, which Security Agreement was registered under the *Personal Property Security Act* ("PPSA") on April 11, 2018 by registration number 20180411130318620380. Now shown to me and appended hereto as **Exhibit "E"** to this my Affidavit is a true copy of the Security Agreement with PPSA Financing Statement attached.

8. The Loan was guaranteed by Shajiraj who executed a Guarantee and Postponement of Claim dated April 2018, a true copy of which is appended hereto as **Exhibit "F"** to this my Affidavit.

9. The Loan, as secured by the Mortgage, was to be fully repaid on March 2, 2020, however, the Lender and the Debtor entered into a series of Forbearance Agreements, the last of which was dated October 20, 2021, which extended the due date for the payment of all amounts outstanding under the Loan until November 15, 2021, provided certain conditions were met. Now shown to me and appended hereto as **Exhibit "G"** ("**G1**", "**G2**", "**G3**" and "**G4**") to this my Affidavit are true copies of the Forbearance Agreements dated April 22, 2020, November 16, 2020, April 22, 2021, and October 20, 2021.

10. As of November 15, 2021, the Debtor was indebted to the Lender in the amount of \$6,016,194.48, together with further accruing interest, fees and costs. Now shown to me and appended hereto as **Exhibit "H"** to this my Affidavit is true copy of a Mortgage Statement as of November 15, 2021.

THE OTHER CREDITORS

11. There are additional encumbrances on title to the Property, as reflected in the parcel register appended hereto as "**Exhibit "I"**" to this my Affidavit, namely:

- (a) A \$1,400,000.00 mortgage in favour of Amercan Corporation, in second ranking position, which Mortgage was registered as Instrument No. PR3114761 on April 24, 2017 (the "Amercan Mortgage"). The Amercan Mortgage is postponed in favour of the Applicant by Postponement registered April 11, 2018 as Instrument No. PR3308694. The Amercan Mortgage was also amended by an Agreement Amending Charge registered on March 16, 2021 as Instrument No. PR3799133. Now shown to me and appended hereto as **Exhibit "J"** to this my Affidavit are true copies of the Amercan Mortgage, Amending Agreement and Postponement; and

(b) A \$2,300,000.00 mortgage in favour of Dragon Holding Global Real Estate Funds Inc. in third ranking position (the "Dragon Mortgage"). The Dragon Mortgage was registered on March 16, 2021 as Instrument No. PR3799134. Now shown to me and appended hereto as **Exhibit "K"** to this my Affidavit is a true copy of the Dragon Mortgage.

DEFAULT AND ISSUANCE OF NOTICE OF INTENTION TO ENFORCE SECURITY

12. Pursuant to the terms of the Forbearance Agreement dated April 22, 2021, the Debtor was supposed to pay interest payments due on the first of each month as well as forbearance fees due September 2, 2021. The Debtor fell into default having failed to pay interest from July 2, 2021 and having failed to pay the forbearance fee due September 2, 2021. As such, the Applicant made demand upon the Debtor and the Guarantor on September 9, 2021 with respect to the amounts outstanding under the Loan (the "Demand"). Now shown to me and appended hereto as **Exhibit "L"** to this my Affidavit is a true copy of the Demand Letter sent November 9, 2021.

13. Further, On September 21, 2021, as a result of the Debtor's continued default, the Applicant delivered a Notice of Intention to Enforce Security pursuant to Section 244 of the *BIA* and Notice pursuant to Section 63(5) of the Personal Property Security Act (Ontario) ("NITES"). Now shown to me and appended hereto as **Exhibit "M"** to this my Affidavit are true copies of the NITES together with the registered mail receipts as well as the e-mail confirmation regarding delivery to the Debtor and the Guarantor.

14. Following delivery of the Applicant's Demand and NITES, the Debtor requested a further forbearance based on the representation that it had entered into an Agreement of Purchase and Sale to sell the Property. Accordingly, the Applicant and the Debtor entered into the Forbearance Agreement dated October 20, 2021 (at "**Exhibit "G4"**") which extended the due date for the payment of all amounts outstanding under the Loan until November 15, 2021, provided the Debtor met each of the conditions contained therein.

15. One of the terms of the October 20, 2021 Forbearance Agreement required proof on or before October 26, 2021, that the purchaser had obtained the requisite financing commitment to complete the purchase. Despite e-mail reminders and warnings regarding said condition, the Debtor failed to provide the requisite proof by the deadline of October 26, 2021, or even to the date of this my Affidavit.

16. Further, the due date for payment of the outstanding Loan under the October 20, 2021 Forbearance Agreement was November 15, 2021, as that date was the date represented to be the closing date for the Debtor's sale of the Property to its purchaser. Despite same, as that date approached, the Debtor gave no indication that it was in the process of completing the transaction and, in fact, did not complete a sale on November 15, 2021. Further, the Debtor failed to pay the outstanding balance to the Applicant on November 15, 2021, being the due date under the Loan.

17. The Debtor had ample time to either redeem or refinance the Loan throughout each of the forbearance periods or to complete a sale of the Property. The NITES have expired, as have the Forbearance Terms and the Lender wishes to enforce its rights and remedies against the Debtor, including the right to have the Property sold. Pursuant to the terms of the Security Agreement, the Lender is entitled to seek the appointment of a Receiver upon default.

THE NECESSITY FOR THE APPOINTMENT OF THE RECEIVER

18. I verily believe the Debtor is insolvent and unable to fulfil its obligations to the Lender and the other creditors. It does not appear to have the financial capability to proceed with the development. The Applicant's Mortgage has been in default since August 2, 2021 and the Debtor appears to have been unable to make any payment on account of the Loan.

19. It also appears that the Debtor will be unable to complete the development of the project due to license restrictions being imposed by the Home Construction Regulatory Authority ("HCRA") which may prevent the Respondent from having the ability to legally construct the proposed town homes. Now shown to me and appended hereto as **Exhibit "N"** to this my Affidavit is a printout of a Notice of Proposal to Refuse to Grant and Renew License and to Impose Conditions of License from the HCRA with respect to the Respondent and its related corporations.

20. Further, I verily believe that the Debtor has already purported to terminate some of the Agreements of Purchase and Sale that it has entered into on the premise that it has lost its license to construct the new homes on the lots. Now shown to me and appended hereto as **Exhibit "O"** to this my Affidavit is a true copy of a Caution which has been registered against the Property by a purchaser of two lots in the development whose Agreements of Purchase and Sale have been terminated by the Debtor.

21. The Receiver, once appointed, will be in the best position to market the Property.

22. RSM is a licensed insolvency trustee and has consented to act as Receiver of the Property.

16

Now shown to me and appended hereto as **Exhibit "P"** to this my Affidavit is a true copy of the Consent.

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

- (a) The Loan is in default and has not been repaid;
- (b) Interest and fees continue to accrue on the first mortgage which will reduce the proceeds available to subsequent mortgagees;
- (c) All relevant notice periods have expired;
- (d) The Debtor is insolvent and unable to redeem or refinance the debts registered against the Property;
- (e) The appointment of a Receiver will bring efficiency to the sale of the Property and will maximize the value for the creditors; and
- (f) The Debtor is not in a position to continue with its development of the Property or fulfilment of its contractual obligations to the purchasers due to the apparent loss of its license to construct.

24. The draft proposed Order is appended hereto as **Exhibit "Q"**.

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

SWORN BEFORE ME, at the City)
)
 of Toronto, in the Province of)
)
 Ontario, this 24th day of)
)
 November, 2021)
)
)
)
)
)
)

Commissioner, taking Affidavits, etc.

ABRAHAM STRAHL

17

EMPIRICAL CAPITAL CORP.

Applicant

- and -

IDEAL (WC) DEVELOPMENTS INC.

Respondent

Court File No. CV-21-00672628-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
Action Commenced at Toronto**

AFFIDAVIT OF ABRAHAM STRAHL

GARFINKLE, BIDERMAN LLP
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Suite 801
Toronto, Ontario
M5C 2V9

Wendy H. Greenspoon-Soer (LSU# 34698L)
Telephone: (416) 869-1234
Facsimile: (416) 869-0547

Lawyers for the Applicant

TAB A

THIS IS **EXHIBIT "A"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS *24th* DAY OF NOVEMBER, 2021.



A Commissioner, etc.

19

CORPORATION DOCUMENT LIST

Ontario Corporation Number

2396249

Corporation Name

IDEAL (WC) DEVELOPMENTS INC.

ACT/CODE	DESCRIPTION	FORM	DATE (YY/MM/DD)
CIA	INITIAL RETURN PAF: NADARAJALINGAM, SHAJIRAJ	1	2014/01/28 (ELECTRONIC FILING)
BCA	ARTICLES OF INCORPORATION	1	2013/11/18 (ELECTRONIC FILING)

THIS REPORT SETS OUT ALL DOCUMENTS FOR THE ABOVE CORPORATION WHICH HAVE BEEN FILED ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

ALL "PAF" (PERSON AUTHORIZING FILING) INFORMATION IS DISPLAYED EXACTLY AS RECORDED IN ONBIS. WHERE PAF IS NOT SHOWN AGAINST A DOCUMENT, THE INFORMATION HAS NOT BEEN RECORDED IN THE ONBIS DATABASE.

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

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
2396249	IDEAL (WC) DEVELOPMENTS INC.	2013/11/18
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
10 MILNER BUSINESS COURT	NOT APPLICABLE	NOT APPLICABLE
Suite # 400	New Amal. Number	Notice Date
SCARBOROUGH	NOT APPLICABLE	NOT APPLICABLE
ONTARIO		
CANADA M1B 3C6		Letter Date
Mailing Address		NOT APPLICABLE
10 MILNER BUSINESS COURT	Revival Date	Continuation Date
Suite # 400	NOT APPLICABLE	NOT APPLICABLE
SCARBOROUGH	Transferred Out Date	Cancel/Inactive Date
ONTARIO	NOT APPLICABLE	NOT APPLICABLE
CANADA M1B 3C6	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	Date Commenced
	Minimum Maximum	in Ontario
	00001 00007	Date Ceased
Activity Classification		in Ontario
NOT AVAILABLE		NOT APPLICABLE

Request ID: 021425926
Transaction ID: 67503723
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/03/21
Time Report Produced: 09:38:43
Page: 2

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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2396249

IDEAL (WC) DEVELOPMENTS INC.

Corporate Name History

Effective Date

IDEAL (WC) DEVELOPMENTS INC.

2013/11/18

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:

Name (Individual / Corporation)

Address

SHAJIRAJ

18 FORESTBROOK DRIVE

NADARAJALINGAM

MARKHAM
ONTARIO
CANADA L6B 0E4

Date Began

First Director

2013/11/18

NOT APPLICABLE

Designation

Officer Type

Resident Canadian

DIRECTOR

Y

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CORPORATION PROFILE REPORT

Ontario Corp Number

2396249

Corporation Name

IDEAL (WC) DEVELOPMENTS INC.

Administrator:

Name (Individual / Corporation)

SHAJIRAJ

NADARAJALINGAM

Address

18 FORESTBROOK DRIVE

MARKHAM
ONTARIO
CANADA L6B 0E4

Date Began

2013/11/18

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

SHAJIRAJ

NADARAJALINGAM

Address

18 FORESTBROOK DRIVE

MARKHAM
ONTARIO
CANADA L6B 0E4

Date Began

2013/11/18

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

Y

Request ID: 021425926
Transaction ID: 67503723
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/03/21
Time Report Produced: 09:38:43
Page: 4

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CORPORATION PROFILE REPORT

Ontario Corp Number

2396249

Corporation Name

IDEAL (WC) DEVELOPMENTS INC.

Administrator:

Name (Individual / Corporation)

SHAJIRAJ

NADARAJALINGAM

Address

18 FORESTBROOK DRIVE

MARKHAM
ONTARIO
CANADA L6B 0E4

Date Began

2013/11/18

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

TREASURER

Resident Canadian

Y

Request ID: 021425926
Transaction ID: 67503723
Category ID: UN/E

Province of Ontario
Ministry of Government Services

Date Report Produced: 2018/03/21
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CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

2396249

IDEAL (WC) DEVELOPMENTS INC.

Last Document Recorded

Act/Code Description

Form

Date

CIA INITIAL RETURN

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2014/01/28 (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.

TAB B

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THIS IS **EXHIBIT "B"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS *24th* DAY OF NOVEMBER, 2021.



A Commissioner, etc.



LOAN PROPOSAL

February 20, 2018

***Any changes to this Loan Proposal are to be discussed and agreed to in advance by both the Borrower and Lender**

Ideal Developments Inc.
c/o Ambros Financial
2010 Winston Park Drive, 2nd Floor
Oakville, Ontario L6H 6P5

Attention: Adit Kumar

Dear Adit,

**Re: First (1st) Mortgage Financing (the "Loan") on 6544 Winston Churchill Boulevard, Mississauga, Ontario (the "Property")
Our Ref: 18-02**

This Loan Proposal ("Proposal") will serve to express interest on behalf of the Lender, subject to receipt and satisfactory review by the Lender of all deliveries and information required herein including site visit, to arrange **first (1st) mortgage** financing for the Property, on the following terms. This Proposal is not to be construed as a Commitment Letter ("Commitment"). Upon delivery by the Lender of the Commitment, this Loan Proposal shall be binding on the parties hereto.

1. **BORROWER:**

Ideal (WC) Developments Inc.,

2. **GUARANTOR:**

The unlimited guarantee of Shaji Nada shall be provided for the full Loan Amount outstanding.

3. **SYNDICATOR & BROKERAGE:**

Empirical Capital Corp., a Licensed Brokerage, License #12903 through Empirical Capital Corp. Administrator License #12904, hereinafter referred to as the Brokerage.

4. **LENDER:**

Empirical Capital Corp. ("ECC")

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

A handwritten signature in black ink, appearing to be 'MS' followed by a stylized flourish.

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Ideal (WC) Developments Inc.,
Loan Proposal – 6544 Winston Churchill Boulevard
February 20, 2018 - Loan #18-02

5. LOAN AMOUNT:

The Loan amount will be **Five Million Five Hundred Thousand Dollars (\$5,500,000)**, advanced as a **first (1st) mortgage** secured by the security described in Item 14, herein, owned by the Borrower and pursuant to the Advance provisions in Section 13, herein.

6. PURPOSE & EXIT:

- a) The Loan will be used to facilitate the refinancing of the Property
- b) The proposed development will include the construction of a 20-unit townhouse development with 1 single-family detached dwelling and a Gross Floor Area of approximately 56,355 square feet (the "Project"). The Property is currently zoned to permit the proposed development.

c) Use of Funds:

Use of Funds	Total
Existing Debt	\$5,360,000
Lender Fee	110,000
Broker Fee	55,000
Legals (est.)	25,000
Interest Reserve	297,500
Total Costs	\$5,727,500
Source of Funds:	
ECC Loan	\$5,500,000
Borrower's Equity	297,500
Total Funds	\$5,727,500

\$5,310,000.00 (N/S) [Signature]

\$5,500,000.00 (N/S) [Signature]

\$5,500,000.00 (N/S) [Signature]

- d) The Loan shall be repaid out of the sale or refinancing of the Property(ies).

7. TERM & MATURITY:

25 Months from the **Interest Adjustment Date ("IAD")**, being the **2nd** day of the month following the **Advance Date**.

The Loan shall mature **May 2, 2020**.

8. AMORTIZATION:

NIL, Interest only

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Phone: 416-238-7140

(N/S) [Signature]

9. **PAYMENT DATE:**

Due monthly, on the 2nd day of each month or, the following business day if the 2nd falls on a weekend or holiday, (the “Interest Payment Date”) not in advance, with interest being calculated daily, and compounded monthly on each Payment Date on the total of the principal balance plus accrued interest, if any outstanding on the Payment Date.

10. **LOAN FEES AND DISBURSEMENTS:**

The Lender’s Fee shall total \$110,000 payable as follows:

- a) **\$ 30,000 (“Earnest Fee”)** payable upon acceptance of this Proposal, to pay costs incurred by the by the Lender, if any, with the balance to be credited to the Lender’s Fee on the terms and conditions set out below. (The Lender acknowledges receiving a \$10,000 Earnest Fee deposit).
- b) A further **\$ 80,000 (“Commitment Fee”)**, deemed earned after issuance by the Lender of a Commitment Letter (“Commitment”), which amount shall be deducted from and payable at the time of the Initial Advance.

In addition to the above mentioned fees, the Borrower confirms that **\$55,000 (the “Brokerage Fee”)** shall be deducted from the Initial Advance and paid to *Anbros Financial Inc.*, a brokerage. Although the fee is being advanced under the Loan, the Borrower shall be responsible for any brokerage or finder’s fees, commissions or other compensation payable to any person not affiliated with or contracted by the Lender in connection with this transaction and shall indemnify and hold the Lender and all related entities harmless in respect of same.

- c) The Borrower is directed to “**Schedule A**”, hereto, which lists typical incidental fees that the Lender may charge from time to time during the term of the herein Loan.
- d) Whether or not the transaction contemplated herein shall be completed, the Borrower agrees to pay the reasonable legal fees and disbursements of the Lender’s Counsel: *Barry Polisuk of Garfinkle Biderman LLP* for the Security and all other documents resulting here from. Legal fees are estimated to be **\$25,000** not including disbursements and HST.

If the Lender or any Co-Lender issues a Commitment on substantially the same terms and conditions as the Proposal, and the Borrower elects not to draw down on the Loan, then the Earnest Fee shall be retained as consideration for the time, effort, and expense incurred by the Lender, Lender’s employees and officers involved in reviewing the material, documents, financial information, and inspections necessary to prepare an application for approval from the Lender.

If the initial information and representations submitted by the Borrower are deemed by the Lender, after review, to be materially different than originally represented, then the Earnest Fee shall be retained as consideration for the time, effort, and expense incurred by the Lender, Lender employees and officers involved in reviewing the material, documents, financial information, and

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Ideal (WC) Developments Inc.,
Loan Proposal – 6544 Winston Churchill Boulevard
February 20, 2018 - Loan #18-02

inspections necessary to prepare an application for approval from the Lender, even in the event the Lender declines to issue a Commitment.

If a Commitment is not issued through no fault of the Borrower then the Earnest Fee shall be returned to the Borrower net of disbursements, if any, the Lender has incurred for legal fees, third party peer review, and any other reasonable disbursements incurred by the Lender in reviewing the Loan.

In the event the Lender or a Co-Lender issues a Commitment, but funding does not occur through no fault of the Lender or Co-Lender, the balance of the Commitment Fee and Brokerage Fee in clause b) above shall be deemed earned and payable by the Borrower and/or Guarantor(s).

In the event the Lender or a Co-Lender issues a Commitment but cannot satisfactorily syndicate the loan three (3) days prior to the original scheduled funding date, the full Earnest Fee shall be returned to the Borrower, with no further penalty to the Lender.

11. INTEREST:

For the initial 24 months of the term: Floating at the greater of 9.50% per annum, or the Royal Bank of Canada ("RBC") Posted Bank Prime Rate of Interest from time to time plus 5.50% Per Annum.

Commencing on the first day of the 25th month (final) of the term; Floating at the greater of 12% per annum, or the RBC Posted Bank Prime Rate of Interest from time to time plus 8.00% Per Annum (the "Overholding Rate").

12. PREPAYMENT:

with  notice  Six ~~Five~~ 

When not in default, the Loan shall be open for full prepayment, on any date ~~Six months~~ following the IAD ~~on a pro-rata basis~~ ~~1 month's interest as a bonus, with interest due and payable~~ on a pro-rata basis. If the Borrower elects to exercise this clause to prepay the Loan prior to the scheduled maturity date, this must be so indicated in writing and a date chosen (the "New Maturity Date"). If the Borrower fails pay off the Loan on the New Maturity Date, then the Loan shall be due and payable immediately and the Interest Rate charged thereon shall be set at the Overholding Rate, and 3 months interest shall become due pursuant to the Mortgages Act.

13. ADVANCES:

The Loan shall be funded as follows:

- a) The initial advance will be \$5,500,000 (the "Initial Advance") and paid out on **March 28, 2018** (the "Advance Date") (subject to change) as follows:
 - (i) \$110,000 towards the Commitment Fee;
 - (ii) \$55,000 towards the Brokerage Fee;

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Phone: 416-238-7140



(iii) \$25,000 towards the Legal Fees;

(iv) The Borrower shall direct that the sum of \$247,500 be retained by the Lender out of the Advance, as and on account of an interest reserve as herein provided (the "Interest Reserve"). ~~The Interest Reserve will be used to fund the first 5 months of interest payments due. The Borrower shall acknowledge that the Interest Reserve has been advanced and shall bear interest upon the same terms as the balance of the Loan advanced to the Borrower on closing. The Interest Reserve, together with interest earned thereon, shall be pledged by the Borrower to the Lender as Security for the Loan. All interest earned from time to time on the Interest Reserve and be held by the Lender will apply any remaining balance of the Interest Reserve toward repayment of the Loan. To the extent that the Interest Reserve has been depleted while the herein Loan is still outstanding the Borrower and Guarantors undertake to immediately replenish the reserve by an amount required to service the herein Loan to its original maturity. Failure to do so shall constitute a default under the herein Loan. In the event the Loan is in default, the Lender shall utilize and apply all or any part of the Interest Reserve remaining toward payment of principal, interest, costs or other monies owing under the Loan in its sole discretion.~~

AS
[Handwritten signature]

\$5,310,000.00

AS
[Handwritten signature]

(v) The balance of ~~\$5,000,000~~ will be deposited with the Lender's solicitor and will be used to pay for the refinancing of the Property, pursuant to the provisions set up herein.

14. ADDITIONAL FINANCING

Should the Borrower, within 12 months of the initial advance of the herein Loan, require an additional facility of no more than the lesser of \$5M or 60% of site Development and Servicing costs, (the "Loan Increase"), pursuant to a Lender approved budget, whichever is less, and provided the loan is in good standing and has been so throughout the term of the loan, then the herein Lender, subject to its absolute satisfactory review of the project's economics, may approve such increase of the herein Loan by the Loan Increase on the same terms and conditions of the herein Loan. In particular the maturity date of the original loan and the Loan Increase shall correspond or run concurrently. Furthermore, all subsequent encumbrances subordinated to the herein Loan shall consent to postpone their security in favor of the Loan Increase.

15. SECURITY:

The Loan will be secured by the following, each to be, in form and substance, satisfactory to the Lender and its solicitors. It is understood that all security will be in the first position. Without limiting the generality of the foregoing, the Security will include:

- a) 1st Mortgage for the full amount of the Loan, fees and interest in the amount of \$5,500,000, over the following "Security":

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AS
[Handwritten signature]

Ideal (WC) Developments Inc.,
Loan Proposal – 6544 Winston Churchill Boulevard
February 20, 2018 - Loan #18-02

Municipal Address	Legal Description & Zoning
6544 Winston Churchill Boulevard, Mississauga, Ontario	PIN: 13243-0378 - Part Lot 9 Concession 11 (New Survey) Trafalgar, designated as Part 1, Plan 43R37427, City of Mississauga
	PIN: 13243-0269 - PCL Block 19-1, Section 43M932, Block 19, Plan 43M932, City of Mississauga

- b) General security agreement registered in Ontario under Personal Property Security Act (“PPSA”), providing a **first (1st) charge** over all accounts receivable, inventory, chattels and equipment other than leased assets as detailed in the Borrower’s financial statements on or about the property described in Item 14a), above. Schedule to include financial covenants as described above.
- c) Postponement of all loans including the Borrower’s Shareholder Loans, if any. In addition, no distributions of any kind (including but not limited to dividends, loans, interest on shareholders loans if any, or management fees payable to the Borrower or Guarantor(s).) shall be permitted to the Shareholders of the Borrower or related entities during the term of the herein Loan without the consent of the Lender, which consent may be arbitrarily withheld.
- d) Personal Guarantee signed by **Guarantor** stated in Section 2 for 100% of the Loan Amount, including any unpaid interest from time to time.
- e) **1st** assignment of **3rd** party liability insurance proceeds in the minimum amount of not less than **\$5,000,000**. per occurrence, naming the Lender as **1st** mortgagee.
- f) **1st** assignment of fire insurance proceeds over the Properties described in Item 14a) (the “**Properties**”) naming the Lender as **1st** loss payee and **1st** mortgagee.
- g) Solicitor’s favourable Letter of Opinion, confirming the validity of the Lender’s **1st** Charge over the Properties, qualified as to what an up to date location survey may reveal. **Title insurance will be required.**
- h) **1st** assignment of all Agreements of Purchase and Sale to acquire the Properties.
- i) **1st** assignment of all Leases and Lease Renewals, present and future, relating to the Properties, if any. Estoppels Certificates using the Lender’s form will be required prior to the Advance Date.
- j) **1st** assignment, of all plans, site plans, studies, reports, and all contracts and agreements relating to the development and on-going management of the

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Phone: 416-238-7140

Properties in the Borrower's possession. The Borrower shall be responsible for the payment, in full, to all the Project's consultants.

