

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

B E T W E E N:

**EMPIRICAL CAPITAL CORP.**

Applicant

- and -

**RICHMOND HILL RE-DEV CORPORATION**

Respondent

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

**APPLICATION RECORD  
(Appointment of Receiver  
returnable March 8, 2023)**

February 24, 2023

**CHAITONS LLP**  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

**Harvey Chaiton (LSO #21592F)**  
Tel: (416) 218-1129  
Email: [harvey@chaitons.com](mailto:harvey@chaitons.com)

**Sam Rappos (LSO #51399S)**  
Tel: (416) 218-1137  
Email: [samr@chaitons.com](mailto:samr