- k) 1st assignment, of all municipal deposits, levies, and fees made by the Borrower, from time to time, in connection with the development of the Properties.
- l) 1st assignment of all Letters of Credit and other deposits given to government authorities in connection with the herein Properties. The Borrower shall execute a Direction Letter to all recipients of said Letters of Credit and other deposits to pay, on maturity or redemption, all proceeds to the Lender.

16. **PRE-FUNDING DELIVERABLES:**

All items in Section 15 must be received no later than 7 days following acceptance of this Loan Proposal to ensure the Lender has sufficient time to complete a review and complete the syndication of the herein Loan.

- a) Receipt of the Earnest Fee pursuant to Section 10a) above.
- b) Receipt and satisfactory review by the Lender, of current and previous 2 years ~~externally prepared~~ financial statements of the Borrower on at least a Notice to Reader format. If the Borrower is a newly incorporated entity, then an opening balance sheet and trial balance are required.
- c) Receipt and satisfactory review, by the Lender, of current signed Personal Net-Worth Statement of the Guarantor listed in Section 2.
- d) A credit check will be required and is consented to by the Borrower and Guarantor(s). In addition, a Corporate and Personal due diligence check, using the services of **Sterling BackCheck**, will be conducted by the Lender and is consented to by the Borrower and Guarantor. The cost of the review shall be borne by the Borrower (**See Schedule "A"**).
- e) Prior to the Advance Date, the Borrower shall demonstrate cash equity of at least \$1,000,000 has been injected into the Project to fund initial acquisition and Project related costs.
- f) Receipt and satisfactory review by the Lender, of current Phase 1 and Phase 2 (if necessary) Environmental and Geotechnical Reports for the Properties, prepared by consultants acceptable to the Lender with reliance letters stating that the Lender may rely on such reports.
- g) Receipt and satisfactory review by the Lender of a current (not more than 12 months old) Appraisal Report for the Properties, with a reliance letter, addressed to the Lender, and prepared by a consultant acceptable to the Lender.

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- h) Receipt of the final Agreements of Purchase and Sale including all amendments thereto, entered into by the Borrower to acquire the Property.
- i) A pro-forma project revenue and cost budget.
- j) Receipt of all leases and offers to lease affecting the Property together with estoppels if required by the Lender.
- k) Receipt of evidence satisfactory to the Lender, as to the source of the Borrower's required equity in the Properties. Such evidence to include the bank account number where the funds will be drawn from and copies of the most recent 3 months of banking statements.
- l) Receipt, by the Lender, of an overview and assessment report by the Lender's Planning Consultant that the Project as described in Item 6 b) above is permitted under current zoning by-laws, or can be developed with reasonable effort and within a reasonable time frame.
- m) Receipt of a signed Subordination & Standstill agreement between the Lender and any approved subsequent mortgagees.
- n) Receipt, by the Lender, of a currently dated Survey (or Surveys, if more than one property), prepared by an acceptable Surveyor and showing all boundaries and improvements on the Properties.

17. SYNDICATION AND COMMITMENT CONFIRMATION:

The Lender reserves the right to syndicate an interest in this Loan to one or more co-lenders who may or may not be related to the Lender herein. Provided the Loan Proposal has been accepted and the Earnest Fee paid, the Lender shall have up to 7 business days following the receipt and satisfactory review by the Lender and its consultants of all the requested underwriting information, to syndicate a portion of the Loan, in an amount to be determined by the Lender, in its sole discretion, and subject to terms satisfactory to Lender, failing which this Loan Proposal will be cancelled and Commitment Fee will not apply. The Borrower and Guarantor(s) consent to the disclosure by the Lender to any such prospective assignee/participant of all information and documents regarding the Loan, the Borrower and Guarantor(s) within the possession or control of the Lender. It is further agreed that the acceptance and return of this Loan Proposal shall not bind the Lender to advance the Loan. If no Commitment is so provided, this Loan Proposal shall be of no further effect and the Commitment Fee shall not apply.

18. OPTION TO PROVIDE CONSTRUCTION FINANCING:

The Lender shall have the right of first ^{option} ~~refusal~~ to provide construction financing for the project on terms mutually agreed to between the Lender and the Borrower.

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19. INFORMATION UPDATES AND FINANCIAL REPORTING:

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

Until repayment of the loan or upon request, the Borrower shall provide the Lender, within 120 days after the end of their fiscal year, or within 120 days after the end of each calendar year, if applicable, with the following:

- a) At least Notice to Reader financial statements of the Borrower and of any corporate Guarantor, including a balance sheet and supporting schedules, a detailed statement of income and expenses and supporting schedules, and a statement of change in cash flow. In the case of an individual Borrower or additional Guarantor, net worth statements may be supplied in lieu of financial statements.
- b) At least Notice to Reader financial statements in respect of the property, including a balance sheet and supporting schedules and a detailed statement of income and expenses and supporting schedules. (If applicable)
- c) A current rent roll for the property containing such detail as may be required by the Lender. (If applicable)
- d) A budget for the property for the next fiscal year, forecasting operating income, expenses and capital expenditures. (If applicable).

20. GENERAL CONDITIONS:

- a) The Borrower agrees to comply, at all times, with the Construction Lien Act.
- b) The Borrower and Lender specifically acknowledge and agree that they are not entering into a joint venture or partnership agreement by virtue of this Loan transaction.
- c) If the Borrower intends to Lease any part of the Property then the Lender must approve the tenant and its intended use. The Lender may require, in its sole discretion, a statutory declaration, signed by the Tenant, of its intended use.
- d) No financing, subsequent to the Loan facility, shall be permitted without the prior written consent of the Lender. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project and the Security and shall not pledge or otherwise encumber its interest in the Properties or the Security to any other party, other than the Lender, without the written consent of the Lender.

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**Ideal (WC) Developments Inc.,
Loan Proposal – 6544 Winston Churchill Boulevard
February 20, 2018 - Loan #18-02**

- e) The Borrower shall operate a segregated bank account for the Property or Project during the term of the Loan and all receipts and payments for the Project must be deposited into / disbursed from that account. The Borrower undertakes not to co-mingle any funds from other projects, properties and/or entities of the Borrower and Guarantor(s) into that account.
- f) In the event of the Borrower failing to pay any amount when due, or being in breach of any covenant, condition, or term of the Proposal, Commitment, if issued, or the Security, or if any representation made by the Borrower, the Guarantor(s), or their agents, or any information provided by them is found to be untrue or incorrect, or if any Event of Default, as defined in the Security, occurs, relating to the Borrower, the Borrower shall, at the option of the Lender, be in default of its obligations to the Lender and the Lender may cease or delay further funding or may exercise any and/or all remedies available to it at law or in equity. Further, the Lender may, at its option, on notice to the Borrower, declare the principal and interest on the Loan, and any other amount, due under the Proposal and Commitment, forthwith due and payable, whereupon the same shall be and become immediately due and payable in full.
- g) If the Lender deems that use of the Properties is illegal, it shall be permitted to inform the authorities of this situation.
- h) The Lender shall have the right, on reasonable notice, to conduct inspections of the Properties over the term of the Loan and to ensure it is properly maintained and that its intended use conforms to all laws.
- i) The Borrower and the Guarantor(s) agree that if any one or more of the provisions contained in this Proposal, or in the Commitment, if issued, shall for any reason be held to be invalid, illegal, or unenforceable, in any respect, such invalidity, illegality, or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Proposal or the Commitment, if issued, and this Proposal and the Commitment, if issued, shall be construed as if such invalid, illegal, or un-enforceable provision had never been contained herein.
- j) The Borrower and Guarantor(s) shall indemnify, and save harmless, the Lender, its officers, agents, trustees, employees, contractors, licensees, or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature, whatsoever, arising out of the provisions of this Proposal, the Commitment, if issued, and the Security, any letters of credit, letters of guarantee issued, sale or lease of the Project and/or the use or occupation of the Project, including, without limitation, those arising from the right to enter the Project, from time to time, and to carry out the various tests, inspections, and other activities permitted by the Proposal, Commitment, if issued, and the Security. In addition to any liability imposed on the Borrower and Guarantor(s), under any instrument evidencing or securing the Loan indebtedness, the

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Borrower and Guarantor(s) shall be liable for any and all of the Lender's costs, expenses, damages, or liabilities, including, without limitation, all reasonable legal fees, directly, or indirectly arising out of, or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under, or about the Project of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and Guarantor(s) set forth in this subparagraph:

- i. Are separate and distinct obligations from the Borrower's and Guarantor(s) other obligations;
 - ii. Survive the payment and satisfaction of their other obligations and the discharge of the Security, from time to time, taken as Security therefore;
 - iii. Are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
 - iv. Shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.
- k) The Borrower and Guarantor(s) will provide the usual warranties and representations, respecting accuracy of financial statements and that there has been no material adverse change in either the Borrowers, or Guarantor(s)' financial condition or operations, as reflected in the financial statements used to evaluate this credit; title to the Project charged by the Security; power and authority to execute and deliver documents; accuracy of documents delivered, and representations made to the Lender; no pending adverse claims; no outstanding judgments; no defaults under other agreements relating to the proceedings; payment of all taxes; no consents, approvals or authorizations necessary, in connection with documentation; compliance of construction of permitted encumbrances; all necessary services available to the Project; no hazardous substances used, stored, discharged or present on the mortgaged lands, and will warrant such other reasonable matters, as Lender, or its legal counsel may require.
- i. The control over the Borrower shall not change without the consent of the Lender acting reasonably.
 - ii. Neither mind nor management nor the location of the Borrower's offices and place of records should change without the consent of the Lender acting reasonably.
- l) Loan disbursement(s) shall take place only on title to the Property, being acceptable to the Lender's legal counsel and all matters in connection with the priority, validity and enforceability of the Security and other documentation deemed necessary or advisable by Lender's legal counsel being complied with by the Borrower and the Guarantor(s).
- m) The Borrower shall pay forthwith on demand all other reasonable fees and disbursements incurred or to be incurred in connection with the Security

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Phone: 416-238-7140

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K/S

and all other documents, including, but not limited to, registration costs, discharge costs, appraisal fees, surveyor's costs, and monitoring costs, and costs itemized on Schedule A.

- n) The waiver of the Lender of any breach or default by the Borrower or the Guarantor(s) of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower or the Guarantor(s). In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Loan or other Security shall not constitute a waiver thereof.
- o) All reports, statements and other information required to be delivered by the Borrower to the Lender (herein referred to as "Deliveries") under the herein Loan Proposal and, if issued, a Commitment, shall be subject to the Lender's satisfactory review and approval, acting reasonably, of such Deliveries.
- p) If a Commitment is issued, it is not assignable by the Borrower.
- q) This Proposal shall be read in conjunction with the Lender's form of charge documents, and in all cases where the interpretation of the terms hereof and the intention of the parties hereto may be in question, where applicable, the Lender shall determine which shall prevail.
- r) Section headings are not to be considered part of this agreement and are included solely for the convenience of reference and are not intended to be full or accurate descriptions of the contents thereof.
- s) In this Proposal, words importing the singular number include the plural and vice versa, and words importing the masculine gender include the feminine and neuter genders.
- t) The Lender shall have the right to provide a sign, at its cost, no greater than 2' x 3' advertising the fact that Project financing was provided by the Lender. The sign shall be erected, by the Developer/Borrower, at its cost in a prominent location on or about the hording or construction fence at a location to be approved by the Borrower and the Lender.
- u) This Proposal and, if issued, a Commitment, the Loan and the Security may all be assigned, transferred or otherwise disposed of by the Lender to a non-arm's length party without the Borrower's or the Guarantor(s) consent.

21. OVER HOLDING FEE:

If the Loan is not repaid in full on or before the Maturity Date, the Borrower shall be required to pay to the Lender an Over Holding Fee, in addition to all other rates, fees and costs to be paid to the Lender by the Borrower pursuant to this Loan Proposal. More particularly, this fee shall be earned by and payable to the Lender monthly, in advance, on the first business day of

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**Ideal (WC) Developments Inc.,
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February 20, 2018 - Loan #18-02**

each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Over Holding Fee"). The Borrower hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Borrower under the Commitment (if and when issued) and Security documents notwithstanding payment of the Over Holding Fee. The Borrower further acknowledges that he Lender, at its option, may add the Over Holding Fee to the outstanding principal balance of the Loan and the Security for the Loan also secures the Over Holding Fee.

22. STATUS OF BORROWER & GUARANTOR(S):

The Solicitors for the Borrower and the Guarantor(s) are to certify, without qualification, that the Loan documents have been properly executed and they have confirmed the identity of the person(s) signing.

Each Borrower and Guarantor will be required to produce identification acceptable to the Lender and to the Lender's solicitor at the time the documentation is signed, and prior to any funds being advanced, for the purpose of compliance with the provisions of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada) and Regulations there under. Such identification shall include at least two documents, with at least one document including photo ID, together with a solicitor's confirmation that the identity of all persons signing as or on behalf of the Borrower or as a Guarantor(s) have been identified as the proper persons to sign. The Lender is to be provided with clear and legible copies [front and back] of any identification documents together with a solicitor's certification that the copies are true copies of the original documents. Ontario Health Cards are not acceptable identification documents

23. BORROWER'S REPRESENTATIONS:

The Borrower and Guarantor(s) represent and warrant that as of the date of the acceptance of this Loan Proposal and as of the Closing Dates:

- a) They have the power, capacity and authority to enter into this agreement and to perform and complete the transaction contemplated herein, all of which have been duly authorized, where required, by all necessary corporate action and that no consents are necessary.
- b) They have not withheld any information of a material nature relating to the Property or to the Borrower or Guarantor(s).
- c) The use of the Property(ies) shall be legal and that illegal use of the Property(ies) will result in default under the Loan.

24. BORROWER'S ACKNOWLEDGMENTS:

The Borrower acknowledges and represents that:

- a) It has considered the risks entailed in private borrowing and has been informed of the risks involved in the Loan;

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- b) The Terms and the Interest Rate in this Commitment may be higher and more onerous than that of institutional Lenders;
- c) It has had an opportunity to consult its legal counsel and accountant or other financial advisors;
- d) If the Lender does not advance the Loan by the Advance Date, the Borrower may be unable to satisfy the intended purpose for the Loan;
- e) In the event the Borrower is unable to pay monthly payments, property taxes, fire insurance premiums, the principal amount when the Loan is due, and or any other payment required under the Loan, the Lender could obtain a court judgment and enforce all remedies available by law, including 3 months of interest payments. Furthermore, income could be seized to pay the judgment or, as an alternative, the Lender may keep the Property or sell it under foreclosure proceedings.

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

- a) The Brokerage and Broker act for the Lender;
- b) Cost of Borrowing ("COB") and Actual Percentage Rate ("APR") are disclosed in the Statement of Mortgage, which will be prepared should the Lender proceed to issue a Loan Commitment Letter.
- c) Notwithstanding Item a), there are no conflicts of interest, which either the Brokerage or the Broker, are aware of.
- d) Risk factors, which the Brokerage/Broker have identified as being associated with the herein Loan are noted below, and are not limited to following:
 - i) The herein Loan bears interest only. With the exception of permitted or required periodic principal repayments, the entire Loan principal as well as expenses, recoveries and unpaid interest, if any, will be due on maturity date as determined and defined from time to time;
 - ii) Default under any term of the herein Loan may result in the Borrower's equity being at risk;
 - iii) The Loan Guarantor(s) may be called upon to repay the Loan in full and make good on shortfalls required to fully discharge the herein Loan.
 - iv) The Borrower's ability to refinance the herein Loan is solely dependent upon external factors over which the Borrower has no control. This may include, but is not limited to, the Lender's refusal to renew the herein Loan on maturity, the lack of other refinancing alternatives and/or adverse market conditions. If the Borrower is unable to refinance the Loan, the

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Ideal (WC) Developments Inc.,
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Lender may exercise remedies accorded to it under the herein charge and other relevant statutes and acts.

- v) The Borrower's ability to service the herein Loan may be dependent upon factors beyond the Borrower's control, such as the impairment of the sources of cash flows used to service the herein Loan. The inability to service the Loan may result in defaults under the term of the herein Loan, which may result in any one of the consequences described above.

Empirical Capital Corp. and all their related or associated companies (collectively "ECC") subscribe to Canada's *Personal Information Protection and Electronic Documents Act*. ECC's Privacy Policy is attached herewith for review.

As a potential Borrower and/or Guarantor(s), you have provided us with certain personal and financial information. The Borrower's and/or Guarantor(s)' signature(s) on this document is consent to allow ECC to use the information so provided to ascertain the credit-worthiness of the Borrower and/or Guarantor(s). This may include, but is not limited to, obtaining credit reports, contacting the Borrower's and/or Guarantor(s)' bank, verifying employment, completing Background and Criminal & Bankruptcy Checks. Acceptance of this Loan Proposal acknowledges that the Borrower and/or Guarantor(s) have read and understand the attached *ECC's Privacy Policy* and fully agree to the contents contained therein.

The funds advanced under this mortgage will likely come from a number of private lenders who will each contribute a portion of this Loan. The Ontario government's *Mortgage Brokerages, Lenders and Administrators Act* requires that lenders have access to financial information about the borrower's ability to meet mortgage payments. This information is provided in the required *Investor/Lender Disclosure Statement for Brokered Transactions*, which all lenders in this Loan will receive.

By signing and accepting this Loan Proposal, the Borrower and Guarantor acknowledge that the herein Loan, if granted, is not life insured. The Borrower is encouraged to seek relevant protection from its' insurance professionals.

Furthermore, by signing and accepting this Loan Proposal, the Borrower and Guarantor acknowledge they are dealing with ECC exclusively to coordinate funding for the acquisition of the Property. The exclusivity period will commence upon the signing of this Loan Proposal and continue for a period of 15 days or until the final Commitment Letter is executed by the Borrower and Guarantor, whichever is earlier. If during this exclusivity period, the Lender learns the Borrower has entered into any written or verbal agreements with another lender related to the funding for the acquisition of the Property, the balance of the Commitment Fee and Brokerage Fee in clause 10 b) above will be deemed earned and payable by the Borrower and/or Guarantor to the Lender.

The Borrower and Guarantor agree that the Lender shall be entitled to a security interest under the *Personal Property Security Act (Ontario)* and to register same to secure its fees under this Loan Proposal.

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February 20, 2018 - Loan #18-02**

The Borrowers hereby grants permission to the Lender to obtain credit reports to be used in determining the acceptability of credit risk in connection with this Loan.

If the terms and conditions of this Loan Proposal are acceptable, please so indicate by signing the attached copy of this Letter, together with the \$20,000 Earnest Fee and return it to the writer's attention by **February, 26, 2018.**

Yours very truly,
EMPIRICAL CAPITAL CORP.



Mickey Baratz
Principal

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Ideal (WC) Developments Inc.,
Loan Proposal – 6544 Winston Churchill Boulevard
February 20, 2018 - Loan #18-02

ACCEPTANCE OF LOAN PROPOSAL

ACCEPTED on the terms and conditions herein provided this 26 day of February, 2018.

Ideal (WC) Developments Inc., - As Borrower

N. Shanmugam

Per:

I have the sole authority to bind the corporation.

N. Shanmugam

Shaji Nada - As Guarantor

P. Chandrasekaran
Witness: Pranavan Ganesh

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Ideal (WC) Developments Inc.,
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SCHEDULE "A" – FEE SCHEDULE

ITEM	ESTIMATED FEE AMOUNT	COMMENT
Mortgage Statement	\$350 per Statement	<ul style="list-style-type: none"> For information purposes For audit verification
Approval of Subordinate Financing	\$350	<ul style="list-style-type: none"> Approval of subordinate financing
Mortgage Discharge Statement	\$350 per statement	<ul style="list-style-type: none"> Pay off and discharge mortgage
Expense Recovery re Credit Bureau & Due Diligence Report (Sterling BackCheck)	\$50 per credit report \$75- \$160 Sterling BackCheck report (per guarantor)	<ul style="list-style-type: none"> Deducted from first advance to reimburse lender for expenses incurred in ordering credit bureau and Sterling BackCheck investigations
Valuation Verification (RealNet) Third Party Market Research	\$250 per Loan To be determined	<ul style="list-style-type: none"> Valuation verification Valuation verification
Expense Recovery re Site Inspections.	To be determined	<ul style="list-style-type: none"> Deducted from first advance to reimburse lender for all reasonable costs incurred as part of due diligence.
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> To confirm title (as required)
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$350 per occurrence	<ul style="list-style-type: none"> The borrower shall pay liquidated damages to cover the lender's administrative costs.
Insurance Coverage Change	\$350 per occurrence	<ul style="list-style-type: none"> Lapsed or cancelled insurance not reinstated or replaced by borrower. Lender shall have option to replace coverage without notice to borrower.
Property Insurance Review	\$500-\$750 (land only) \$1,000-\$1,500 (land and construction)	<ul style="list-style-type: none"> Peer review of insurance coverage by Intech Risk Management Quote available on request for land and construction review
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for hazardous materials and contaminants.
Geotechnical Reports	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of subject property for site suitability.
Cost Consultant	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> Peer review of construction budget, work in place and cost to complete
Planning Review	\$1,500 - \$3,000 per Report	<ul style="list-style-type: none"> Peer review of planned development
Subsequent Advance Review (Hard & Soft Costs - ECC)	\$500-\$1,000	<ul style="list-style-type: none"> Deducted from the draw upon release of funds to the Borrower
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> For each collection letter written whether in connection with one default or more.
Default Administration	\$2,500 monthly \$5,000 monthly	<ul style="list-style-type: none"> 1st default that remains uncured for 14 days. 2nd and subsequent default that remains uncured for 14 days.
Annual Review	\$500 per year	<ul style="list-style-type: none"> Confirmation of realty taxes Confirmation of insurance coverage Project monitoring
Bank Processing Fee	\$500	<ul style="list-style-type: none"> On repayment of Loans over \$2Million

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 Phone: 416-238-7140



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COMMITMENT LETTER

March 26th, 2018

Ideal Developments Inc.
c/o Anbros Financial
2010 Winston Park Drive, 2nd Floor
Oakville, Ontario L6H 6P5

Attention: Adit Kumar

Dear Adit,

**Re: First (1st) Mortgage Financing (the "Loan") on 6544 Winston Churchill Boulevard, Mississauga, Ontario
(the "Property")
Our Ref: 18-02**

This letter confirms that subject to the amendments contained herein, our clients represented by Empirical Capital Corp. are prepared to approve your loan on the terms set out in this Commitment Letter ("Commitment") and read in conjunction with the Loan Proposal dated **February 20, 2018**, and accepted **February 26, 2018** ("Proposal") and subject to the undernoted conditions:

Funding Date
And Loan Amount: **\$5,500,000 on April 5th, 2018**

Commitment Expiry: **April 5th, 2018.** At the option of the Lender, this loan may be cancelled if the representations of the Borrowers are found to be materially inaccurate, or if title to the security is not satisfactory, acting reasonably.

Interest
Adjustment Date: The Interest Adjustment date shall be the 2nd day of the month following the Advance Date under the Loan and the term shall run thereafter. Interest shall accrue from the date the advance of funds is made to our solicitor, which will be one day before the advance of funds on this mortgage.

4950 Yonge Street, Suite 1706, Toronto, Ontario M2N 6K1
Phone: 416-840-6896
empiricalcapital.ca

Legal Fees:

Please note that the legal work on our behalf will be done by:

Barry Polisuk
Garfinkle Biderman LLP
1 Adelaide Street East, Suite 801
Toronto, Ontario M5C 2V9

Telephone: (416) 869-1234

All legal costs & fees incurred, in connection with this mortgage shall be paid by Borrower. All questions should be directed to **Mr. Polisuk**. An estimate of his fees of \$ **25,000** excluding disbursements & HST has been provided. Title insurance will be charged separately.

Mortgage:

The terms and conditions of the mortgage loan commitment and proposal shall continue to apply notwithstanding the preparation and execution and registration of the mortgage and other documents. In case of any inconsistency or conflict between any provisions of this Commitment and Proposal and any provisions of the charge/mortgage, the Commitment and Proposal shall prevail.

Title and Legal Requirements:

The advance of funds shall be made subject to the Lender and its solicitor being satisfied with title to all property secured and all legal aspects, required of the transaction (the "Security").

Solicitors and Documentation:

All legal matters and documentation shall be satisfactory to the Lender's solicitors, whose fees and disbursements the Borrower agrees to pay whether or not this transaction is completed as contemplated herein.

Standard Charge Terms:

The Borrower acknowledges and agrees that the Mortgage Document may incorporate by reference such standard charge terms or schedule and may incorporate such additional provisions as are contemplated by the Proposal and Commitment, and/or as may be considered required by the Lender or its solicitor.

Covenant to Give Notice of Casualty or Legal Claim:

The Borrower hereby covenants and agrees that it will give immediate notice in writing to the Lender of any damage to or legal claim against the Security, or of any conveyance, transfer, or change of ownership or

control or possession of the Security or any other change in viability of the strength of the Borrower or any Guarantor.

Mortgage Statements: The Borrower shall pay for each Mortgage Statement prepared for and provided by the Lender, on request, the current fee (see Schedule A attached) for the preparation and providing of such statement.

Right of Inspection: The Borrower shall permit the Lender, or his agent or agents, at all reasonable times, to make an investigation or examination concerning the performance by the Borrower of its obligations under the Mortgage and to have access to any and all of the buildings and improvements forming part of the mortgaged property for the purpose of inspecting or protecting the same as well as performing an environmental assessment. The Lender enters the Subject Property at its own risk and indemnifies the Borrower re: all losses + damages etc. The Borrower shall take all reasonable steps, including legal proceedings, to protect its own right, title, and interest in any of the mortgaged property and to enable the Lender to defend the interest of the Lender therein.

Subsequent Encumbrances: Borrowers may not place subsequent encumbrances on the subject property other than those agreed to in the Proposal without written consent of the Lender otherwise, and at the option of the Lender, all monies will become due and payable in full.

Non-Transferable: It is agreed and understood that in the event of a sale, conveyance, lease or transfer of the title of the Property to a purchaser, grantee, transferee, lender, or lessee not approved in writing by the Lender, then at the option of the Lender, all monies secured under the mortgage with accrued interest shall forthwith become due and payable and the Borrower's and Guarantor's liability hereunder shall remain in full force and effect until all monies owing to the Lender in connection with this indebtedness is paid in full.

Realty Taxes: Realty Taxes are to be paid to the date of the advance and must be kept current during the term of the mortgage.

Zoning: The use of the land shall comply with all relevant laws, and shall be in accordance with the provisions of all agreements with governmental (Municipal, Provincial and Federal Statutes) or other authorities providing services to the property, throughout the term of the mortgage.

Survey: We require an original up to date survey of the land and premises prepared by a qualified Ontario Land Surveyor under seal, showing no

encroachments, and showing all improvements on the mortgage property constructed in compliance with the local zoning by-laws or Title Insurance.

**Pre-authorized
Chequing Plan:**

All payments made under this Charge by the Borrower shall be made by a pre-authorized cheque payment plan, electronically debiting the Borrower's account ("EFT") as approved by the Lender. The Borrower shall complete all forms required by the Lender in this regard and the Lender shall not be obligated to accept any payment other than payment made by EFT. Failure to make all payments by EFT shall be considered an act of default within the meaning of this Charge and the Lender shall at its option, be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary.

**N.S.F. Cheque and/or
failed Debit under an
ETF Plan:**

In the event that any of the Borrower's cheques or debits under an EFT Plan are not honoured when presented or processed for payment, the Borrower shall pay to the Lender, for each such occasion, the sum per Schedule A as a liquidated amount to cover the Lender's administrative costs and not as a penalty and each sum shall be a charge upon the lands and shall bear interest at the rate set out in the within mortgage.

Property Insurance:

Each Loan requires property insurance coverage acceptable to the Lender and its consultant. Such policy must contain standard mortgage clauses and must indicate the interest of the Lender as first Lender and Loss payee.

Should improvements or buildings on the subject property be demolished with the Lender's consent, then only Liability Insurance may be required there-after subject to the Lender's insurance consultant's consent.

In the event that the Lender receives notice that the insurance coverage has or is about to be cancelled, the Lender shall have the right to place a new policy of insurance on the property without notice to the Borrower and add the cost thereof, together with an administrative charge of per Schedule A to the principal amount outstanding.

Default:

Provided further that in the event there is any kind of default under this mortgage and a collection letter is issued by the Lender the Lender is entitled to a fee per Schedule A for each collection letter written, whether in connection with one or more defaults under the Charge.

Other:

Upon a payout of the mortgage in which the Lender is in receipt of the

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Ideal (WC) Developments Inc.
Commitment Letter – 6544 Winston Churchill Boulevard, Mississauga, Ontario
March 26th, 2018 - Loan #18-02

funds due after 3:00 p.m. on any day, the Borrower agrees to pay interest up to and including, the next business day.

Borrowers acknowledge that parties related to the Lender may be advancing funds under the mortgage.

**Representation
And Credit:**

By acceptance of this Commitment the Borrower(s) and Guarantor(s) covenant that the representations and information submitted by them in connection with this Loan is full disclosure and is true and accurate. The Lender, in its sole discretion, must be satisfied that no material change in the Borrower(s)' or Guarantor(s)' credit standing has occurred prior to the first advance under the Loan. The Borrower(s) and Guarantor(s) hereby authorize the Lender to have credit checks performed.

Acceptance Date: This commitment is open for acceptance until **March 29th, 2018.**

Regards,
EMPIRICAL CAPITAL CORP.



Mickey Baratz, Principal

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Ideal (WC) Developments Inc.
Commitment Letter – 6544 Winston Churchill Boulevard, Mississauga, Ontario
March 26th, 2018 - Loan #18-02

ACCEPTANCE OF COMMITMENT LETTER

ACCEPTED on the terms and conditions herein provided this 27 day of March, 2018.

Ideal (WC) Developments Inc. As Borrower

M. Shami
Per:
I have the sole authority to bind the corporation.

M. Shami
Mr. Shaji Nada
Guarantor

P. Ganesh Rajan
Witness

TAB C

THIS IS **EXHIBIT "C"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS *24th* DAY OF NOVEMBER, 2021.



A Commissioner, etc.

Properties

<i>PIN</i>	13243 - 0378 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PART LOT 9 CONCESSION 11 (NEW SURVEY) TRAFALGAR, DESIGNATED AS PART 1, PLAN 43R37427; CITY OF MISSISSAUGA		
<i>Address</i>	6532 & 6544 WINSTON CHURCHILL BOULEVARD MISSISSAUGA		
<i>PIN</i>	13243 - 0269 LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	PCL BLOCK 19-1, SEC 43M932; BLK 19, PL 43M932; CITY OF MISSISSAUGA		
<i>Address</i>	MISSISSAUGA		

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 IDEAL (WC) DEVELOPMENTS INC.
Address for Service 1100 Rodick Road, Markham, Ontario
L3R 8C3

I, Shajiraj Nadarajalingam, 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 EMPIRICAL CAPITAL CORP.
Address for Service 1706-4950 Yonge Street, Toronto, Ontario M2N 6K1

Statements

Schedule: See Schedules

Provisions

<i>Principal</i>	\$5,500,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	daily, not in advance		
<i>Balance Due Date</i>	2019/12/02		
<i>Interest Rate</i>	See Additional Provisions		
<i>Payments</i>			
<i>Interest Adjustment Date</i>	2018 05 02		
<i>Payment Date</i>	2nd day of each and every day		
<i>First Payment Date</i>	2018 06 02		
<i>Last Payment Date</i>	2019 12 02		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	full insurable value		
<i>Guarantor</i>	Shajiraj Nadarajalingam		

Additional Provisions

Shajiraj Nadarajalingam is guaranteeing the obligations of the Chargor under this Charge.

Shajiraj Nadarajalingam address for service is 18 Forestbrook Drive, Markham, Ontario L6B 0E4.

The Chargor acknowledges and agrees that in the event of a conflict between the Standard Charge Terms No. 200033 and this Charge, the terms of the Charge shall prevail.

In the event of any inconsistency between the terms of this Charge, the Standard Charge Terms 200033 and a commitment letter, as amended from time to time, issued by the Chargee and accepted by the Chargor in connection with this Charge (the Commitment), the terms and provisions of the Commitment shall prevail.

Interest on the outstanding principal amount of this Charge from time to time shall be payable for the initial Eighteen (18) month of the term immediately following the Interest Adjustment Date at an annual rate of interest equal to the greater of nine and a half percent (9.50%) per annum or the RBC Prime Rate plus five and a half (5.50%) per cent per annum. Thereafter until the amount evidenced by this Charge is paid in full, the outstanding principal balance of this Charge shall bear interest at an annual rate equal to the greater of twelve (12%) percent or the RBC Prime Rate plus eight (8%) percent per annum calculated daily, compounded and payable monthly on the 2nd day of each month commencing on the Nineteenth (19th) month immediately following the Interest Adjustment Date (the Balance Due Date). Any payments made by the Chargor to the Chargee after the Balance Due Date are subject to the Over Holding Fee as defined in section 20 of the Commitment.

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Additional Provisions

For the purpose of this Charge, the RBC Prime Rate shall mean the rate of interest quoted from time to time by RBC at its head office in Toronto as being its reference rate for calculating interest rates which it charges to its commercial clients for commercial loans in Canada.

The payment under this Charge shall be automatically adjusted and the interest rate pursuant to this Charge shall be deemed automatically adjusted without the requirement for notice to the Chargor on any change to the RBC Prime Rate.

Signed By

Valeriya Lee 1 Adelaide Street E., Suite 801 acting for Signed 2018 04 11
Toronto Chargor(s)
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2018 04 11
Toronto
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
Total Paid \$63.65

File Number

Chargee Client File Number : 11087-008 LOAN #18-02

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SCHEDULE "A"

STANDARD CHARGE TERMS AND CONDITIONS

1. DEFINED TERMS

Unless otherwise expressly defined or otherwise required by the context, the following words and phrases shall have the following meanings when used in the Charge:

- 1.1 "**Borrower**" means all Persons who have given the Charge and who have executed the same as Borrower;
- 1.2 "**Charge**" means the Charge/Mortgage of Land and all schedules attached to the Charge and all amendments thereto and replacements thereof from time to time;
- 1.3 "**Costs**" includes all costs, fees, charges and expenses of every nature and kind whatsoever incurred by the Lender or paid by the Lender to any other party in connection with the protection and preservation of the Property or any other security held by the Lender, or for the purpose of preserving and maintaining the enforceability and priority of the Charge and any such other security, or in connection with any and all demands and enforcement proceedings of every nature and kind made or carried out by or on behalf of the Lender under or pursuant to the Charge, and includes, without limitation, legal costs incurred by the Lender on a full indemnity basis;
- 1.4 "**Commitment**" means each and every letter of commitment, loan approval, term sheet or other similar agreement establishing or pertaining to the loan secured by the Charge or pursuant to which the Charge has been given, and all amendments thereto and renewals or replacements thereof from time to time including, the Loan Proposal;
- 1.5 "**Condominium Corporation**" means each corporation created or continued pursuant to the *Condominium Act, 1998* (Ontario) and pertaining to all or any part of the Property which are governed by the said Act;
- 1.6 "**Covenantor**" means any party to the Charge expressly defined as such and any and all Persons who have directly, indirectly, as principal debtor or as surety covenanted to pay or guaranteed payment of the whole or any part of the amount or amounts secured by the Charge or which are owing under the loan facilities referred to in this Commitment or who have covenanted to perform or guaranteed performance by the Borrower of its obligations under the Charge or under this Commitment or under any security given in connection therewith;
- 1.7 "**Environmental Laws**" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable directives, orders, codes, judgments and decrees of Governmental Bodies, whether now in existence or hereafter arising, intended to regulate and/or protect the environment and/or any living thing and/or relating to Hazardous Substances;
- 1.8 "**Governmental Body**" means any government, parliament, legislature, or any regulatory authority, bureau, tribunal, department, instrumentality, agency, commission or board of any government, parliament or legislature, or any court, and without limiting the foregoing, any other law, regulation or rule-making entity having or purporting to act under the authority of any of the foregoing (including, without limitation, any arbitrator) and "Governmental Bodies" means any one or more of the foregoing collectively;
- 1.9 "**Hazardous Substance**" means any hazardous or dangerous waste or substance, pollutant, contaminant, waste or other substance without limitation, whether solid, liquid or gaseous in form, which when released into the natural environment may, based upon reasonably authoritative information then available concerning such substance, immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing,
 - 1.9.1 any such substance as defined or designated under any Environmental Laws;
 - 1.9.2 asbestos, urea formaldehyde, poly-chlorinated byphenyl (PCB) and materials manufactured with or containing the same; and,
 - 1.9.3 radioactive and toxic substances;and "Hazardous Substances" means any one or more of the foregoing collectively;
- 1.10 "**Lender**" means all Persons in whose favour the Charge is given and who is or are named in the Charge as Lender;
- 1.11 "**Person**" means an individual, sole proprietorship, partnership, joint venture, syndicate, association, trust, body corporate, a natural person in its capacity as trustee, personal

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representative or other legal representative, the Crown or any agency or instrumentality thereof, and/or any other entity recognized by law;

- 1.12 **"Property"** means the Property, tenements, hereditaments and appurtenances and any estate or interest therein described in the Charge, and all buildings and improvements now or hereafter situate or constructed thereon, and all easements, rights-of-way and other appurtenances thereto, and all structures, additions, improvements, machinery, equipment, decorations and other fixtures of every nature and kind (whether or not affixed in law) attached thereto or placed, installed or erected thereon or used in connection therewith;
- 1.13 **"Receiver"** means any receiver, receiver and manager, receiver-manager or trustee of the Property as may be appointed from time to time by the Lender pursuant to the provisions of the Charge or by any court of competent jurisdiction;
- 1.14 **"Taxes"** means all taxes, rates, assessments, local improvement charges, levies, penalties and other charges imposed upon or in respect of the Property by any Governmental Body having jurisdiction.

2. STATUTORY REFERENCES

Unless expressly stipulated or otherwise required by the context, all references in the Charge to any federal, provincial or municipal statute, regulation, by-law, order, directive or other governmental enactment shall be deemed to be and construed as a reference to the same as amended or re-enacted from time to time.

3. EXCLUSION OF STATUTORY COVENANTS

The implied covenants deemed to be included in a charge under sub-section 7(1) of the *Land Registration Reform Act* (Ontario) shall be and are hereby expressly excluded and replaced by the terms hereof which are covenants by the Borrower, for and on behalf of the Borrower, with the Lender.

4. SHORT FORMS 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 Forms of Mortgages Act*, R.S.O. 1980, c. 474, and distinguished by a number therein, the 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 the Charge shall be interpreted as if the said Act was still in full force and effect.

5. PROVISO FOR REDEMPTION

Provided the Charge to be void upon payment of the principal sum hereby secured, in lawful money of Canada, with interest as herein provided and taxes and performance of statute labour and performance of all covenants and agreements contained in the Charge.

6. RELEASE

And the Borrower releases to the Lender all its claims upon the Property subject to the proviso for redemption herein.

7. ADVANCE OF FUNDS

The Borrower agrees that neither the preparation, execution nor registration of the Charge shall bind the Lender to advance the monies hereby secured, nor shall the advance of a part of the principal sum herein bind the Lender to advance any unadvanced portion thereof, but nevertheless the estate hereby charged shall take effect forthwith upon the execution of the Charge by the Borrower, and the expenses of the examination of the title and of the 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 Property, and shall be without demand thereof, payable forthwith with interest at the rate provided for in the Charge, and in default the remedies herein shall be exercisable.

8. BORROWER'S COVENANTS

The Borrower covenants with the Lender that the Borrower will pay the principal sum herein and interest and observe the proviso for redemption herein, and will pay as they fall due all Taxes and when required by the Lender, shall transmit the receipts therefore to the Lender;

The Borrower further covenants with the Lender that the Borrower 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 the 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 Property; all costs, commissions, fees and disbursements incurred by the Lender in constructing, inspecting, appraising, selling, managing, repairing or maintaining the Property; all Costs incurred by the Lender with respect to the Charge or incurred by the Lender arising out of, or in any way related to the Charge; any amounts paid by the Lender on account of any encumbrance, lien or charge against the Property and any and all Costs incurred by the Lender arising out of, or in any way related to, the Lender realizing on its security by sale or lease or otherwise;

And that the Borrower has a good title in fee simple to the Property and has good right, full power and lawful and absolute authority to charge the Property and to give the Charge to the Lender upon the covenants contained in the Charge;

And that the Borrower has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the Property, 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 land registry office disclose; and free from all encumbrances except as may be permitted by the Lender;

And that the Borrower will execute such further assurances of the Property as may be requisite;

And that the Borrower will produce the title deeds and allow copies to be made at the expense of the Borrower.

9. COMPLIANCE WITH LAWS AND REGULATIONS

The Borrower shall, in its ownership, operation and use of the Property, promptly and at all times observe, perform, execute and comply with all laws, rules, requirements, orders, directions, ordinances and regulations of every Governmental Body having jurisdiction with respect to the same, and further 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. CHANGE OF USE

The Borrower will not change or permit to be changed the existing use or uses of the Property without the prior written consent of the Lender.

11. REPAIR

The Borrower will keep the Property including the buildings, erections and improvements thereon in good condition and repair according to the nature and description thereof, and the Lender may, whenever it deems necessary, enter upon and inspect the Property, and the cost of such inspection shall be added to the indebtedness secured hereunder, and if the Borrower neglects to keep the Property in good condition and repair, or commits or permits any act of waste on the Property (as to which the Lender shall be sole judge) or makes default as to any of the covenants or provisos herein contained, the principal sum herein shall, at the option of the Lender, forthwith become due and payable, and in default of payment thereof with interest as in the case of payment before maturity, the powers of entering upon and leasing or selling hereby given may be exercised forthwith and the Lender, upon five days notice to the Borrower and in the event that the Borrower does not in such period cause and diligently proceed with such repairs, may make such repairs as it deems necessary, and the cost thereof 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 Property prior to all claims thereon subsequent to the Charge.

12. ALTERATIONS OR ADDITIONS

The Borrower will not make or permit to be made any alterations or additions to the Property without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion or may be given only subject to compliance with such terms and conditions at the cost of the Borrower as the Lender may impose.

13. PROPERTY INCLUDE ALL ADDITIONS

The Property shall include all structures and installations brought or placed on the Property 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 Property including, without limiting the generality of the foregoing, piping, plumbing, electrical equipment or systems, aeriels, 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 that the same shall become fixtures and an accession to the freehold and a part of the realty.

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14. **ENVIRONMENTAL WARRANTY AND INDEMNITY**

The Borrower and each Covenantor jointly and severally represent, warrant, covenant and agree that:

- 14.1. They have not, and to the best of their knowledge, information and belief after making due inquiry, no other Person has caused or permitted any Hazardous Substance to be placed, discharged, stored, located or disposed of, on, under, at or near the Property nor to be released from the Property;
- 14.2. The Property have never been used as a land fill site, waste disposal site or coal gasification site, or to store Hazardous Substances either above or below ground in storage tanks, pipes, conduits or otherwise;
- 14.3. They and, to the best of their knowledge, information and belief after making due inquiry, the tenants, invitees and all other occupiers of the Property have at all times carried out all business and other activities upon the Property in strict compliance with all Environmental Laws;
- 14.4. They will at all times carry out all business and other activities upon the Property in strict compliance with all Environmental Laws, and they will at all times take all necessary measures to ensure that those for whom they are liable in law will also at all times carry out all business and other activities upon the Property in strict compliance with all Environmental Laws.
- 14.5. To the best of their knowledge, information and belief after making due inquiry, the use and occupation of the Property have at all times been in strict compliance with all Environmental Laws;
- 14.6. No notice, order, stop work order, inspection file, investigation, directive, enforcement action, regulatory action, suit, claim, action, proceeding or charge relating to any Hazardous Substance or to a breach or non-compliance with any Environmental Laws has been issued by any Governmental Body with respect to the Borrower or the Property, or is otherwise threatened to be issued;
- 14.7. They will provide the Lender with full and complete copies of all communications received from time to time from all Governmental Bodies with respect to the Property;
- 14.8. They will provide to the Lender on request and from time to time, information with respect to the status of the environmental matters referred to herein and will complete and deliver, on request, the Lender's standard form of report, if any, on environmental matters;
- 14.9. The representations and warranties contained in this Warranty and Indemnity are true and accurate in all respects as of the date of the first advance made pursuant to the Charge, and such representations and warranties shall remain true and accurate in all respects and shall survive the release and discharge of the Charge and the repayment and satisfaction of the indebtedness secured by the Charge; and,
- 14.10. The Lender may delay or refuse to make any advance to the Borrower if the Lender believes that any of the representations and warranties set out in this Warranty and Indemnity are not presently true and accurate or if such representations and warranties have become untrue or inaccurate at any time hereafter.

The Borrower hereby agrees to permit the Lender to conduct, at the Borrower's sole expense, from time to time as required, any and all tests, inspections, appraisals and environmental audits of the Property so as to determine and ensure continuing compliance with the provisions of this Warranty and Indemnity including, without limitation, the right to conduct soil tests and to review and copy any records relating to the Property and/or to the businesses and other activities conducted thereon.

The Borrower and each Covenantor jointly and severally agrees to indemnify and save fully and completely harmless the Lender and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, demands, claims, actions, charges, orders, directives, undertakings, costs, legal fees and expenses, of every nature and kind, whatsoever and howsoever, which at any time or from time to time may be paid by, or incurred by, or suffered by, or asserted against, any of them as a direct or indirect result of:

- a) a breach of any of the representations, warranties or covenants hereinbefore set out;
- b) the presence of any Hazardous Substance in, on, under or about the Property;
- c) the breach of any Environmental Laws; and/or,

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- d) the discharge, emission, release, spill or disposal of any Hazardous Substance from the Property into or upon any land, the atmosphere, any watercourse, body of water or wetland or any other property.

The representations, warranties, covenants, acknowledgments and indemnifications set out in this Warranty and Indemnity shall survive the release and discharge of the Charge and of any other security held by the Lender and the repayment and satisfaction of the indebtedness secured by the Charge.

15. INSPECTION

The Lender shall have access to and the right to inspect the Property at all reasonable times.

16. TAXES

WITH respect to Taxes, the Borrower covenants and agrees with the Lender that:

- 16.1. The Lender may deduct from any advance of the monies secured by the Charge an amount sufficient to pay all Taxes which have become due and payable during any calendar year.
- 16.2. The Lender may at its sole option estimate the amount of the Taxes payable in each year and the Borrower shall forthwith upon demand of the Lender pay to the Lender one-twelfth (1/12) of the estimated annual amount of such Taxes on the 1st day of each and every month during the term of the Charge commencing with the 1st day of the first full month of the term of the Charge. The Lender may at its option apply such payments to the Taxes so long as the Borrower is not in default under any covenant or agreement contained in the Charge, but nothing herein contained shall obligate the Lender to apply such payments on account of Taxes more often than yearly. Provided however, that if the Borrower shall pay any sum or sums to the Lender to apply on account of Taxes, and if before such payments have been so applied by the Lender, there shall be default by the Borrower in respect of any payment of principal or interest as herein provided, the Lender may at its option apply such sum or sums in or towards payment of the principal and interest in default. If the Borrower desires to take advantage of any discounts or avoid any penalties in connection with the payment of Taxes, the Borrower may pay to the Lender such additional amounts as are required for that purpose.
- 16.3. 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 Lender as aforesaid, the Borrower shall pay to the Lender, on demand, the amount required to make up the deficiency. The Lender may at its option, pay any of the Taxes when payable, either before or after they are due, without notice, or may make advances therefore in excess of the then amount of credit held by the Lender for Taxes. Any excess amount advanced by the Lender shall be secured as an additional principal sum under the Charge and shall bear interest at the rate as provided for in the Charge until repaid by the Borrower.
- 16.4. The Borrower shall transmit to the Lender all assessment notices, tax bills and other notices pertaining to the imposition of Taxes forthwith after receipt thereof.
- 16.5. The Borrower shall pay to the Lender, in addition to any other amounts required to be paid hereunder, the amount required by the Lender in its sole discretion for a reserve on account of future liability for Taxes.
- 16.6. In no event shall the Lender be liable for any interest on any amount paid to it on account of Taxes and the monies so received may be held with its own funds pending payment or application thereof as herein provided; provided that in the event that the Lender does not utilize the funds received on account of Taxes in any calendar year, such amount or amounts may be held by the Lender on account of any pre-estimate of Taxes required for the next succeeding calendar year, or at the Lender's option the Lender may repay such amount to the Borrower without any interest.
- 16.7. The Borrower shall in all instances be responsible for the payment of any and all penalties resulting from any arrears of Taxes or any late payment of current instalments thereof, and at no time shall such penalties be the responsibility of the Lender.
- 16.8. In the event the Lender does not collect payments on account of Taxes as aforesaid, the Borrower shall deliver to the Lender within thirty (30) days following the due date for each instalment of Taxes written evidence from all taxing authorities having jurisdiction to the effect that the then current instalment of Taxes and all other Taxes due in respect of the then current calendar year and any preceding calendar years have been paid in full, failing which, the Lender shall be entitled to charge a servicing fee for each written inquiry directed to such taxing authorities or the Borrower for the purpose of ascertaining the status of the Taxes together with any costs payable to such taxing authorities for such information.

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17. **UTILITIES**

The Borrower covenants that it will pay all utility and fuel charges related to the Property as and when they are due and that the Borrower will not allow or cause the supply of utilities or fuel to the Property to be interrupted or discontinued and that, if the supply of fuel oil or utilities is interrupted or discontinued, the Borrower 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 Property shall constitute a default by the Borrower within the meaning of the Charge and in addition to all other remedies provided for herein, the principal sum of the Charge shall, at the sole option of the Lender forthwith become due and payable.

18. **INSURANCE**

The Borrower will insure and keep insured during the term of the Charge the buildings and other improvements on the Property (now or hereafter erected) on an all-risks basis 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 herein, with no co-insurance provisions and with the Lender's standard mortgage clause forming part of such insurance policy. The Borrower shall carry such liability, rental, loss of income, business interruption, boiler, plate glass and other insurance coverage as is required by the Lender to be placed with such insurance companies and in such amounts and in such form as may be acceptable to the Lender. All such policies shall provide for loss payable to the Lender and contain such additional clauses and provisions as the Lender may require. An original of all insurance policies and endorsements from the insurer to the effect that coverage has been bound and/or extended for a minimum period of at least one year and that all premiums with respect to such term of such coverage have been paid for in full, shall be produced to the Lender prior to any advance and at least thirty (30) days before expiration of any term of any such respective policy, failing which the Lender may provide therefore and charge the premium paid therefore and interest thereon at the aforesaid rate to the Borrower and any amounts so paid by the Lender shall be payable forthwith to the Lender and shall also be a charge upon the Property and secured by the Charge. It is further agreed that the Lender may at any time require any insurance on the said buildings to be cancelled and new insurance effected with a company to be named by it, and also may, of its own accord, effect or maintain any insurance herein provided for, and any amount paid by the Lender therefore shall be forthwith payable to it, together with interest at the rate aforesaid by the Borrower (together with any Costs of the Lender as herein set out), and shall be a charge upon the Property and secured by the Charge.

In the event that the evidence of continuation of such insurance as herein required has not been delivered to the Lender within the required time, the Lender shall be entitled to a servicing fee for each written inquiry which the Lender shall make to the insurer or the Borrower pertaining to such renewal (or resulting from the Borrower's non-performance of the within covenant). In the event that the Lender pursuant to the within provision arranges insurance coverage with respect to the Property, the Lender, in addition to the aforementioned 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 Borrower shall forthwith notify the Lender 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 Lender may, at its option, require the said monies to be applied by the Borrower 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 Lender in any event.

The Borrower, upon demand, will transfer all policies of insurance provided for herein and the indemnity which may become due therefrom to the Lender. The Lender shall have a lien for the indebtedness hereby secured on all the said insurance proceeds and policies, and may elect to have these insurance monies applied as it may deem appropriate, including payment of monies secured hereby, whether due or not, but the Lender shall not be bound to accept the said monies in payment of any principal not yet due.

19. **REMITTANCE AND APPLICATION OF PAYMENTS**

All payments of principal, interest and other monies payable hereunder to the Lender shall be payable at par in lawful money of Canada at the Lender's address for service as set out in the Charge or at such other place as the Lender shall designate in writing from time to time. In the event that any of the monies secured by the Charge are forwarded to the Lender by mail, payment will not be deemed to have been made until the Lender has actually received such monies and the Borrower shall assume and be responsible for all risk of loss or delay.

Notwithstanding anything herein to the contrary, in the event of any default under the Charge, the Lender may apply any payments received in whatever order the Lender may elect as between principal, interest, realty taxes, insurance premiums, repairs, Costs and any other advances or payments made by the Lender hereunder.

20. RECEIPT OF PAYMENT

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 Lender 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.

21. NO DEEMED RE-INVESTMENT

Except in the case where the Charge provides for blended payments of principal and interest whether paid monthly or otherwise, the parties hereto agree that the Lender shall not be deemed to reinvest any monthly or other payments received by it hereunder.

22. PRE-AUTHORIZED CHEQUING PLAN

If and when required by the Lender, all payments made under the Charge by the Borrower shall be made by a pre-authorized cheque payment plan as approved by the Lender. The Lender shall not be obligated to accept any payment other than payment made by pre-authorized cheque. Failure to make all payments by pre-authorized cheque shall be an act of default within the meaning of the Charge and the Lender shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option.

23. POSTDATED CHEQUES

The Borrower shall, if and when required by the Lender, deliver to the Lender upon the first advance of moneys hereunder or upon request and thereafter on each anniversary date thereof in each year for the duration of the term of the Charge, postdated cheques for the payments of principal, interest and estimated realty taxes required to be made herein during the twelve month period commencing on each such anniversary date. In the event of default by the Borrower in delivery to the Lender of the postdated cheques as herein provided, the Charge shall be deemed in default and the Lender shall be entitled to pursue any and all of its remedies herein and/or at law as it may deem necessary at its option. In addition, the Lender upon the Borrower's failure to deliver such postdated cheques as required hereunder shall be entitled to a servicing fee for each written request that it makes to the Borrower for the purpose of obtaining such postdated cheques. Any step taken by the Lender hereunder by way of a request for further postdated cheques shall be without prejudice to the Lender's rights hereunder to declare the Charge to be in default in the event that such postdated cheques are not delivered within the required time.

24. DISHONOURED CHEQUES

In the event that any of the Borrower's cheques are not honoured when presented for payment to the drawee, the Borrower shall pay to the Lender for each such returned cheque a servicing fee to cover the Lender'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 Borrower, the Lender shall be entitled to a further servicing fee for each written request therefore which may be necessitated by the Borrower not forthwith replacing such dishonoured cheque.

25. FINANCIAL AND OPERATING STATEMENTS

The Borrower covenants that, within the periods of time hereinafter specified, or within such other period(s) of time as may be specified by this Commitment, the Borrower shall deliver or cause to be delivered to the Lender the following:

- 25.1. within one hundred and twenty (120) days after the end of each fiscal year of operation of the Property, an annual operating statement in respect of the Property for the immediately preceding fiscal year setting forth the gross rents and other income derived from the Property, the cost and expenses of operation and maintenance of the Property and such other information and explanations in respect of the same as may be required by the Lender;
- 25.2. within one hundred and twenty (120) days after the end of each fiscal year of each Borrower and Covenantor which is a corporation or partnership, the annual financial statements of each such corporation or partnership for its immediately preceding fiscal year including, without limitation, the balance sheet of the corporation or partnership as at its fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Lender; and
- 25.3. with respect to each Borrower and Covenantor who is an individual and within thirty (30) days after each anniversary of the date of this Commitment, an annual updated net worth statement of each such individual in such form and including such content and other information and explanations as may be required by the Lender.

All such operating and financial statements shall be prepared at the expense of the Borrower and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Lender, and shall be submitted in audited form if so required by the Lender in the event of a default occurring pursuant to the Charge, and the completeness and correctness of such statements shall be supported by an affidavit of an authorized officer of the Borrower or Covenantor, as the case may be.

The Lender reserves the right to disclose to third parties, any of the foregoing financial information or otherwise acquired in respect to the Loan as may be required in connection with the fulfillment of its rights and/or obligations under this Commitment or the Charge or to carry out its terms of to enforce its security for mortgage securitization purposes.

26. ESTOPPEL ACKNOWLEDGEMENTS

If and whenever the Lender requests an acknowledgement from the Borrower as to the statement of account with respect to the Charge or the status of the terms and conditions of the Charge, the Borrower shall execute such an acknowledgement in such form as may be required by the Lender provided that the contents of such form are correct, and the Borrower shall do so forthwith upon request and without cost to the Lender and shall return such acknowledgement duly executed within two (2) business days of such request.

27. STATEMENTS OF ACCOUNT

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

28. RENEWAL OR EXTENSION OF TIME; ATTENTION SUBSEQUENT INTERESTS

No renewal or extension of the term of the Charge given by the Lender to the Borrower, or anyone claiming under it, or any other dealing by the Lender with the owner of the equity of redemption of the Property, shall in any way affect or prejudice the rights of the Lender against the Borrower or any other Person liable for the payment of the monies hereby secured. The Charge may be amended, extended and/or 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 and notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. PROVIDED that nothing contained in this paragraph shall confer any right of amendment, extension or renewal upon the Borrower.

The terms of the Charge may be amended, extended and the Charge may be renewed from time to time by mutual agreement between the then current owner of the Property and the Lender and the Borrower hereby further covenants and agrees that, notwithstanding that the Borrower may have disposed of its interest in the Property, the Borrower 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 the Charge well and truly do, observe, fulfill and keep all of the covenants, provisos, conditions and agreements in the Charge and all amendment(s), extension(s) and renewal(s) thereof, and without limiting the foregoing, notwithstanding the amendment, extension and/or renewal of the Charge, and notwithstanding the giving of time for the payment of the Charge or the varying of the terms of the payment thereof or of the rate of interest thereon, and notwithstanding any other indulgence by the Lender to the Borrower.

The Borrower covenants and agrees with the Lender that no agreement for amendment, extension and/or 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 Borrower to the Lender after the expiration of the original term of the Charge or of any subsequent term agreed to in writing between the Borrower and the Lender, and that no amendment, extension and/or renewal hereof or any 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 express agreement in writing between the Borrower and the then current owner of the Property.

29. EXPROPRIATION

If the Property or any part thereof which, in the reasonable opinion of the Lender is material to the viability and operations thereon shall be expropriated by any Governmental Body clothed with the powers of expropriation, the principal sum herein remaining unpaid shall at the option of the Lender forthwith become due and payable together with interest thereon at the rate provided for herein to the date of payment together with a bonus 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 the 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 the Charge become due and payable and in any event all the proceeds of any expropriation shall be paid to the Lender at its option in priority to the claims of any other party.

30. LETTERS OF CREDIT

The parties to the Charge hereby acknowledge and agree that, in addition to all other amounts advanced and/or secured hereby, the Charge shall stand as good and valid security with respect to any and all letters of credit, letters of guarantee or similar instruments (collectively the "Letters of Credit") issued by or on behalf of the Lender for the benefit of or on account of the Borrower and in favour of any other party as may be requested or directed by the Borrower from time to time, and that the total amount of the financial obligations under each Letter of Credit shall be deemed to have been advanced and fully secured under the Charge as of and from the date of issuance of each such Letter of Credit regardless of when the same may be called upon by the holder thereof. In the event that at any time the Lender is of the opinion, in its sole and unfettered discretion, that the Property or such part(s) thereof as remain undischarged are insufficient to secure the aggregate amount of all of the Lender's outstanding obligations under, pursuant to or in connection with such Letters of Credit from time to time outstanding, the Lender shall be entitled to retain out of any payment received under the Charge or out of the proceeds of any sale or revenue received in respect of the Property or any part(s) thereof or out of the proceeds of any amounts received by the Lender upon the enforcement of the Charge, an amount equal to the aggregate amount of all of the Lender's outstanding obligations under, pursuant to or in connection with Letters of Credit as remain from time to time outstanding without being obliged to apply any portion of such amount on account of any principal, interest or other monies otherwise outstanding and secured by the Charge; and the Lender shall be entitled to retain such amount for such period of time as any of the Letters of Credit remain outstanding and the Lender is hereby irrevocably authorized and directed to utilize the same in order to satisfy payment of any amounts called upon for payment pursuant to the Letters of Credit.

31. SALE OR CHANGE OF CONTROL

In the event of any sale, conveyance or transfer of the Property or any portion thereof, or a change in control or beneficial ownership of the Borrower or a change in the beneficial ownership of the Property or any portion thereof or a lease of the whole of the Property, all sums secured hereunder shall, at the Lender's option, become due and payable forthwith unless the prior written consent of the Lender has been obtained, which consent may be arbitrarily or unreasonably withheld. The rights of the Lender pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under the Charge from the Borrower or any Person claiming through or under it and the rights of the Lender hereunder shall continue without diminution for any reason whatsoever until such time as the Lender has consented in writing as required by this provision.

Provided further that no permitted sale or other dealing by the Borrower with the Property or any part thereof shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower or any other Person liable for payment of the monies hereby secured.

32. NO FURTHER ENCUMBRANCES

In the event of that the Borrower enters into, creates, incurs, assumes, suffers or permits to exist any additional charge, encumbrance, pledge or other financing of the Property, or of the chattels, equipment or personal property related to the Property, all sums secured hereunder shall, at the Lender's option, become due and payable forthwith unless the prior written consent of the Lender has been obtained, which consent may be arbitrarily or unreasonably withheld.

33. EVENTS OF DEFAULT

Without limiting any of the provisions of the 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 immediately become due and payable at the option of the Lender exercised by notice in writing to the Borrower:

- 33.1 Failure by the Borrower to pay any instalment of principal, interest and/or Taxes under the Charge or under any charge or other encumbrance of the Property, on the date upon which any of the payments for same become due;
- 33.2 Failure by the Borrower or any Covenantor to strictly and fully observe or perform any condition, agreement, covenant or term set out in the application or Commitment for the loan secured by the Charge, the provisions of the Charge, or any other document creating a contractual relationship as between them or any of them or if it is found at any time that any representation to the Lender with respect to the loan secured by the Charge or in any way related thereto is incorrect or misleading;

- 33.3 Default by the Borrower in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Property, whether or not it has priority over the Charge;
- 33.4 Upon the registration of any construction lien against the Property which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
- 33.5 In the event that any Hazardous Substance is discovered in, on or under the Property or any part thereof and the same is not completely removed therefrom to the entire satisfaction of the Lender within ten (10) days after demand therefore by the Lender;
- 33.6 In the event that the Property are abandoned or there is any cessation of the business activities or any material part thereof now being conducted upon the Property by the Borrower or the beneficial owner of the Property or any of their respective officers, agents, employees, tenants or invitees;
- 33.7 If the Borrower or any Covenantor commits an act of bankruptcy or becomes insolvent or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them; or,
- 33.8 Default by the Borrower, its successors or assigns, or any of the Covenantor(s) in the observance or performance of any representation, warranty, covenant, proviso, agreement or condition contained in any charge or encumbrance or document securing, evidencing or relating to any indebtedness owing by the Borrower, its successors or assigns, to the Lender from time to time whether or not related to or affecting the within Loan and the Property or any other loan and property given as security therefor.

34. **DEFAULT**

The Lender may, on default of payment or in the performance of any covenant in the Charge contained or implied by law or statute, enter on and lease the Property, or in default of payment or in default in performance of any covenant in the 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 Property. Such notice shall be given to such Persons and in such manner and form and within such time as provided under the *Mortgages Act* (Ontario). 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 Property, if occupied, or by placing it on the Property if unoccupied, or at the option of the Lender, by mailing it in a registered letter addressed to the Borrower at the Borrower's last known address, or by publishing it once in a newspaper published in the city, county or district in which the Property 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 to be affected thereby may be unknown, unascertained, or under disability. If there be legal personal representatives of the Borrower on the death of the Borrower, such notice may, at the option of the Lender, be given in any of the above modes or by personal service upon such representatives.

Without prejudice to the statutory powers of the Lender under the preceding proviso, 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 months after any payment of either principal or interest falls due, the Lender may exercise the powers given under the preceding proviso with or without entry on the Property without any notice, it being understood and agreed, however, that if the giving of notice by the Lender 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. The Lender may sell the whole or any part or parts of the Property 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 incurred in taking, recovering or keeping possession of the Property or by reason of non-payment or procuring payments of monies secured hereby or otherwise. The Lender may sell any of the Property on such terms as to credit and otherwise as shall appear to it most advantageous and for such prices as can reasonably be obtained therefore and may 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 any 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 Lender shall be bound to pay the Borrower only such monies as have been actually received from purchasers after the satisfaction of the claims of the Lender and for any of 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 damnified by an unauthorized, improper or irregular exercise of the power shall have its remedy against the Person exercising the power in damages only.

It is hereby agreed that the Lender may pay all premiums of insurance and all Taxes which shall from time to time fall due and be unpaid in respect of the Property, and that such payments together with all Costs which may be incurred in taking, recovering and keeping possession of the Property, 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 Property or in exercising the power of entering, leasing and selling herein contained) shall be with interest at the rate aforesaid and shall be a charge upon the Property in favour of the Lender and that the Lender may pay or satisfy any lien, charge or encumbrance now existing or hereafter created or claimed upon the Property, and that any amount paid by the Lender shall be added to the monies hereby secured and shall be payable forthwith with interest at the rate herein, and in default the Charge shall immediately become due and payable at the option of the Lender and all powers in the Charge conferred shall become exercisable. In the event of the Lender paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the money advanced on the security of the Charge or otherwise, the Lender shall be entitled to all the rights, equities and securities of the Person or Persons so paid and is hereby authorized to obtain an assignment or discharge thereof, and to retain same, for whatever period the Lender shall deem it proper to do so.

Whenever a power of sale is hereby conferred upon the Lender, 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 the 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 such conflict, the provisions of the Charge shall remain unchanged.

The Lender may lease or sell as aforesaid without entering into possession of the Property.

The Lender may distrain for arrears of interest and the Lender may distrain for arrears of principal and arrears of Taxes in the same manner as if the same were arrears of interest.

Upon default of the payment of the interest hereby secured the principal hereby secured shall become payable at the option of the Lender, together with interest thereon.

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 Lender. Upon default under the Charge, the Lender shall be entitled and shall have full power to assume control of, manage, operate and carry on the business of the Borrower being conducted at or upon the Property on the date of the Charge or at any time thereafter.

Until default hereunder the Borrower shall have quiet possession of the Property.

On default the Lender shall have quiet possession of the Property.

The Lender 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 Lender unless made in writing.

It is further agreed that the Lender may at its discretion at any time, release any part or parts of the Property or any other security or any surety for the money hereby secured either with or without any sufficient consideration therefore, without responsibility therefore, and without thereby releasing any other part of the Property or any Person from the Charge or from any of the covenants herein contained, it being especially agreed that every part or lot into which the Property 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 Lender shall not be accountable to the Borrower for the value thereof, or for any monies except those actually received by the Lender. No sale or other dealing by the Borrower with the equity of redemption in the Property or any part thereof shall in any way change the liability of the Borrower or in any way alter the rights of the Lender as against the Borrower or any other Person liable for payment of the monies hereby secured.

It is further agreed that the Lender may exercise all remedies provided for in the 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 rights under any other provisions contained in the Charge.

Without limiting any other provision of the Charge, the Borrower acknowledges and agrees that, upon the occurrence of any default under the Charge and whether or not the monies hereby secured have been fully advanced, the Lender may, at any time and from time to time as the

Lender shall determine at its sole option and discretion, advance such further sums under the Charge as are necessary to pay any arrears of Taxes, utilities or other charges capable of constituting a lien upon the Property *pari passu* with or in priority to the Charge, to pay all amounts due under any encumbrance having priority over the Charge, to pay all amounts required to discharge or vacate any construction lien registered against the Property whether or not priority is claimed over the Charge, to maintain in good standing any policies of insurance in respect of the Property, to maintain, repair, operate and/or manage the Property and any or all improvements thereon, to complete construction or renovation of any improvements on the Property, to realize upon any security held by the Lender for the loan secured by the Charge and generally to enforce all of the Lender's rights, title and interest hereunder and to protect the Property and to preserve the enforceability and priority of the Charge, and to pay any and all Costs; and all amounts advanced by the Lender for any of the purposes as aforesaid shall bear interest at the rate applicable under the Charge from the date so advanced until repaid in full and shall be secured by the Charge in the same priority as the principal amount hereof.

35. **RIGHT OF LENDER TO REPAIR, ETC.**

The Borrower covenants and agrees with the Lender that in the event of default in the payment of any instalment or other monies payable hereunder by the Borrower or on breach of any covenant, proviso or agreement herein contained after all or any of the monies hereby secured have been advanced, the Lender may, at such time or times as the Lender may deem necessary and without the concurrence of any Person, enter upon the Property and may make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Property or for inspecting, taking care of, leasing, collecting the rents of and generally managing the Property, as the Lender may deem expedient; and all Costs including, but not limited to, allowances for the time and services of any employee of the Lender or other Person appointed for the above purposes and a servicing fee shall be forthwith payable to the Lender by the Borrower and shall be a charge upon the Property and shall bear interest at the rate applicable under the Charge until paid.

36. **APPOINTMENT OF A RECEIVER**

It is agreed that at any time and from time to time when there shall be default under the provisions of the Charge, the Lender may at such time and from time to time and with or without entering into possession of the Property appoint in writing a Receiver of the 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 making any such appointment or removal, the Lender shall be deemed to be acting as the agent or attorney for the Borrower. The Borrower hereby irrevocably agrees and consents to the appointment of such Receiver of the Lender's choice and without limitation whether pursuant to the Charge, the *Mortgages Act* (Ontario), the *Construction Lien Act* (Ontario), or the *Trustee Act* (Ontario), as the Lender may at its sole option require. Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Property or any part thereof and the Borrower hereby consents to a court order for the appointment of such Receiver, if the Lender in its discretion chooses to obtain such order, and on such terms and for such purposes as the Lender at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Property and/or to 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 Borrower, and if required by the Lender, in priority to any existing encumbrances affecting the Property, including without limitation, charges and construction lien claims.

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

- 36.1. A Statutory Declaration made by the Lender or by any authorized representative of the Lender as to default under the provisions of the Charge shall be conclusive evidence thereof;
- 36.2. Every such Receiver shall be the irrevocable agent or attorney of the Borrower for the collection of all rents falling due in respect to the Property, or any part thereof, whether in respect of any tenancies created in priority to the Charge or subsequent thereto and with respect to all responsibility and liability for its acts and omissions;
- 36.3. The Lender may from time to time fix the remuneration of every such Receiver which shall be a charge on the Property, and may be paid out of the income therefrom or the proceeds of sale thereof;
- 36.4. The appointment of every such Receiver by the Lender shall not incur or create any liability on the part of the Lender 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 Lender a mortgagee in possession in respect of the Property or any part thereof;
- 36.5. The Receiver shall have the power to lease any portion of the Property 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 Property or any part thereof in the name and on behalf of the Borrower and the Borrower undertakes to ratify and confirm, and hereby ratifies and confirms, whatever acts such Receiver may do on the Property;

- 36.6. In all instances, the Receiver shall be acting as the attorney or agent of the Borrower;
- 36.7. The Receiver shall have full power to complete any unfinished construction upon the Property;
- 36.8. The Receiver shall have full power to manage, operate, amend, repair, alter or extend the Property or any part thereof in the name of the Borrower for the purposes of securing the payment of rental from the Property or any part thereof;
- 36.9. The Receiver shall have full power to assume control of, manage, operate and carry on the business of the Borrower being conducted at or upon the Property on the date of the Charge or at any time thereafter;
- 36.10. 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 Lender's interest in the Property including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges, mortgages and other encumbrances which may be registered against the Property from time to time, whether or not any of the same are prior to the interest of the Lender in the Property; selling of the Property; borrowing money on the security of the Property; applying for and executing all documents in any way related to any re-zoning applications, severance of Property pursuant to the provisions of the *Planning Act* (Ontario), as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the Property, including grants of Property 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 Body, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the Property as a condominium; completing any application for first registration pursuant to the provisions of the *Land Titles Act* (Ontario) or pursuant to the *Certification of Titles Act* (Ontario); and for all and every of the purposes aforesaid the Borrower 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 Property, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Property, as fully and effectually to all intents and purposes as the Borrower itself could do if personally present and acting therein.
- 36.11. The Receiver shall not be liable to the Borrower to account for monies or damages other than cash received by it in respect of the Property 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 Property in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect of the Property or any part thereof.

The Borrower hereby irrevocably appoints the Lender as its attorney to execute such consent or consents and all such documents as may be required in the sole discretion of the Lender 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 Borrower and all parties dealing with the Borrower, the Lender and/or the Receiver and/or with respect to the Property in the same manner as if such documentation was duly executed by the Borrower itself.

37. LENDER NOT TO BE DEEMED LENDER IN POSSESSION

It is agreed that the Lender in exercising any of the rights given to the Lender under the Charge shall be deemed not to be a Lender or mortgagee in possession.

38. ENFORCEMENT OF ADDITIONAL SECURITY

In the event that, in addition to the Property charged hereby, the Lender holds further security on account of the monies secured hereby, it is agreed that no single or partial exercise of any of the Lender'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 Lender 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 Lender 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 Borrower under the remaining security, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Lender with respect to any and all such security shall be at an end.

39. 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 Lender's right to interest at the rate and times herein provided; and further that 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.

40. BANKRUPTCY AND INSOLVENCY ACT

The Borrower hereby acknowledges and agrees that the security held by the Lender is not all or substantially all of the inventory, accounts receivable or other property of the Borrower acquired for or used in relation to any business carried on by the Borrower. The Borrower hereby further acknowledges and agrees that notwithstanding any act of the Lender by way of appointment of any Person or Persons for the purposes of taking possession of the Property as agent on behalf of the Borrower or otherwise or by taking possession of the Property itself pursuant to any rights that the Lender may have with respect thereto shall not constitute the Lender or any such Person, a receiver within the meaning of subsection 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), and that any and all requirements of Part XI of the BIA as it may pertain to obligations of receivers shall not be applicable to the Lender with respect to the transaction pursuant to which the Charge has been given or with respect to enforcement of the Charge or any other security held by the Lender. The Borrower hereby acknowledges and agrees that no action shall lie against the Lender as a receiver and manager or otherwise for any loss or damage arising from non-compliance with any obligations of a receiver pursuant to the provisions of the BIA whether or not the Lender had reasonable grounds to believe that the Borrower was not insolvent.

The Borrower further acknowledges and agrees that any and all Costs as may be incurred from time to time by the Lender in order to effect compliance or avoid any adverse ramifications of the BIA shall be entirely for the account of the Borrower. The Lender shall be entitled to incur any such Costs, including any costs of its personnel in administering any requirements of the BIA 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 Lender for the indebtedness owing to the Lender in the same manner and in the same priority as the principal secured hereunder.

41. PERMISSIBLE INTEREST RATE

It is not the intention of the Charge to violate any provisions of the *Interest Act* (Canada), the *Criminal Code* (Canada) (the "Code") or any other statute dealing with permitted rates of interest in the Province of Ontario or in Canada. Notwithstanding any provisions set out herein, in no event shall the "interest" (as that term is defined in the Code) exceed the "criminal rate" (as defined therein) of interest on the "credit advanced" (as defined therein) lawfully permitted under the said legislation. In the event that it is determined at any time that, by virtue of this Commitment, the Charge or any other document given as security for the herein contemplated loan, the payments of interest required to be made by the Borrower exceed the "criminal rate", then the Borrower shall only be required to pay interest at the highest rate permitted by law. Nothing herein shall invalidate any requirements for payment pursuant to this Commitment, the Charge or such other security documents, and any excess interest paid to the Lender shall be refunded to the Borrower and the provisions of the Charge shall in all respects be deemed to be amended accordingly.

42. INDEMNIFICATION

The Borrower and Covenantor hereby agree to indemnify and save harmless the Lender, its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature and kind whatsoever and howsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Property and/or the use or occupation of the Property including, without limitation, those arising from the right to enter the Property from time to time and to carry out the various tests, inspections, management and other activities permitted by the Commitment and the Security.

In addition to any liability imposed on the Borrower and Covenantor under any instrument evidencing or securing the Loan indebtedness, the Borrower and Covenantor shall be jointly and severally liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Property of any hazardous or noxious substances. The Borrower and the Covenantor(s) shall be further bound by the representations, warranties and indemnity set out herein.

The representations, warranties, covenants and agreements of the Borrower and Covenantor set forth in this Section:

- 42.1. are separate and distinct obligations from the Borrower's and Covenantor's other obligations;
- 42.2. survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefore;
- 42.3. are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
- 42.4. shall continue in effect after any transfer of the Property including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

43. **NON-MERGER**

The Borrower's obligations as contained in this Commitment shall survive the execution and registration of the mortgage and other security documentation and all advances of funds under the mortgage, and the Borrower agrees that those obligations shall not be deemed to be merged in the execution and registration of the mortgage and other security. All terms and conditions of the mortgage and other security documentation shall be deemed to be incorporated in and form part of the Commitment, except to the extent provided for herein. In the event of conflict, the terms of this Commitment shall prevail.

44. **NOTICES**

All notices or other communications to be given pursuant to or in connection with the Charge shall be in writing, signed by the party giving such notice or by its solicitors, and shall be personally delivered or sent by registered mail or facsimile transmission to the party or parties intended at its or their respective addresses for service as set out in the Charge. The date of receipt of such notice or demand, if served personally or by facsimile, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the date of mailing thereof. For the purposes hereof, personal service on the Borrower or any Covenantor shall be effectively given by delivery to any officer, director or employee of such Borrower or Covenantor. Any party may from time to time by notice given as provided herein change its address for the purpose of this provision.

45. **PRIORITY OVER VENDOR'S LIEN**

The Borrower hereby acknowledges that the Charge is intended to have priority over any vendor's lien, whether in favour of the Borrower or otherwise, and the Borrower covenants that it has done no act to give priority over the Charge to any vendor's lien, nor is it aware of any circumstances that could create a vendor's lien. Further, the Borrower covenants to do all acts and execute or cause to be executed all documents required to give the Charge priority over any vendor's lien and to give effect to the intent of this clause.

46. **CONSENT OF LENDER**

Whenever the Borrower is required by the Charge to obtain the consent or approval of the Lender, it is agreed that, subject to any other specific provision contained in the Charge to the contrary, the Lender may give or withhold its consent or approval for any reason that it may see fit in its sole and absolute discretion, and the Lender shall not be liable to the Borrower 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 Borrower.

47. **DISCHARGE**

The Lender 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 the Charge; and interest as aforesaid shall continue to run and accrue until actual payment in full has been received by the Lender; and all legal and other expenses for the preparation and execution of such discharge shall, together with the Lender's fee for providing same, be borne by the Borrower. The discharge shall be prepared and executed by such Persons as are specifically authorized by the Lender and the Lender shall not be obligated to execute any discharge other than a discharge which has been so authorized.

If the Charge, this Commitment or any other document provides for the giving of partial discharges of the Charge, it is agreed that, notwithstanding any other provision to the contrary, the Borrower shall not be entitled to request or receive any such partial discharge if and for so long as the Borrower is in default under the Charge, this Commitment or such other document.

48. **FAMILY LAW ACT**

The Borrower shall forthwith after any change or happening affecting any of the following, namely, (a) the spousal status of the Borrower, (b) the qualification of the Property or any part thereof as a matrimonial home within the meaning of Part II of the *Family Act* (Ontario), (c) the ownership of the equity of redemption in the Property or any part thereof, and (d) a shareholder of the Borrower obtaining rights to occupy the Property or any part thereof by virtue of shareholding within the meaning of Section 18(2) of the *Family Law Act* (Ontario), the Borrower will advise the Lender accordingly and furnish the Lender with full particulars thereof, the intention being that the Lender 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 Property by virtue of Section 19 of the *Family Law Act* (Ontario). In furtherance of such intention, the Borrower covenants and agrees to furnish the Lender with such evidence in connection with any of (a), (b), (c) and (d) above as the Lender may from time to time request.

49. **INDEPENDENT LEGAL ADVICE**

The Borrower and each Covenantor acknowledge that they have full knowledge of the purpose and essence of this transaction, and that 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 Lender a Certificate of Independent Legal Advice as and when same may be required, regarding their knowledge and understanding of this transaction.

50. **SERVICING FEES**

All servicing fees as herein provided are intended to and shall be in an amount sufficient in the sole opinion of the Lender to compensate the Lender for its 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 Lender shall have the same rights with respect to collection of same as it does with respect to collection of principal and interest hereunder or at law.

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

Provided the Borrower is not in default of the provisions of this Commitment or any loan documents and provided that there are no costs or financial obligations to the Lender, the Lender hereby agrees that it will consent to the Borrower registering a plan of condominium and declaration (the "Condominium") pursuant to the *Condominium Act, 1998* (Ontario), as amended, with respect to the Property or any part thereof provided that the Lender has received and approved the draft plan of condominium and the declaration and provided further that the Borrower, if requested by the Lender, shall deliver to the Lender prior to the registration of the Condominium, a further charge of the Property (the "Replacement Charge") on the same terms and conditions save and except for the new legal description of the Property. It is agreed that the Replacement Charge shall secure the same indebtedness as the original Charge. In connection with the provision of the Replacement Charge, the Borrower shall also provide a replacement general assignment of rents (the "Replacement Assignment of Rents"), and together with and each Covenantor, where applicable, shall provide a re-confirmation of all existing security and such further and other documentation as may then be required by the Lender's solicitors.

Provided further that the original Charge and the original assignment of rents and leases relating thereto shall not be released or discharged from the Property (save and except for any partial discharge provisions provided for therein) until the expiration of ninety (90) days immediately following the later of the registration of the Condominium and the registration of the Replacement Charge and Replacement Assignment of Rents. Provided further that at the time of the request for a discharge of the Charge and the original assignment of rents and leases the Borrower shall not be in default of the provisions of the Charge, the Replacement Charge and/or this Commitment, failing which the Lender shall not be obliged to discharge same.

52. **CONDOMINIUM PROVISIONS**

If all or any part of the Property is or becomes a condominium unit pursuant to the provisions of the *Condominium Act, 1998* (Ontario) (the "Act"), the following covenants and provisions shall apply in addition to all other covenants and provisions set forth in the Charge:

52.1. For the purposes of all parts of the Property comprising one or more such condominium units, all references in the Charge to the Property shall include the Borrower's appurtenant undivided interest in the common elements and other assets of the Condominium Corporation;

52.2. The Borrower shall at all times comply with the Act and shall forward to the Lender proof of such compliance as the Lender may request from time to time including, without limitation, status certificates issued by the Condominium Corporation; and if the Borrower fails to so comply in any respect, the Lender may do so at its option and all Costs incurred by the

Lender in connection therewith shall be secured by the Charge and payable by the Borrower to the Lender forthwith upon demand, together with interest thereon as herein provided;

52.3. The Borrower shall pay, when due, all monies payable by the Borrower or with respect to the Property in accordance with the provisions of the Act and the declaration, by-laws and rules of the Condominium Corporation, including all required contributions to common expenses and any special levies, charges and assessments, and shall provide proof of such payment to the Lender upon request; and if the Borrower fails to make any such payment, the Lender may do so at its option and all amounts so paid by the Lender shall be secured by the Charge and shall be payable by the Borrower to the Lender forthwith upon demand, together with interest thereon as herein provided;

52.4. The Borrower hereby irrevocably appoints, authorizes and empowers the Lender to exercise the rights of the Borrower to vote or to consent as an owner within the meaning of the Act with respect to all matters relating to the affairs of the Condominium Corporation, or to abstain from doing so, provided that:

51.4.1. the Lender may at any time and from time to time give notice in writing to the Borrower and to the Condominium Corporation that the Lender does not intend to exercise such right to vote or to consent, in which case the Borrower may exercise its right to vote or to consent for so long as such notice remains effective or until such notice is revoked by the Lender; and any such notice may be for an indeterminate period of time, a limited period of time or for a specific meeting or matter;

51.4.2. the Lender shall not be under any obligation to vote or to consent or to protect the interests of the Borrower; and,

51.4.3. the exercise by the Lender of its right to vote or to consent or to abstain from doing so shall not constitute the Lender as a mortgagee or Lender in possession and shall not give rise to any liability on the part of the Lender;

52.5. The Borrower shall forward to the Lender by delivery or by prepaid registered mail copies of every notice, assessment, claim, demand, by-law, rule, request for consent and other communication relating to all or any part of the Property or the common elements or affairs of the Condominium Corporation on or before the date which is the earlier of:

51.5.1. fourteen (14) days after receipt of the same by the Borrower;

51.5.2. seven (7) days prior to the date set for any meeting of the Condominium Corporation or any committee thereof;

51.5.3. seven (7) days prior to the due date of any claim or demand for payment; and,

51.5.4. within twenty-four (24) hours after becoming aware of any information concerning termination of any insurance policy, insurance trust agreement or management agreement relating to the Condominium Corporation or any of its assets;

52.6. The Borrower hereby authorizes and directs the Condominium Corporation to permit the Lender to inspect the records of the Condominium Corporation at any reasonable time;

52.7. In addition to and notwithstanding any other provisions of the Charge, the outstanding principal amount and all accrued interest and other charges secured by the Charge shall, at the Lender's option, become immediately due and payable without notice or demand if any of the following events or circumstances shall occur and be continuing:

51.7.1. the government of the Condominium Corporation or the government of the Property by the Condominium Corporation is terminated;

51.7.2. a vote of the Condominium Corporation authorizes the sale of all or substantially all of its property or assets or all or any part of its common elements or all or any part of the Property, or any part of the same is expropriated;

51.7.3. the Condominium Corporation fails to comply with any provision of the Act or its declaration or any of its by-laws and rules;

51.7.4. the Condominium Corporation fails to insure its assets, including the Property, in accordance with the Act and the declaration and by-laws of the Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same.

53. **ASSIGNMENT OF RENTS**

As additional primary security for the monies secured by the Charge, the Borrower transfers and assigns to the Lender all rents, income, profits, rights and other benefits (collectively the "Rents") now or hereafter due or arising pursuant to all present and future oral or written leases, agreements to lease, tenancies or other agreements for the use or occupancy of the whole or any part of the Property and all extensions and renewals thereof (collectively the "Leases" and individually a "Lease") granted to any and all tenants, licensees and other occupiers thereof (collectively the "Tenants" and individually a "Tenant"); and in furtherance thereof, the Borrower covenants and agrees as follows:

- 53.1. the Leases and details thereof heretofore provided by the Borrower to the Lender are in full force and effect and have not been assigned or pledged to any other party except as disclosed by registered title to the Property;
- 53.2. except with the prior written consent of the Lender, the Borrower shall not amend, terminate, release or accept a surrender of any Lease or any guarantee thereof or waive, release, reduce, discount, discharge or otherwise compromise any Rents payable thereunder, and any attempt to do any of the foregoing without such prior written consent shall be null and void as against the Lender;
- 53.3. except for the last month's rent and any security deposit, the Borrower has not received and shall not accept payment of any Rents more than thirty (30) days in advance;
- 53.4. except with the prior written consent of the Lender, the Borrower shall not further assign the Rents, the Leases or any interest therein or consent or agree to any postponement or subordination of the same in favour of any mortgage or other encumbrance now or hereafter affecting the Property;
- 53.5. except with the prior written consent of the Lender, the Borrower shall not consent to or permit any assignment or subletting of the interest of any Tenant under any Lease or exercise any right of election thereunder which would in any way lessen the liability of any Tenant or shorten the stated term of any Lease;
- 53.6. the Borrower shall diligently and in good faith observe and perform all of the landlord's covenants contained in the Leases and shall likewise require that the Tenants and other parties to the Leases fully observe and perform the covenants and agreements imposed upon them by the Leases, failing which, the Lender may, at its option, require the same at the expense and in the name of the Borrower, and all such expenses incurred by the Lender shall be a charge upon the Property and be paid by the Borrower to the Lender forthwith upon demand;
- 53.7. the Borrower shall give prompt written notice to the Lender of default by any Tenant and any notice of default received from any Tenant, including a copy of such notice;
- 53.8. all of the Leases are and shall be bona fide and at rental rates and upon terms which are commercially reasonable and consistent with comparable space in the municipality within which the Property are situate;
- 53.9. the Borrower shall, at its own expense, execute and deliver to the Lender all such further assurance and assignments with respect to the Rents and the Leases and enforce and do all other acts with respect to the Leases as may be required from time to time by the Lender.

Upon default hereunder by the Borrower, the Lender shall be entitled, as agent and attorney of the Borrower, to collect, sue for, waive or compromise the Rents and to enforce performance of the Leases or amend, terminate, release or accept a surrender of the same as the Lender may determine in its sole discretion;

The Lender shall not be obligated to perform or discharge any obligation or liability under the Leases, or under or by reason of the assignment herein contained, and the Borrower agrees to save and hold harmless the Lender of and from any and all actions, proceedings, claims, demands, liability, damages, Costs or expenses which the Lender may incur under or by reason of the Leases or the assignment herein contained; and all Costs incurred by the Lender in connection therewith shall be a charge upon the Property and be paid by the Borrower to the Lender forthwith upon demand.

In the event that the Lender collects any Rents by reason of the Borrower's default, the Lender shall be entitled to payment from the same of an administration fee equal to 5.0% of the gross amount of Rents collected, and the Borrower acknowledges and agrees that such administration fee is just and equitable having regard to the circumstances.

54. **MATERIAL ADVERSE CHANGES**

In the event that at any time while any indebtedness remains outstanding pursuant to the provisions of the Charge, the Lender discovers a discrepancy or inaccuracy in any written information, statements or representations made or furnished to the Lender by or on behalf of the Borrower or any Covenantor concerning the Property or the financial condition and responsibility of the Borrower or any Covenantor in the event of any material adverse change in the value of the Property or the financial status of the Borrower or any Covenantor or any lessee on which the Lender relied upon in making any advances hereunder, which material change, discrepancy or inaccuracy cannot be rectified by the Borrower or such Covenantor (if applicable) within thirty (30) days after written notification thereof by the Lender to the Borrower or such Covenantor, the Lender shall be entitled to decline to advance any further funds pursuant hereto and/or to declare any and all amounts advanced pursuant hereto together with interest thereon to be forthwith due and payable.

55. **PROFESSIONAL MANAGEMENT**

The Property must at all times be professionally managed by property managers acceptable to the Lender, failing which the Lender reserves the right, in its sole discretion, to appoint new or other property managers at the sole expense of the Borrower. A change in the property managers for Property shall require the prior written consent of the Lender. No management fee shall be payable to the manager of the Property, other than to a professional arm's-length manager approved by the Lender, without the prior written consent of the Lender. No management fees in excess of market fees for similar properties in the general location of the Property shall be payable without the prior written consent of the Lender.

56. **NO PREPAYMENTS**

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Borrower shall have no right to prepay all or any part of the amount outstanding under the Charge prior to the maturity date thereof.

57. **NO PARTIAL DISCHARGES**

Save and except as otherwise provided for in the Commitment or any schedule to a specific charge, the Borrower shall have no right to obtain a partial discharge(s) of the Charge.

58. **PAYMENT ON DEFAULT**

The Chargor covenants with the Chargee that in the event of non-payment of any interest or principal monies due, at the time or times provided for herein, either before or after maturity, 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 payment equal to three (3) months' interest in advance on the said principal monies.

59. **ADDITIONAL FEES**

All advances, in addition to legal fees and disbursements of the Lender's solicitors, shall be subject to an administrative processing fee of Five Hundred Dollars (\$500.00) for each advance made under the Loan in favour of the Lender. The Borrower shall be permitted one advance per month. If the Lender, in its sole discretion, agrees to make an advance in an amount not less than the minimum amount per advance as specified in this Commitment, an additional processing fee of Five Hundred Dollars (\$500.00) for any such advance so made shall be payable by the Borrower.

60. **ABANDONMENT**

In the event of abandonment of the Project for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled, after giving the Borrower written notice of any abandonment and provided the Borrower fails to rectify same within ten (10) days after such notice, has been given, to forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds as the case may be and in addition to declare any funds advanced to forthwith become due and payable plus interest all at the Lender's option.

61. **INTERPRETATION**

It is hereby agreed that, in construing the Charge, everything herein contained shall extend to and bind and may be enforced or applied by the respective heirs, personal representatives, successors and assigns, as the case may be, of each and every of the parties hereto, and where any of the Borrower, the Lender and any Covenantor is more than one Person, their respective covenants shall be deemed to be joint and several, and the provisions of the Charge shall be read and construed with all changes of gender and number as required by the context.

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62. **HEADINGS**

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

63. **INVALIDITY**

If any of the covenants or conditions in the 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.

64. **COUNTERPARTS**

The Charge may be executed and/or registered in counterparts, each of which, so executed, and/or registered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution shall be deemed to bear date as of the date above written.

TAB D

THIS IS **EXHIBIT "D"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS ^{24th} DAY OF NOVEMBER, 2021.



A Commissioner, etc.

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Properties

PIN 13243 - 0378 LT
Description PART LOT 9 CONCESSION 11 (NEW SURVEY) TRAFALGAR, DESIGNATED AS PART 1, PLAN 43R37427; CITY OF MISSISSAUGA
Address 6532 & 6544 WINSTON CHURCHILL BOULEVARD
 MISSISSAUGA

PIN 13243 - 0269 LT
Description PCL BLOCK 19-1, SEC 43M932; BLK 19, PL 43M932; CITY OF MISSISSAUGA
Address MISSISSAUGA

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 IDEAL (WC) DEVELOPMENTS INC.
Address for Service 1100 Rodick Road, Markham, Ontario
 L3R 8C3

I, Shajiraj Nadarajalingam, 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 EMPIRICAL CAPITAL CORP.
Address for Service 1706-4950 Yonge Street, Toronto, Ontario M2N 6K1

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, PR3308660 registered on 2018/04/11 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Valeriya Lee 1 Adelaide Street E., Suite 801 acting for Signed 2018 04 11
 Toronto Applicant(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Valeriya Lee 1 Adelaide Street E., Suite 801 acting for Signed 2018 04 11
 Toronto Party To(s)
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Submitted By

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2018 04 11
 Toronto
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

Fees/Taxes/Payment

Statutory Registration Fee \$63.65
Total Paid \$63.65

File Number

Party To Client File Number : 11087-008 LOAN #18-02

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GENERAL ASSIGNMENT

THIS AGREEMENT made as of the 5th day of April, 2018.

B E T W E E N:

IDEAL (WC) DEVELOPMENTS INC.

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- and -

EMPIRICAL CAPITAL CORP.

(hereinafter called the "Assignee"),

OF THE SECOND PART.

WHEREAS:

- A. **IDEAL (WC) DEVELOPMENTS INC.** is the registered and beneficial owner of the lands located at 6532 & 6544 Winston Churchill Blvd., Mississauga, Ontario and legally described in Schedule "A" annexed (the "Lands");
- B. Pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, inter alia, for the due payment of all principal, interest and other monies payable under the Mortgage;
- C. As additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

NOW THEREFORE THIS ASSIGNMENT WITNESSES that in consideration of the sum of Ten Dollars (\$10.00) paid by the Assignee to the Assignor (the receipt and sufficiency of which are hereby acknowledged) the parties covenant and agree with each other as follows:

- 1. **Recitals Correct:** The Assignor confirms the validity and truth of the above-noted recitals, which have the same force and effect as if repeated herein at length.
- 2. **Definitions:** In this Agreement the following capitalized terms have the respective meanings set out below:
 - (a) **Agreement, this Agreement, the Agreement, hereto, hereof, hereby, hereunder** and similar expressions mean or refer to this entire agreement as amended from time to time and any agreement or instrument supplemental or ancillary hereto or in implementation hereof;
 - (b) **Building** means any construction, erection or structure located on, placed upon or erected in, under or on the Lands, any additions, alterations, expansions, improvements and replacements thereof and includes, without limitation, all equipment, chattels and fixtures which may be owned by the Assignor and may now or hereafter be located in the Building or in any additions, alterations, expansions, improvements and replacements of the foregoing;
 - (c) **Default** has the meaning ascribed thereto in Section 8 hereof;
 - (d) **Dispute** has the meaning ascribed thereto in Sub-section 8(b) hereof;

- (e) **Indebtedness** has the meaning ascribed thereto in Section 3 hereof;
 - (f) **Lands** means the lands so defined in the recitals contained herein;
 - (g) **Leases** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **Lease** means any of the Leases;
 - (h) **Mortgage** means that certain mortgage or charge of land made by the Assignor wherein the Assignor did grant and mortgage unto the Assignee the Lands which mortgage or charge was registered on title to the Lands on the same (or nearly the same) date as this General Assignment, as same may be supplemented, amended or modified from time to time;
 - (i) **Interest Rate** means the rate of interest specified in the Mortgage;
 - (j) **Project** means the Lands and the Building;
 - (k) **Rents** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
 - (l) **Tenant** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **Tenants** means all such persons.
3. **Assignment:** As continuing and additional security for:
- (a) the repayment to the Assignee of all amounts (the Indebtedness) owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; and
 - (b) the due performance by the Assignor of the terms, agreements, provisions, conditions, obligations, and covenants on the part of the Assignor to be performed under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;
- the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:
- (a) the Leases;
 - (b) the Rents;

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- (c) the benefit of any and all present and future guarantees of and indemnities with respect to any Lease and the performance of any or all of the obligations of any Tenant thereunder; and
- (d) all books, accounts, invoices, letters, papers, drawings and documents in any way evidencing or relating to the Leases, the Rents and any guarantees or indemnities of any Lease;

all of the foregoing described in Subsection 3(a) to and including 3(d) together with all proceeds therefrom are hereinafter collectively called the Premises Hereby Assigned.

4. **Acknowledgement of Assignor:** The Assignor acknowledges that neither this Agreement nor the assignment constituted hereby:

- (a) shall in any way lessen or relieve the Assignor from:
 - (i) the obligation of the Assignor to observe, satisfy and perform each and every term, agreement, provisions, conditions, obligation and covenant set out in any of the Premises Hereby Assigned; and
 - (ii) any liability of the Assignor to each Tenant, the Assignee or to any other person, firm or corporation;
- (b) imposes any obligation on the Assignee to assume any liability or obligations under, or to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in, any of the Premises Hereby Assigned;
- (c) imposes any liability on the Assignee for any act or omission on its part in connection with this Agreement or the assignment constituted hereby including, without limitation, the fulfillment or non-fulfillment by the Assignee of the obligations, covenants and agreements of the Assignor set out in the Premises Hereby Assigned;
- (d) obligates the Assignee to give notice of this Agreement and the assignment constituted hereby to any Tenant or any other person, firm or corporation whatsoever; provided that the Assignee may, in its absolute discretion, give any such notice at any time or from time to time without further notice to the Assignor; and
- (e) authorizes the Assignor to dispose of or transfer by way of conveyance, mortgage, lease, assignment or otherwise, the Project, the Assignor's interest in the Project or any part of either, except as specifically approved herein.

5. **Positive Covenants of Assignor:** The Assignor covenants and agrees:

- (a) to observe, perform and satisfy each and every term, agreement, provision, condition, obligation and covenant set out in, or required to be observed, performed and satisfied by the Assignor under or pursuant to, the Premises Hereby Assigned;
- (b) to deliver to the Assignee a copy of all written notices, demands or requests given under, in connection with or pursuant to the Premises Hereby Assigned that are:
 - (i) received by the Assignor, forthwith upon receipt of same; and
 - (ii) delivered by the Assignor, contemporaneously with the delivery of same;
- (c) to indemnify and save the Assignee harmless from and against any liabilities, losses, costs, charges, expenses (including legal fees and disbursements on a solicitor and his own client basis) damages, claims, demands actions, suits, proceedings, judgments and forfeitures suffered or incurred by the Assignee in connection with, on account of or by reason of:

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- (i) the assignment to the Assignee of the Premises Hereby Assigned;
 - (ii) any alleged obligation of the Assignee to observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant set out in any of the Premises Hereby Assigned;
 - (iii) any failure of the Assignor to observe, perform or satisfy its covenants, agreements, warranties and representations set out in this Agreement including without limitation, subparagraphs 5(a), (b), (d), (e), (f), (g), (h), (i), (j) and (k) hereof; and
 - (iv) the enforcement of the assignment constituted by this Agreement;
- (d) to notify the Assignee in writing as soon as the Assignor becomes aware of any Dispute, claim or litigation in respect of any of the Premises Hereby Assigned or of any breach or default by the Assignor or any other person, firm or corporation in the observance, performance or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in the Premises Hereby Assigned;
 - (e) to obtain such consents from third parties including, without limitation, Tenants as may be necessary or required by the Assignee in connection with the assignment constituted by this Agreement;
 - (f) upon the written request of the Assignee, to execute and deliver to the Assignee specific assignments of any of the Leases duly acknowledged by the respective Tenants under such Leases, which specific assignments shall be in form and substance acceptable to the Assignee;
 - (g) to use its best efforts to ensure that each Lease shall be entered into by it in good faith, at arm's length, at a rent and otherwise upon such terms and conditions as are reasonable and proper in the circumstances and are upon prevailing market terms and conditions;
 - (h) to deliver to the Assignee, at the request of the Assignee from time to time, a notarial copy of any Lease and of any guarantee or indemnity in respect of the obligations of any Tenant under a Lease;
 - (i) to execute and deliver to each Tenant and the Assignee, at the request of the Assignee from time to time, a written notice to each Tenant directing such Tenants to pay the Rents and all other sums owing under the Leases to the Assignee;
 - (j) that each of the warranties and representations of the Assignor set out in this Agreement is now and will continue to be true and correct until the Indebtedness is paid in full; and
 - (k) that it will pay or cause to be paid to the Assignee or pursuant to the Assignee's direction, upon demand, all costs, charges, fees and expenses including, without limitation, legal fees and disbursements on a solicitor and his own client basis, court costs and any other out-of-pocket costs and expenses incurred by the Assignee in connection with or arising out of or with respect to this Agreement including, without limitation, any one or more of the following:
 - (i) the negotiation, preparation, execution and enforcement of this Agreement and all documents, agreements and other writings incidental or ancillary hereto;
 - (ii) any act done or taken pursuant to this Agreement including, without limitation, recovering the Indebtedness and registering, discharging and reassigning this Agreement;

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- (iii) the preservation, protection, enforcement or realization of the Premises Hereby Assigned including, without limitation, retaking, holding, repairing, preparing for disposition and disposing of the Premises Hereby Assigned;
- (iv) any action or other proceeding instituted by the Assignor, the Assignee or any other person, firm or corporation in connection with or in any way relating to:
 - (1) this Agreement or any part hereof;
 - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
 - (3) the recovery of the Indebtedness; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

together with interest thereon from the date of the incurring of such expenses at the then Interest Rate calculated monthly and adjusted daily, whether any action or any judicial proceedings to enforce the aforesaid payments has been taken or not, the amount owing to the Assignee under this subparagraph shall be added to the Indebtedness.

6. **Negative Covenants of Assignor:** The Assignor covenants and agrees that it shall not:

- (a) sell, assign, transfer, dispose of, collect, receive or accept any of the Premises Hereby Assigned including, without limitation, the Rents except as may be permitted in this Agreement, nor do, nor permit to be done, any act or thing whereby the Assignee may be prevented or hindered from so doing;
- (b) pledge, charge, mortgage, hypothecate, create a security interest in or otherwise encumber the Premises Hereby Assigned or any part thereof in any manner whatsoever other than to the Assignee;
- (c) cancel, terminate or forfeit or take any action to cancel, terminate or forfeit or suffer or permit anything allowing any Tenant under any Lease to cancel, terminate, forfeit any of the Premises Hereby Assigned, or accept or agree to the surrender of, or take any action or suffer or permit anything allowing the surrender of any of the Premises Hereby Assigned;
- (d) waive, amend, modify or vary any of the terms, agreements, provisions, conditions, obligations and covenants set out in the Premises Hereby Assigned, or otherwise agree or consent to any waiver, amendment, modification or variation of any of them, whether by way of collateral agreement or otherwise; or
- (e) waive or agree to waive any failure of any party to any of the Premises Hereby Assigned including, without limitation, any Tenants, to observe, perform or satisfy any of the terms, agreements, provisions, conditions, obligations or covenants set out in any of the Premises Hereby Assigned;

however, the Assignor may do those matters referred to in Subsections 6(c), (d) and (e) hereof, if:

- (f) the Tenant has been declared or adjudged bankrupt; or
- (g) the action taken is in accordance with good business practice, on an arm's length basis and in good faith and the action is one which a prudent owner of property similar to the Project would take, considering all the relevant circumstances including, without limitation, the then current leasing practices and market conditions.

7. **Representations and Warranties of Assignor:** The Assignor represents and warrants to the Assignee that:

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;
 - (b) the Assignor has good, valid and legal right to absolutely assign and transfer to the Assignee the Premises Hereby Assigned, free and clear of all assignments, mortgages, charges, pledges, security interest and other encumbrances other than those in favour of the Assignee;
 - (c) the Assignor has taken all necessary action, corporate or otherwise, to authorize the execution and delivery of this Agreement and the performance of its obligations set out in this Agreement and in each of the Leases;
 - (d) the execution, delivery and performance of this Agreement and the assignment constituted hereby will not conflict with, be in or contribute to a contravention, breach or default under the Assignor's constating documents, by-laws, resolutions or the provisions of any indenture, instrument, agreement or undertaking to which the Assignor is a party or by which it is bound, or under any valid regulation, order, writ or decree of any court, tribunal, arbitration panel or governmental authority;
 - (e) this Agreement has been duly executed and when delivered, will be in full force and effect and constitutes a legal, valid and binding obligation of the Assignor, enforceable in accordance with its terms;
 - (f) there is no pending or threatened litigation, action, claim or fact known to the Assignor and not disclosed to the Assignee in writing which adversely affect or could adversely affect any of the Premises Hereby Assigned or the rights of the Assignor or any other party thereunder or the rights of the Assignee under this Agreement;
 - (g) none of the Premises Hereby Assigned in existence on the date hereof is incapable of assignment to the Assignee in accordance with the provisions of this Agreement, nor is any of the Premises Hereby Assigned incapable of further assignment by the Assignee or by any receiver or receiver and manager, nor is the consent of any third party required for any assignment set out in this Agreement or in connection with any further assignment by the Assignee; and
 - (h) no Rents, payments, proceeds, receipts or other distributions due or to become due on any date subsequent to the date of this Agreement have been collected in advance of the time when the same become due under the terms of any of the Premises Hereby Assigned.
8. **Enforcement Upon Default:** Without limiting in any manner whatsoever the Assignee's rights, remedies, and recourses pursuant to this Agreement, by operation of law or otherwise, if the Assignor has defaulted in the performance, fulfillment or satisfaction of any of the terms, agreements, provisions, conditions, obligations or covenants set out in this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee or if the Assignor is otherwise in breach of or in default (hereinafter collectively called a Default) under this Agreement, the Mortgage or any other agreement, document, instrument, commitment or undertaking entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee, then the Assignee and any receiver or any receiver and manager appointed by the Assignee, may from time to time and at any time, in its own name or in the name of the Assignor and without notice to the Assignor, do any one or more of the following:
- (a) observe, perform or satisfy any term, agreement, provision, condition, obligation or covenant which, pursuant to any of the Premises Hereby Assigned, could or should be observed, performed or satisfied by the Assignor;

- (b) exercise any of the rights, powers, authority and discretion which, pursuant to any of the Premises Hereby Assigned, by operation of law or otherwise, could be exercised, observed, performed or satisfied by the Assignor including, without limitation, amending and renewing the Leases and otherwise dealing with the Tenants and others and participating in all settlement negotiations and arbitration proceedings resulting from a dispute (the Dispute) arising out of, in connection with or pursuant to any of the Premises Hereby Assigned; and
- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

The Assignor further acknowledges and agrees that all costs, charges and expenses incurred by the Assignee in connection with doing anything permitted in this paragraph 8 including, without limitation, legal fees and disbursements on a solicitor and his own client basis, shall be forthwith paid by the Assignor to the Assignee.

9. **Assignee Not Liable:** The Assignee shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:

- (a) any delay by, or any failure of, the Assignee to:
 - (i) exercise any of the rights afforded to it under this Agreement; or
 - (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence (but not the wilful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.

10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Assignee deems best and the Assignee may at any time and from time to time change any such application.

11. **Further Assurances:** The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things including, without limitation, obtaining any consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.

12. **Information:** The Assignor covenants and agrees that from time to time forthwith upon the request of the Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.

13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:

- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and
- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

and upon the occurrence of a Default such authority shall immediately cease without further notice and thereafter any monies received by the Assignor arising out of or from any of the Premises Hereby Assigned shall be received and held in trust for the Assignee and forthwith remitted to the Assignee. The Assignee may, at any time or times, by notice to any Tenant, direct such Tenant to pay Rent and other moneys to the Assignee and such notice shall be good and sufficient authority for any Tenant so doing. Any payment of Rents and other moneys by a Tenant to the Assignee shall not constitute a default under such Tenant's Lease. The receipt by the Assignee of Rent or other moneys from a Tenant shall constitute and be deemed receipt thereof by the Assignor.

14. **No Novation:** This assignment and transfer to the Assignee of the Premises Hereby Assigned:

- (a) is continuing security granted to the Assignee without novation or impairment of any other existing or future security held by the Assignee in order to secure payment to the Assignee of the Indebtedness and the due performance of the Assignor's obligations under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee relating to the Project;
- (b) is in addition to and not in substitution for any other security now or hereafter granted to or held by the Assignee in connection with the Indebtedness; and
- (c) shall remain in full force and effect without regard to and shall not be affected or impaired by:
 - (i) any amendment or modification of or addition or supplement to the Mortgage or any other security or securities (the Additional Securities) now or hereafter held by or on behalf of the Assignee in connection with the Indebtedness or any part thereof;
 - (ii) any exercise or non-exercise of any right, remedy, power or privilege in respect of this Agreement, the Mortgage or the Additional Securities;
 - (iii) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of this Agreement, the Mortgage or the Additional Securities;
 - (iv) any default by the Assignor under, or any invalidity or unenforceability of, or any limitation on the liability of the Assignor or on the method or terms of payment under, or any irregularity or other defect in, the Mortgage or the Additional Security;
 - (v) any merger, consolidation or amalgamation of the Assignor into or with any other company or corporation; or
 - (vi) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor.

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15. **Re-assignment:** Upon the Indebtedness being paid in full, the Assignee shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.
 16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.
 17. **Notices:** Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail:
 - (a) if to the Assignor, addressed to it at:

Ideal (WC) Developments Inc.
1100 Rodick Road
Markham, Ontario L3R 8C3

Attention: Shajiraj Nadarajalingam, Secretary
 - (b) if to the Assignee, addressed to it at:

Empirical Capital Corp.
4950 Yonge Street, Suite 1706
Toronto, Ontario
M2N 6K1

Attention: Michael Baratz
- Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.
18. **Waiver:** No consent or waiver, express or implied, by the Assignee to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Assignee to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Assignee of its rights hereunder.
 19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.
 20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.
 21. **Assignment:** The Assignee may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

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22. **No Agency, Joint Venture or Partnership:** The Assignee is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Assignee, and this Agreement shall not be construed to make the Assignee liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.
23. **Rights, Powers and Remedies:** Each right, power and remedy of the Assignee provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any combination of such rights, remedies and powers may be exercised by the Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.
24. **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Assignee to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Assignee.
25. **Severability:** Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions, and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
26. **Governing Law:** This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.
27. **Headings:** The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.
28. **Number and Gender:** All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.
29. **Registrations:** Neither the preparation, execution nor any registrations or filings with respect hereto, shall bind the Assignee to make an advance under the Mortgage.
30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

SCHEDULE "A"

Firstly: PIN 13243-0378 (LT) – 6532 & 6544 Winston Churchill Blvd., Mississauga, Ontario

Part of Lot 9 Concession 11 (New Survey) Trafalgar, Being Part , Plan 43R37427; City of Mississauga

Secondly: PIN 13243-0269 (LT) – Mississauga, Ontario

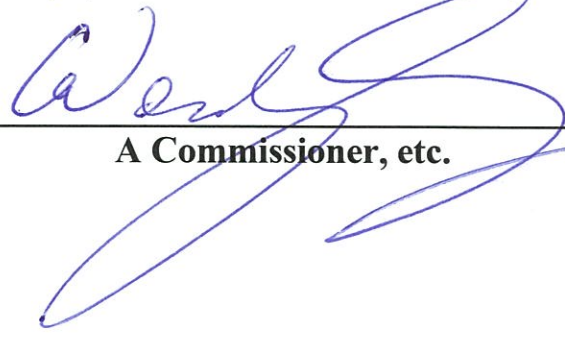
Parcel Block 19-1, Section 43M932, Block 19, Plan 43M932; City of Mississauga

Land Titles Division of The Peel Land Registry Office No. 43.

TAB E

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THIS IS **EXHIBIT "E"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS ^{24th} DAY OF NOVEMBER, 2021.



A Commissioner, etc.

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SECURITY AGREEMENT

IN FAVOUR OF:

EMPIRICAL CAPITAL CORP.
(hereinafter called the "Secured Party")

BY:

IDEAL (WC) DEVELOPMENTS INC.
(hereinafter called the "Debtor")

IN CONSIDERATION of the Secured Party extending credit and making one or more advances to the Debtor, and for other good and valuable consideration, the Debtor covenants with the Secured Party as follows:

ARTICLE I

DEFINITIONS

1.01 Definitions: In this Agreement the following terms have the respective meanings ascribed thereto in this section unless the subject matter or context otherwise requires:

(a) the "Act" means the Personal Property Security Act, 1989, as amended or re-enacted from time to time;

(b) the "Agreement", "herein", "hereof", "hereto", "hereunder", and similar expressions refer to the whole of this Agreement and not to any particular part, article, section or other portion hereof and extend to and include any and every amendment thereto;

(c) "Book Debts" means all rents, income, debts, demands, claims and causes in action of every nature and kind howsoever arising together with all Books of Account, documents, papers and other writings recording, evidencing, acknowledging or expressing a monetary obligation including, without limitation, all monies (other than trust monies lawfully belonging to others), which are now or which may hereafter be due, owing or accruing due to the Debtor or which are now or hereafter owned or acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any rights and which arise from the Lands and Buildings;

(d) "Buildings" means all structures, buildings and other improvements constructed, being constructed or to be constructed on the Lands and includes all fixtures now or hereinafter affixed or attached to the Lands or Buildings.

(e) "Collateral" means all personal property and the entire business undertaking now or hereafter owned or acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any rights and which are now or hereafter may become located on, affixed or attached to, placed upon, situate in or on, or which arise out of, from or in connection with any dealings with, the Lands or the Buildings or any part thereof including, without limitation, all Book Debts and all increases, additions, substitutions, repairs, renewals, replacements, accessions, accretions and improvements to any such personal property and all proceeds derived directly or indirectly from any dealings with any such personal property; notwithstanding anything else contained herein, the term "Collateral" shall include only the right, title and interest of the Debtor in and to such of the Collateral as is located on or about, and pertaining to and necessary for the construction on and for the proper operation of the Lands and Buildings, and notwithstanding the foregoing shall include those items set out on Schedule "B" attached hereto.

(f) "Events of Default" has the meaning ascribed thereto in section 4.01 of this Agreement and "Event of Default" means any one of the Events of Default;

(g) "Expenses" means all reasonable costs, fees and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by or on behalf of the Secured Party in connection with or arising out of or from any one or more of the following:

i) any act done or taken by the Secured Party or any Receiver, or any proceeding instituted by the Secured Party, the Debtor or any other person, firm or corporation, in connection with or in any way relating to any one or more of the following:

- (A) this Agreement or any part hereof;
- (B) the preservation, protection, enforcement or realization of the Collateral or the Security Interest or both; and
- (C) the recovery of the Indebtedness;
- ii) the remuneration of the Receiver and its agents, if any; and
- iii) all amounts incurred or paid by or on behalf of the Secured Party pursuant to section 5.03 hereof;
- (h) "Indebtedness" means all debts and liabilities due or to become due, absolute or contingent, now existing or hereafter arising, owing by the Debtor to the Secured Party pursuant to or under the Mortgage, and the Loan Commitment and whether for principal, interest, fees, expenses or otherwise and includes any extensions, renewals or replacements thereof and includes the Expenses;
- (i) "Lands" means the Lands and Premises described in Schedule "A" annexed hereto;
- (j) "Loan Commitment" means the Loan Proposal Letter dated February 20, 2018 and the Commitment Letter dated March 26, 2018 issued by Empirical Capital Corp. in favour of the Debtor and any subsequent amendments thereto;
- (k) "Mortgage" means collectively the mortgage, made by the Debtor in favour of the Secured Party and registered or to be registered against title to the Lands;
- (l) "Receiver" means the person or persons appointed or reappointed pursuant to subsection 4.02(b) hereof as the receiver or receiver and manager, as the case may be, of all or any part of the Collateral; and
- (m) "Security Interest" means the assignment, transfer, mortgage, charge and security interest provided for in section 2.01 hereof and "security interest" has the meaning ascribed thereto in the Act.

ARTICLE II

GRANT OF SECURITY INTEREST AND ATTACHMENT

2.01 Security Interest: As continuing security for the payment of the Indebtedness and the performance, fulfilment and satisfaction of all covenants, obligations and conditions on the part of the Debtor set out herein, in the Loan Commitment and in the Mortgage, the Debtor:

- (a) assigns, transfers, mortgages and charges to and in favour of the Secured Party all of the Debtor's rights, benefits, title and interest in and to the Collateral; and
- (b) grants to and in favour of the Secured Party a security interest in the Collateral;

as and by way of a fixed charge (subject only to the licence granted in subsection 3.02 (j) hereof).

2.02 Exclusion of Last Day of Leasehold Interest from Security Interest: The Security Interest referred to in section 2.01 hereof shall not extend to or apply to the last day of the term of any lease or agreement therefor that is now or may hereafter be held by the Debtor; provided, however, if the Security Interest becomes enforceable, the Debtor shall thereafter stand possessed of the last day of each such lease or agreement therefor and shall hold the same in trust for, and shall, upon receipt of a written request to that effect from the Secured Party assign the same to, any person who acquires the term of any such lease or any agreement therefor in the course of any enforcement of the Security Interest or in the course of any realization upon the Collateral or any part thereof.

2.03 Attachment: It is the express Intention of the parties hereto that the Security Interest shall attach with respect to such of the Collateral now owned by or on behalf of the Debtor or in respect of which the Debtor now has rights, contemporaneously with the execution and delivery of this Agreement and with respect to all other Collateral, as soon as the Debtor or any other person on behalf of the Debtor owns, acquires or otherwise has rights in such Collateral.

2.04 Acknowledgement: The Debtor acknowledges that the Secured Party has given, and that the Debtor has received from the Secured Party, value.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

3.01 Representations and Warranties: The Debtor represents and warrants as follows:

(a) other than Personal Property owned by tenants of space in the Buildings or by employees or agents of such tenants it is the legal and beneficial owner of all of the Personal Property located on, affixed or attached to, placed upon, situate in or on, or which arise out of, from or in connection with, the Lands, the Building or both, which is used by it in connection with the operation of the Building and forms part of the Collateral; and

(b) the Debtor has good and marketable title to the Collateral thereto, free and clear of any assignments, executions, mortgages, charges, hypothecation, pledges, security interests, liens, demands, adverse claims and any other encumbrances.

3.02 Covenants: The Debtor covenants and agrees with the Secured Party that so long as any of the Indebtedness remains unpaid:

(a) Maintain Existence: each Debtor will at all times maintain its corporate existence;

(b) Maintain and Operate: the Debtor shall diligently maintain and operate the Collateral and shall carry on and conduct its business in a reasonable and prudent manner so as to maintain, preserve and protect the Collateral;

(c) Pay Taxes: the Debtor will pay or cause to be paid all taxes, rates, levies, government fees and dues levied, assessed or imposed in respect of the Collateral or any part thereof, as and when the same become due and payable, and shall forthwith upon request by the Secured Party deliver such evidence as may satisfy the Secured Party that such taxes, rates, levies, fees and dues have been paid;

(d) Perform Obligations: the Debtor will from time to time and at all times punctually perform, fulfil and satisfy and cause to be performed, fulfilled and satisfied all of the covenants, obligations and conditions to be performed, fulfilled or satisfied by it under any agreement upon or under which the Collateral or any part thereof is held and under any agreement entered into with, or delivered by the Debtor to, the Secured Party and under the Mortgage relating to the Lands and Buildings.

(e) Repair: the Debtor will at all times repair and keep in repair and good order and condition, or cause to be repaired and kept in repair and good order and condition, such of the Collateral that constitutes tangible Personal Property, and renew and replace or cause to be renewed and replaced all and any of the same which may become unrepairable or destroyed;

(f) Insure:

(i) Collateral to be Insured: the Debtor shall maintain and cause to be maintained the insurance coverage required in the Mortgage and, in addition, the Debtor will insure and keep insured, at its own expense, on a replacement cost basis, all items of Collateral for which insurance coverage is purchasable, at all times during which any Indebtedness exists, with insurers and pursuant to policies approved by the Secured Party, for such risks and perils as a reasonable owner of similar Collateral would consider prudent and for such other insurable risks and perils as the Secured Party may from time to time consider advisable or desirable and in respect of which insurance coverage may be available. All cancellation clauses in such policies are to provide for at least thirty (30) days' prior notice of such cancellation to the Secured Party;

(ii) Delivery of Policies: the Debtor shall deliver or cause to be delivered to the Secured Party certificates for all policies of insurance required to be maintained by the Debtor pursuant to the Mortgage and subsection 3.02 (f) (i) hereof and the Debtor shall, at least thirty (30) days prior to the expiry of any such insurance policy, deliver to the Secured Party a renewal receipt, binder or new policy replacing such expiring insurance policy, or otherwise satisfy the Secured Party that such insurance has been renewed; and

(iii) Application of Proceeds: the Debtor shall cause all proceeds payable under all policies of insurance required to be maintained by the Debtor hereunder to be made payable to the Secured

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Party, as its interest may appear, and shall otherwise deal with such policies in such manner so as to enable all proceeds payable thereunder to be collected by the Secured Party from the insurer. The Secured Party may elect to have such insurance money applied in the reinstatement of the relevant Collateral or towards repayment of the Indebtedness whether then due or not;

(g) As to Encumbrances: The Debtor shall not create, grant, assume or otherwise permit to exist any assignment, execution, mortgage, charge, hypothec, pledge, lien, security interest or other encumbrance upon the Collateral or any part thereof or the Debtor's interest therein that ranks or is capable of being enforced in priority to or pari passu with the Security Interest;

(h) Further Assurances: the Debtor will from time to time at the request of the Secured Party and at the expense of the Debtor, make and do all such acts and things and execute and deliver all such instruments, security agreements and other writings and assurances that the Secured Party acting reasonably may consider as may be necessary or desirable to the Secured Party with respect to this Agreement or the Collateral or in order to perfect, keep perfected, maintain and preserve the Security Interest;

(i) Payment of Costs and Expenses: the Debtor will pay or reimburse the Secured Party upon demand for all Expenses together with interest thereon from the date of payment by the Secured Party until paid in full to the Secured Party by the Debtor at the rate of interest payable under the Mortgage calculated and compounded as set out in the Mortgage before and after demand and judgment, together with interest on overdue interest at the same rate; and

(j) As to Transfers: the Debtor shall not transfer, convey, sell, sublease, assign or otherwise deal with or part with possession of the Collateral or any part thereof except, notwithstanding the foregoing and notwithstanding the fixed nature of the Security Interest, the Debtor is hereby granted a licence to sell, in the ordinary course of its business, items of inventory to bona fide purchasers for value so that every such purchaser takes title to such inventory free and clear of the Security Interest and nothing herein shall prevent further subsequent encumbrances of the collateral. If such sale results in proceeds, Book Debts or other items of Collateral, such proceeds, Book Debts or other items of Collateral, as the case may be, shall immediately be and remain subject to the Security Interest. The licence hereby granted shall immediately cease, without notice being given to the Debtor, upon the occurrence of an Event of Default.

ARTICLE IV

EVENTS OF DEFAULT AND REMEDIES

4.01 Events of Default: The Debtor shall be in default hereunder upon the occurrence of any one or more of the following events (the "Events of Default"):

(a) if the Debtor is in default under or pursuant to, or otherwise fails to perform, fulfil or satisfy any covenant, obligation or condition set out in this Agreement, Loan Commitment, the Mortgage or any document, instrument, agreement or other writing entered into with, or delivered by the Debtor to the Secured Party;

(b) if an event described as a "default" or an "event of default" in the Mortgage occurs; and

(c) if any statement of fact or other representation or warranty set out herein, in the Mortgage or in any document, instrument, agreement or other writing entered into with, or delivered by the Debtor to, the Secured Party is or becomes false or inaccurate.

4.02 Remedies Upon Default: Upon the occurrence of an Event of Default, the full amount of the Indebtedness shall, at the option of the Secured Party, become due and payable whereupon the Security Interest shall immediately be enforceable by the Secured Party, and the Secured Party shall have, in addition to all other rights, powers and remedies available at law and in equity, the following rights, powers and remedies:

(a) Recover Indebtedness: the Secured Party may immediately sue for the Indebtedness;

(b) Appoint Receiver: the Secured Party may appoint and reappoint by instrument in writing, or institute proceedings in any court or competent jurisdiction for the appointment or reappointment of, any person (including the Secured Party) or persons to be a receiver or receiver and manager of all or any part of the Collateral. The Secured Party may remove or replace the Receiver from time to time, and appoint another person or persons in his stead or make application to a court of competent jurisdiction to do so. Subject to the provisions of the instrument or court order appointing the Receiver, the Receiver so appointed or replaced shall

have, possess and may exercise all or any part of the rights, powers and remedies of the Secured Party (whether conferred upon the Secured Party by this Agreement or otherwise). For greater certainty, where the Secured Party is referred to in this Agreement, the term shall, where the context permits, include the Receiver so appointed or replaced and the officers, employees, servants or agents of the Secured Party and the Receiver;

(c) Possession of Collateral: the Secured Party may, without notice, take such steps as it considers necessary or desirable to obtain possession of all or any part of the Collateral by any method permitted by law, and to that end the Debtor agrees:

(i) To deliver possession of the Collateral to the Secured Party forthwith upon its receipt of a written or verbal demand therefor, at such place or places specified by the demand; and

(ii) that the Secured Party may, at any time during the day or night, by any lawful means, enter upon the Lands and Buildings and upon any other Premises where any of the Collateral may be found for the purpose of:

(A) Rendering unusable any part of the Collateral which constitutes equipment; and

(B) taking possession of and removing the Collateral or any part thereof;

(d) Dealings with the Collateral: subject to the Act, the Secured Party may without notice, advertisement, demand for payment or any other formality (all of which are hereby waived) do any act or thing to preserve the Collateral or its value, or seize, collect, realize upon, lease, dispose of, release to third parties, sell by public or private sale or any other mode of disposition as the Secured Party may consider advisable or otherwise deal with, the Collateral or any part thereof in such manner, for such consideration, upon such terms and conditions and at such time or times as may, in the absolute discretion of the Secured Party, seem to it necessary or advisable;

(e) Postponement of Disposition: subject to the Act, the Secured Party may retain and postpone the sale or any other disposition or dealing with the Collateral or any part thereof, for such period as may, in the absolute discretion of the Secured Party, seem to it necessary or advisable;

(f) Retention of Collateral: subject to the Act, the Secured Party may, without notice, elect to retain all or any part of the Collateral in satisfaction of the Indebtedness or any part thereof;

(g) Purchase of Collateral: the Secured Party may purchase all or any part of the Collateral at any public or private sale, auction, tender or by way of any other mode of disposition;

(h) Borrow Money: the Secured Party may borrow money on the security of the Collateral and create security interests in the Collateral whether or not in priority to the Security Interest;

(i) Carry on Business: the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor relating solely to the Lands and Buildings and may enter upon, occupy and use all or any of the Buildings and Buildings occupied or used by the Debtor, or in which the Collateral or any part thereof is situate for such time as the Secured Party sees fit, free of charge, to the exclusion of the Debtor;

(j) Notification of Account Debtors: the Secured Party may notify any person, firm or corporation indebted to the Debtor of the Security Interest and direct such person, firm or corporation to make all payments owing to the Debtor to the Secured Party; and

(k) Discharge Prior Encumbrances: the Secured Party may pay any indebtedness of the Debtor, post any security or otherwise deal with any other creditors of the Debtor in order to obtain the discharge of any mortgage, charge, hypothecation, pledge, security interest, lien, claim or other encumbrance that may exist against the Collateral or any part thereof.

4.03 Receiver as Agent: The Receiver shall be the agent of the Debtor for all purposes except possession of the Collateral only, which possession shall be on behalf of and as agent of the Secured Party and not the Debtor.

ARTICLE V

GENERAL CONTRACT PROVISIONS

5.01 Secured Party not Liable: Subject to the Act neither the Secured Party nor the Receiver, acting as a prudent and reasonable Landlord, shall be bound to do any one or more of the following, nor shall the Secured Party or the Receiver be liable or accountable for doing or for failing to do any one or more of the following:

- (a) give any notice;
- (b) make or do any repair, processing or preparation for disposition of the Collateral (whether commercially reasonable or not);
- (c) use reasonable care in the custody or preservation of any of the Collateral in its possession;
- (d) keep the Collateral identifiable;
- (e) proceed in a commercially reasonable manner in the collection from debtors of the Debtor;
- (f) exercise any rights, powers and remedies whatsoever including, without limitation, seize, collect, realize upon, lease, sell or otherwise dispose of, borrow money on the security of, release to third parties, obtain possession of, obtain payment for, maintain or preserve or protect, the Collateral or any part thereof or its value; and
- (g) institute proceedings for the purpose of seizing, collecting, realizing upon, disposing of or obtaining possession of or payment for, the Collateral or any part thereof or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of same.

Notwithstanding section 4.03 hereof, the Debtor shall be liable for all actions, causes of action, proceedings, debts, demands, claims, losses, damages, and other liabilities incurred or suffered by the Debtor, the Secured Party or the Receiver by reason of or on account of any act or failure to act of the Receiver.

5.02 Application of Funds: All amounts realized from the Collateral upon the enforcement of the Security Interest shall be applied by the Secured Party or the Receiver firstly to the payment of Expenses and secondly to such items constituting Indebtedness in such order as the Secured Party in its sole discretion may determine; and any deficiency shall be and remain payable by the Debtor to the Secured Party. If any surplus remains after the payments itemized herein, such surplus shall be applied in the manner provided for in the Act. Notwithstanding the foregoing, the Secured Party reserves the right to interplead or make any appropriate application pursuant to the Trustee Act (Ontario) or any successor legislation thereto.

5.03 Performance by Secured Party: If the Debtor fails to perform, fulfil or satisfy any covenant, obligation or condition herein set out including, without limitation, the payment of money, the Secured Party may, in its absolute discretion, but without being bound to do so, after reasonable written notice to the Debtor, perform any such covenant, obligation or condition capable of being performed by the Secured Party. No such performance or payment shall relieve the Debtor from any default under this Agreement or any consequence of such default.

5.04 Rights, Powers and Remedies: Each right, power and remedy of the Secured Party provided for in this Agreement or available at law or in-equity may be exercised separately from or in combination with, and is in addition to and not in substitution for, any other right, power and remedy of the Secured Party however created. Without limiting the generality of the foregoing, the taking of judgment or judgments by the Secured Party shall not operate as a merger or affect the right of the Secured Party to interest as provided herein.

5.05 Waiver: No consent or waiver, express or implied, by the Secured Party to or of any breach or default by the Debtor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or a waiver of any other breach or default in the performance of the Debtor's obligations hereunder. Failure on the part of the Secured Party to complain of any act or failure to act of the Debtor or to declare the Debtor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Secured Party of its rights hereunder.

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5.06 Dealings with Persons: The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release any part of the Collateral to third parties and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, guarantors, sureties and others, as the Secured Party may see fit, without prejudice to the Secured Party's rights, powers and remedies whatsoever.

5.07 Notices: Any notice or demand which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, and in the case of the Debtor, addressed to it at the address set out on Page 1 of the Mortgage and in the case of the Secured Party, at the address set out on Page 1 of the Mortgage. The date of receipt of such notice or demand, if served personally, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the second business day following the date of mailing. The Secured Party or the Debtor may, from time to time, change its address or stipulate another address from the address described in the Mortgage by giving notice in the manner provided in this section.

5.08 Successors And Assigns: This Agreement and each of the covenants, warranties and representations herein set out shall enure to the benefit of the successors and assigns of the Secured Party and be binding upon the successors and permitted assigns of the Debtor.

5.09 Survival: All covenants, undertakings, agreements, representations and warranties made by the Debtor in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Debtor herein shall be deemed to have been relied upon by the Secured Party.

5.10 Applicable Law: This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

5.11 Time of the Essence: Time is and shall continue to be of the essence of this Agreement.

5.12 Headings: The insertion of headings in this Agreement is for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.

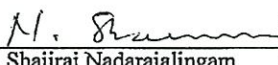
5.13 Number and Gender: All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

5.14 Severability: If any of the covenants or conditions in this Agreement contained shall be void for any reason, it shall be severed from the remainder of the provisions hereof and such remainder shall remain in full force and effect notwithstanding such severance.

5.15 Acknowledgment: The Debtor acknowledges receipt of a duplicate executed copy of this Agreement.

IN WITNESS WHEREOF this agreement has been executed under seal at Richmond Hill, this ___ day of April, 2018.

IDEAL (WC) DEVELOPMENTS INC.

Per: 
Name: Shajiraj Nadarajalingam
Title: President

I have authority to bind the corporation.

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SCHEDULE "A"
LEGAL DESCRIPTION

Firstly: PIN 13243-0378 (LT) – 6532 & 6544 Winston Churchill Blvd., Mississauga, Ontario

Part of Lot 9 Concession 11 (New Survey) Trafalgar, Being Part, Plan 43R37427; City of Mississauga

Secondly: PIN 13243-0269 (LT) – Mississauga, Ontario

Parcel Block 19-1, Section 43M932, Block 19, Plan 43M932; City of Mississauga

Land Titles Division of The Peel Land Registry Office No. 43.

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SCHEDULE "B"

All chattels presently owned or to be after acquired in future by the Debtor, as may be located on or in the said Land and Buildings and wherever elsewhere located.

Verification Statement

Cyberbahn Transaction ID: 13292132

**Form
1C**

Ontario: Financing Statement / Claim for Lien

		Reference File No. 738153126				Registration No. 20180411130418620381				Expiry Date 11 APR 2022			
01		Caution Filing	Page 1	Total Page of 2	Motor Vehicle Schedule					PPSA/RSLA P	Registration Period 4		
Debtor	02	Individual Debtor		Date of Birth	First Given Name			Initial	Surname				
	03	Business Debtor		Name IDEAL (WC) DEVELOPMENTS INC.							Ontario Corporation No.		
			Name cont'd										
	04	Address 1100 RODICK ROAD				City MARKHAM			Prov. ON	Postal Code L3R 8C3			
Debtor	05	Individual Debtor		Date of Birth	First Given Name			Initial	Surname				
	06	Business Debtor		Name							Ontario Corporation No.		
			Name cont'd										
07	Address				City			Prov.	Postal Code				
Secured Party	08	Secured Party EMPIRICAL CAPITAL CORP.											
	09	Address 1706-4950 YONGE STREET				City TORONTO			Prov. ON	Postal Code M2N 6K1			
Collateral	10	Section 1: Collateral Classification				Section 2: Vehicle Included		Section 3: Principal Amount Secured		Section 4:			
			Consumer Goods	Inventory	Equipment	Accounts	Other	Type 'X' if Motor Vehicle included	Date of Maturity		No Fixed Date of Maturity		
						X	X		\$.00		X		
	11	Year	Make			Model			Vehicle Identification No.				
12													
13	General Collateral Description												
14	GENERAL ASSIGNMENT OF RENTS - PROPERTY USED IN CONNECTION WITH,												
15	SITUATE AT, OR ARISING FROM, THE OWNERSHIP, DEVELOPMENT, USE OR												
16	DISPOSITION OF THE LAND AND PREMISES KNOWN AS 6532 AND 6544 WINSTON												
Agent	16	Registering Agent GARFINKLE, BIDERMAN LLP (BP-10798-011)											
	17	Address 1 ADELAIDE ST. E., SUITE 801				City TORONTO			Prov. ON	Postal Code M5C 2V9			

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Verification Statement

Cyberbahn Transaction ID: 13292132

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**Form
1C**

Ontario: Financing Statement / Claim for Lien

		Reference File No. 738153126				Registration No. 20180411130418620381				Expiry Date 11 APR 2022			
01		Caution Filing	Page 2	Total Page of 2	Motor Vehicle Schedule					PPSA/RSLSA	Registration Period		
Debtor	02	Individual Debtor	Date of Birth		First Given Name			Initial	Surname				
	03	Business Debtor	Name										
			Name cont'd									Ontario Corporation No.	
	04	Address				City			Prov.	Postal Code			
Debtor	05	Individual Debtor	Date of Birth		First Given Name			Initial	Surname				
	06	Business Debtor	Name										
			Name cont'd									Ontario Corporation No.	
	07	Address				City			Prov.	Postal Code			
Secured Party	08	Secured Party											
	09	Address				City			Prov.	Postal Code			
Collateral	10	Section 1: Collateral Classification					Section 2: Vehicle Included		Section 3: Principal Amount Secured			Section 4:	
		Consumer Goods	Inventory	Equipment	Accounts	Other	Type 'X' if Motor Vehicle included	\$.00			Date of Maturity	No Fixed Date of Maturity	
	11	Year	Make			Model			Vehicle Identification No.				
	12												
	13	General Collateral Description CHURCHILL BLVD., MISSISSAUGA, ONTARIO.											
Agent	16	Registering Agent											
	17	Address				City			Prov.	Postal Code			

IMPORTANT INFORMATION

Due to the manner in which registrations are handled by the PPSR system, your original 3C Verification Statement ('Original Verification Statement') produced by the PPSR Registrar may contain warnings or error messages generated by the Ministry of Government Services, Companies and Personal Property Security Branch. Your Cyberbahn verification statement will NOT contain these messages, and Cyberbahn strongly recommends, in all cases, that you review your Original Verification Statement to ensure that you are aware of any potential errors or warnings generated by the PPSA system. Cyberbahn is not responsible for system errors.

Should you have any questions, please do not hesitate to contact Cyberbahn.

TAB F

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THIS IS **EXHIBIT "F"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS *24th* DAY OF NOVEMBER, 2021.



A Commissioner, etc.

GUARANTEE AND POSTPONEMENT OF CLAIM

TO: EMPIRICAL CAPITAL CORP.

WHEREAS EMPIRICAL CAPITAL CORP. (hereinafter called the "Lender") has advanced funds or is about to advance funds to Ideal (WC) Developments Inc. (hereinafter called the "Borrower") and in consideration of your intention to advance the said funds to the Borrower, and other good and valuable consideration and the sum of Two Dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged, the undersigned (hereinafter called the "Guarantor"), hereby declares, covenants and agrees as follows:

1. In this Guarantee and Postponement of Claim the following words shall have the meaning as indicated opposite such word:

- (a) "Credit" - means financial accommodation of any kind whatsoever.
- (b) "Indebtedness" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation. Notwithstanding the foregoing, this Guarantee shall relate only to a loan made by the Lender to the Borrower pursuant to a Loan Proposal dated February 20, 2018 and a Commitment Letter dated March 26, 2018, and any amendments thereto, if applicable (collectively the "Letter of Commitment").

2. Without further authorization from or notice to the Guarantor, you may grant Credit and advance funds to the Borrower from time to time, either before or after revocation hereof, and in such manner, upon such terms and for such times as you deem best, and with or without notice to the Guarantor you may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to you of any Indebtedness hereby guaranteed, increase or reduce the rate of interest thereon, release or add one or more Guarantor or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non-exercise by you of any right hereby given you, no failure by you to record, complete or otherwise perfect any securities given you by the Borrower or the Guarantor or any person, firm or corporation, no dealing by you with the Borrower or any Guarantor or endorser and no change, impairment or suspension of any right or remedy you may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against you.

3. The Guarantor guarantees unconditionally and promises to pay to you or your order each item of Indebtedness hereby guaranteed, interest thereon, and all costs, charges and expenses which may be incurred by you in respect of any Indebtedness of the Borrower hereby guaranteed or in enforcing this Guarantee against the Guarantor and, promises to perform each guaranteed obligation when due.

4. This shall be a continuing guarantee and shall cover and secure any ultimate balance owing to you, but you shall not be obliged to take any action or exhaust your recourse against the Borrower, any other Guarantor, any other person, firm or corporation, or any securities you may hold at any time nor to value such securities before requiring or being entitled to payment from the Guarantor of all Indebtedness hereby guaranteed. Provided always, this Guarantee shall not be determined or affected or your rights thereunder prejudiced by the discontinuance of this Guarantee as to one or more other Guarantor or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of the Borrower, or by the death or loss or diminution of capacity or cessation of corporate existence, as the case may be, of any other Guarantor.

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no

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statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

6. No alteration or waiver of this Guarantee or any of its terms, provisions or conditions shall be binding on you unless made in writing over the signature of your duly authorized officers in that regard.

7. Until all Indebtedness hereby guaranteed has been paid in full the Guarantor shall not have any right of subrogation unless expressly given the Guarantor in writing by one of your duly authorized officers in that regard.

8. You shall be at liberty (without in any way prejudicing or affecting your rights hereunder) to appropriate any payment made or moneys received to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as you shall from time to time in your uncontrolled discretion see fit.

9. No change in the name, objects, share capital, business, membership, directorate powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor, either with respect to transactions occurring before or after any such change, it being understood that where the Borrower is a partnership or corporation this Guarantee is to extend to the person or persons or corporation for the time being and from time to time carrying on the business now carried on by the Borrower notwithstanding any change or changes in the name or membership of the Borrower's firm or in the name of the Corporate Borrower, and notwithstanding any reorganization of the Corporate Borrower, or its amalgamation with another or others or the sale or disposal of its business in whole or in part to another or others.

10. Where the Borrower is a corporation or partnership or an entity, you shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and Credit in fact obtained from you in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such Credit was irregularly, fraudulently, defectively or informally effected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof. The Guarantor warrants and represents that it is fully authorized by law to execute this Guarantee of Credit to be granted to the Borrower.

11. The statement in writing of any of your authorized officers from time to time of the Indebtedness of the Borrower to you and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time so due and payable to you and is covered hereby.

12. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to you and postponed to the present and future Indebtedness of the Borrower to you and all moneys received from the Borrower or for his account by the Guarantor shall be received in trust for you, and forthwith upon receipt, paid over to you until the Borrower's Indebtedness to you is fully paid and satisfied, all without prejudice to you and without in any way limiting or lessening the liability of the undersigned to you under this Guarantee. If the Borrower is a partnership of which the Guarantor is a member, the Guarantor will not without the prior written consent of one of your duly authorized officers withdraw any capital of the Guarantor invested with the Borrower.

13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or any surety or Guarantor for any Indebtedness of the Borrower to you, your rights shall not be affected or impaired by your omission to prove your claim or to prove your full claim and you may prove such claim as you see fit and may refrain from proving any claim, and in your discretion you may value as you see fit or refrain from valuing any security or securities held by you without in any way releasing, reducing or otherwise affecting the Guarantor's liability to you and until all Indebtedness of the Borrower to you has been fully paid to you, you shall have the right to include in your claim the amount of all sums paid by the Guarantor to you under this Guarantee

and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall not be released from liability if recovery from the Borrower, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

14. The Guarantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Guarantor and will assign to you all of the Guarantor's rights thereunder. If the Guarantor does not file any such claim, you, as attorney in fact of the Guarantor, are hereby authorized to do so in the name of the Guarantor or in your discretion to assign the claim to and cause proof of claim to be filed in the name of your nominee. In all such cases, whether in administration, bankruptcy, or otherwise, the person or persons authorized to pay such claim shall pay to you the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose the Guarantor hereby assigns to you all the Guarantor's right to any payments or distributions to which the Guarantor otherwise would be entitled. If the amount so paid is greater than the guaranteed obligations then outstanding, you will pay the amount of the excess to the party entitled thereto.

15. All your rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between you and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to you by law and, without restricting the generality of the foregoing, if you hold one or more guarantees executed by the Guarantor relating to Credit extended to the Borrower by you, the amount of the Guarantor's liability imposed by such other guarantee or guarantees shall be added to the amount of the Guarantor's liability imposed by the provisions hereof and the resulting total shall be the amount of the Guarantor's liability.

16. The Guarantor shall pay to you on demand (in addition to all debts and liabilities of the Borrower hereby guaranteed) all costs, charges and expenses (including without limitation, lawyer's fees as between Solicitor and client) incurred by you for the preparation, execution and perfection and enforcement of this Guarantee and of any securities collateral thereto, together with interest calculated from the date of payment by you of each such costs, charges and expenses until payment by the Guarantor hereunder.

17. In case of default you may maintain an action upon this Guarantee whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgement obtained against him. Your rights are cumulative and shall not be exhausted by the exercise of any of your rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.

18. If any provision of this Guarantee is determined in any proceeding by a Court of Jurisdiction to be invalid or to be wholly or partially unenforceable, that provision shall, for the purposes of such a proceeding, be severed from this Guarantee at the Lender's option and shall be treated as not forming a part hereof and all the remaining provisions of this Guarantee shall remain in full force and shall be unaffected thereby.

19. Any notice or demand which you may wish to give may be served on the Guarantor either personally or on his legal personal representative or in the case of a corporation on an officer of the corporation, or by sending the same by registered mail in an envelope addressed to the last known place of address of the person to be served as it appears on your records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed.

20. This Guarantee shall be construed in accordance with the laws of the Province of Ontario and in any action thereon the Guarantor shall be estopped from denying the same; any judgement recovered in the Courts of such Province against any Guarantor or his executors, administrators, legal personal representatives, successors and/or assigns shall be binding on him and them.

21. Any word herein contained importing the singular number shall include the plural and any word importing the masculine gender shall include the feminine gender and any word importing a person shall include a corporation, partnership, firm and any entity.

22. In the event of your making a demand upon the undersigned or any or all of the undersigned upon this Guarantee each of the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed and if there be more than one undersigned then liability hereunder shall be joint and several.

23. This Guarantee and agreement on the part of the Guarantor shall extend to and enure to your benefit and the benefit of your successors and assigns and shall be binding on the Guarantor, their respective executors, administrators, legal personal representatives, successors and assigns.

IN WITNESS WHEREOF the Guarantor has executed this Guarantee, this _____ day of April, 2018.

SIGNED, SEALED & DELIVERED
In the presence of:

Name: 


SHAJIRAJ NADARAJALINGAM

TAB G

THIS IS **EXHIBIT "G"** TO THE
AFFIDAVIT OF
ABRAHAM STRAHL,
SWORN BEFORE ME
THIS *24th* DAY OF NOVEMBER, 2021.



A Commissioner, etc.

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FORBEARANCE AGREEMENT (the "Agreement")

THIS AGREEMENT made this 22nd day of April, 2020.

AMONG:

EMPIRICAL CAPITAL CORPORATION
(hereinafter called the "**Lender**" or "**Empirical**")

OF THE FIRST PART

- and -

IDEAL (WC) DEVELOPMENTS INC.
(hereinafter called the "**Borrower**")

OF THE SECOND PART

- and -

SHAJIRAJ NADARAJALINGHAM
(hereinafter called the "**Guarantor**")

OF THE THIRD PART

WHEREAS:

- A. The Borrower, the Lender and the Guarantor are parties to a commitment letter dated March 26, 2018 (the "**Commitment**") whereby the Lender made a loan to the Borrower in the principal amount of \$5,500,000.00 (the "**Loan**").
- B. The Borrower as security for the Loan executed and delivered a Mortgage (the "**Mortgage**") in favour of the Lender against the land and premises as more particularly described below:

6532 AND 6544 Winston Churchill Blvd., Mississauga, Ontario legally described as:

Firstly: PIN 13243-0378 (LT) Part of Lot 9 Concession 11 (New Survey) Trafalgar, Being Part , Plan 43R37427; City of Mississauga

Secondly: PIN 13243-0269 (LT) Parcel Block 19-1, Section 43M932, Block 19, Plan 43M932; City of Mississauga

Land Titles Division of The Peel Land Registry Office No. 43

(collectively referred to as the "**Property**")

- C. The Borrower executed and delivered additional security (the "Security") as set out in Schedule A attached hereto, which which forms an integral part of this Agreement;
- D. The Guarantor guaranteed the indebtedness of the Borrower under the Mortgage.
- E. The Borrower and the Guarantor aknowledge and agree that the Mortgage is in arrears;
- F. The parties hereto acknowledge that the indebtedness (the "Indebtedness") as set out in Schedule B attached hereto is accurate as of the date hereof, and that interest and legal costs continue to accrue from the date hereof until the total amount owing to the Lender is paid in full;
- G. The Borrower and Guarantor have requested a forbearance to be granted by the Lender until September 2, 2020, (the "Forbearance Term") on which date (the "Due Date") the total of all amounts outstanding purusant to this Agreement shall be due and payable; and
- H. The Borrower and the Guarantor acknowledge that subject to the forbearance contained in this Agreement, nothing in this Agreement shall prejudice the Lender's existing and future enforcement rights under the Mortgage, all of which the Borrower and the Guarantor acknowledge and agree are reserved and preserved and not in any way waived or effected by this Agreement.
- I. The Borrowers requested and the Lender has agreed to forbear from taking actions under the Commitment, the Mortgage and the Security or under the Guarantees on the terms and conditions set forth in this Agreement, but subject always to the Borrower at all times complying with the terms of this Agreement.

NOW THEREFORE, in consideration of (i) the mutual covenants, terms and conditions herein contained, (ii) the sum of ten dollars (\$10.00) now paid by the Lender to each of the Borrower, and Guarantor, (iii) other good and valuable consideration, the receipt and sufficiency of which are acknowledged by each of the parties to this Agreement, the parties to this Agreement hereby agree as follows:

**ARTICLE 1
RECITALS**

- 1.1 The parties hereto acknowledge and agree that the recitals to this Agreement are true and correct in substance and in fact and are incorporated herein by reference and form an integral part of this Agreement.
- 1.2 The Borrower and the Guarantor specifically acknowledge the existence, quantum and accuracy of the Indebtedness and specifically acknowledge that the Mortgage and Loan comprise a duly granted, valid and enforceable obligation of the Borrower and the Guarantor to the Lender.

ARTICLE 2 FORBEARANCE

2.1 In consideration of the Borrower and Guarantor complying with all of the terms of this Agreement, the Lender covenants and agrees to forbear for the Forbearance Term from enforcing its rights in respect of the Indebtedness with respect to the Property, under the Commitment, the Mortgage, the Security and the Guarantee (the "Forbearance") conditional upon the Borrower and the Guarantor complying with each and every obligation of the Borrower and Guarantor set forth in this Agreement. This Forbearance is for the Forbearance Term only from the date of this Agreement and ending on the Due Date on which date the balance of the Indebtedness, plus any unpaid and accrued interest thereon and reasonable costs incurred by the Lender in connection therewith, after the date hereof shall be due and payable in full without set off or deduction whatsoever. All payments due pursuant to this Agreement shall be made by electronic funds transfer commencing with the first payment to HT and on the 2nd day of each month thereafter.

2.2 The Borrower and the Guarantor covenant and agree that:

- (a) Throughout the Forbearance Term, they keep all payments of interest to Home Trust Company ("HT") in the amount of \$19,000 per month in good standing. The first payment thereof shall be paid immediately by electronic funds transfer (details thereof to be provided to the Borrower or its lawyers prior to the payment date), following execution by all parties of this Forbearance Agreement and thereafter on May 2, 2020, June 2, 2020, July 2, 2020, August 2, 2020 and September 2, 2020.
- (b) Empirical will capitalize its interest payments for the month of April, May and June, 2020 in the total amount of \$73,625.00. The Indebtedness as of July 1, 2020 including amounts payable to Home Trust after capitalizing Empirical's three (3) months' interest of \$73,625.00 shall be \$5,573,625.00.
- (c) The Borrower will provide an interest reserve to Empirical excluding the \$19,000 per month payable to Home Trust to be paid in a lump sum by electronic funds transfer on June 30, 2020 in the amount of \$75,375.00 to be applied by Empirical against and to Empirical's monthly interest payments of \$25,125.00 each for the months of July 2, August 2, and September 2, 2020.
- (d) The interest rate for the Forbearance Terms shall so long as the Borrower and the Guarantor honour each and every one of their obligations in this Agreement, be 9.5% per annum calculated in accordance with the Commitment. In the event of default pursuant to this Agreement which is not cured within five (5) business days after receipt of written notice of the default, the interest rate shall revert to the current agreed rate of 12% per annum, calculated in accordance with the Commitment, which shall be payable from the date of default.

- (e) The Borrower and the Guarantor covenant and agree to provide the following financial information to the Lender:
 - (i) Within 7 business days from the date of this Agreement, internally prepared financial statement of the Borrower for the period ending March 31, 2020; and
 - (ii) Within 90 days from the date of this Agreement, an up to date net worth statement of the Guarantor dated and commissioned.
- (f) The following payments shall be paid by the Borrower to the Lender within 5 business days from the date of this Agreement by wire transfer in immediately available funds:
 - (i) \$5,650 inclusive of HST for an up to date appraisal;
 - (ii) \$1,800 for an updated planning opinion; and
 - (iii) \$6,000 plus HST for Empirical lawyer's legal fees.
- (g) To pay a forbearance fee of \$27,500.00 to the Lender in equal monthly instalments of \$4,583.33 by electronic funds transfer commencing with the first payment to HT set forth in paragraph 2.2(a) hereof on the 2nd day of each month thereafter during the Forbearance Term by electronic funds transfer, included with each payment to HT.
- (h) To pay all further reasonable legal fees incurred by the Lender herein from and after the date hereof in connection with this Agreement.

2.3 Upon default pursuant to section 2.2 hereof, which is not remedied within seven (7) days after receipt of written notice thereof, the Lender may forthwith proceed with its enforcement and power of sale against the Property, all defences to such power of sale and enforcement being irrevocably waived by the Borrower and the Guarantor.

2.4 The Lender shall be entitled to immediately exercise any legal remedies which it may have with respect to the Indebtedness, the Mortgage or the Security upon any of the following events:

- (i) If the Borrower or the Guarantor breach any provisions of this Agreement, such breach not having being cured within five (5) business days following notice in writing of such breach given to the Borrower and the Guarantor setting out with reasonable particularity the nature of the breach;
- (ii) If the Borrower or Guarantor fail to keep property or liability insurance and real property taxes current on the Property. An up to date insurance certificate shall be provided to the Lender within seven (7) business days from the date of execution of this Forbearance Agreement noting the Lender as first mortgagee and loss payee.

- (iii) If the Borrower or the Guarantor file a notice of intention to make a proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act*, become subject to a petition in bankruptcy or make an application pursuant to the *Company's Creditor's Arrangement Act*;
- (iv) If the Borrower defaults on interest payments due and owing pursuant to any subsequent encumbrances on the Property, which is not cured within any permitted cure period, or if any such mortgagee issues a notice of intention to enforce security which is not withdrawn within 21 days of being issued, notice of sale or other default notice or proceedings against the Borrower or the Property and such notice of sale or other default notice is not withdrawn by written notice within 21 days of being issued .

ARTICLE 3 RIGHTS ON MATURITY

3.1 The Borrower and the Guarantor acknowledge and agree that the Forbearance set forth herein shall expire on the Due Date without the requirement of any notice from the Lender to the Borrower or the Guarantor. In the event the Indebtedness is not discharged in full by no later than 15 days following the Due Date, the Borrower acknowledges and agrees to the following:

- (a) the then outstanding balance of the Indebtedness shall bear interest until paid at 12% per annum calculated in the manner set forth in the Commitment;
- (b) the Borrower shall pay a further amount to the Lender equal to three (3) months' interest on the then outstanding principal balance of the Loan in accordance with the Lender's discharge statement dated March 16, 2020.

ARTICLE 4 REPRESENTATIONS BY THE BORROWER AND THE GUARANTOR

4.1 The Borrower and the Guarantor covenant, represent and warrant as follows to the Lender and acknowledge that the Lender is relying upon such covenants, representations and warranties in entering into this Agreement and forbearing from enforcing the Mortgage.

- (a) This Agreement has been duly executed and delivered by the Borrower and the Guarantor and is binding and enforceable against them in accordance with its terms.
- (b) The Borrower and the Guarantor acknowledge and agree that the Indebtedness remains due and owing to the Lender free and clear of all rights of set-off or offset whatsoever.
- (c) The Borrower and the Guarantor agree that the Mortgage and the Security are valid, binding and enforceable against them as of the date hereof free and clear of all

rights of set off or offset whatsoever. They each hereby irrevocably waive any defence to the enforcement of the Mortgage or the Security.

- (d) The Borrower and the Guarantor hereby confirm that all other mortgages registered on title to the Property are in good standing.

ARTICLE 5 GENERAL PROVISIONS

5.1 Notices

All notices, requests, demands, acceptances, consents, communications or other writings required or permitted to be given hereunder or for the purposes hereof ("**Notice**" in this Section) will be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by telecopier, email or other form of recorded communication tested prior to transmission, addressed to the party to whom it is given, as follows:

- a) If to the Lender :
- Empirical Capital Corporation
4950 Yonge Street, Suite 1706
Toronto, Ontario
M2N 6K1
Attention: Abraham (Abby) Strahl, President
Fax: (647) 426-1007
Email: astrahl@empiricalcapital.ca

with a copy to:

Garfinkle, Biderman LLP
801-1 Adelaide Street East
Toronto, ON M5C 2V9
Attention: Barry M. Polisuk
Email: bpolisuk@garfinkle.com
Fax: (416) 869-0547

- b) If to the Borrower or the Guarantor:
- 10 Milner Court
Scarborough, Ontario
M1B 3C6
Attention: Prasana Balachandran
Email: prasana@idealdevelopments.com

with a copy to:

Friedman Law Professional Corporation
150 Ferrand Drive, Suite 800
Toronto, Ontario
M3C 3E5
Attention: William Friedman
Email: wf@friedmans.ca
Fax: (416) 497-3809

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the 4th Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email, telecopier or other form of recorded communication will be deemed given and received on the first Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth Business Day after the mailing thereof, such Notice will be deemed to have not been received unless personally delivered or transmitted by email, telecopier or other form of recorded communication.

5.2 Time of the Essence

Time will be of the essence of this Agreement and every part hereof, provided that if the parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

5.3 Waiver

No party to this Agreement will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing, and such waiver will be limited to the circumstances set forth in such written waiver. No failure on the part of the Lender to assist upon strict adherence to the terms of this Agreement, shall in any way constitute a waiver of any rights arising pursuant to this Agreement.

5.4 Severability

If any Article, Section or portion thereof is determined to be unenforceable or invalid, such unenforceability or invalidity will not affect the remaining Articles, Sections or portions thereof, as the case may be, of this Agreement and such unenforceable or invalid Article, Section or portion thereof will be deemed to be severed from the remainder of this Agreement. No covenant or provision, or part or parts thereof, will be deemed dependent on any other covenant or provision unless so expressed herein.

5.5 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each party attorns to the jurisdiction of the courts of the Province of Ontario.

5.6 Entire Agreement

This Agreement constitutes the entire agreement among the parties with respect to the matters herein and its execution has not been induced by, nor do any of the parties rely upon or regard as material, any representation, promise, agreement or statement whatsoever not incorporated herein and made a part hereof. This Agreement will not be amended, altered or qualified except by a memorandum in writing signed by the parties.

5.7 Enurement

This Agreement will enure to the benefit of the parties and their respective heirs, executors, administrators, successors and permitted assigns and will be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

5.8 Counterparts

This Agreement may be executed in counterpart and each such counterpart shall for all purposes constitute one agreement binding on all parties hereto, notwithstanding that all parties are not signatories to the same counterpart, provided that each party has signed at least one counterpart. A facsimile and/or PDF email counterpart of this Agreement shall be fully effective for all purposes and binding upon each of the undersigned.

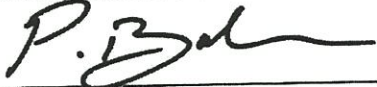
5.9 Independent Legal Advice

The Borrower and the Guarantor confirm that they have received independent legal advice from Friedman Law Professional Corporation prior to executing this Agreement.

IN WITNESS WHEREOF this Agreement has been executed by the parties as of the date first above written.

SIGNED, SEALED & DELIVERED

In the presence of:

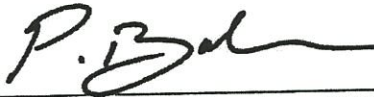


Name: Prasana Balachandran



SHAJIRAJ NADARAJALINGAM

IDEAL (WC) DEVELOPMENTS INC.

Per: 

Name: Prasana Balachandran, CFO

I have the authority to bind the Corporation.

EMPIRICAL CAPITAL CORPORATION

Per: _____

Name: Abraham (Abby) Strahl, President

5.7 Enurement

This Agreement will enure to the benefit of the parties and their respective heirs, executors, administrators, successors and permitted assigns and will be binding upon the parties and their respective heirs, executors, administrators, successors and assigns.

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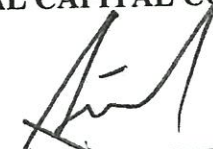
Name:

SHAJIRAJ NADARAJALINGHAM

IDEAL (WC) DEVELOPMENTS INC.

Per: _____
Name: Prasana Balachandran, CFO
I have the authority to bind the Corporation.

EMPIRICAL CAPITAL CORPORATION

Per: 
Name: Abraham (Abby) Strahl, President



Per: _____
Name: David Strahl, Vice President

We have the authority to bind the Corporation.

SCHEDULE A**SECURITY DOCUMENTS**

- (a) Mortgage registered as instrument number PR3308661;
- (b) General Assignment of Rents registered as instrument number PR3308661, PPSA file number 73815126;
- (c) General Security Agreement registered as file number 738153099; and
- (d) The personal guarantee of the Personal Guarantor.

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**FORBEARANCE AGREEMENT
(the "Agreement")**

THIS AGREEMENT made this 16th day of November, 2020.

AMONG:

EMPIRICAL CAPITAL CORP.
(hereinafter called the "**Lender**" or "**Empirical**")

OF THE FIRST PART

- and -

IDEAL (WC) DEVELOPMENTS INC.
(hereinafter called the "**Borrower**")

OF THE SECOND PART

- and -

SHAJIRAJ NADARAJALINGAM
(hereinafter called the "**Guarantor**")

OF THE THIRD PART

WHEREAS:

- A. The Borrower, the Lender and the Guarantor are parties to a commitment letter dated March 26, 2018 (the "**Commitment**") whereby the Lender made a loan to the Borrower in the principal amount of \$5,500,000.00 (the "**Loan**"). The Borrower and the Guarantor acknowledge and agree that as a result of the previous forbearance agreement among the parties hereto dated April 22, 2020 and the resulting deferral of a portion of the interest payable pursuant to the Loan, the current principal balance of the Loan is \$5,573,625.00.
- B. The previous forbearance agreement expired on September 2, 2020, since that date the Lender extended its forbearance on a month to month basis pending the Borrower refinancing the Loan and has kept the monthly interest payments current. The Borrower has to date been unable to refinance the Loan and accordingly the parties have agreed to enter into this Agreement.
- C. The Borrower as security for the Loan executed and delivered a Mortgage (the "**Mortgage**") in favour of the Lender against the land and premises as more particularly described below: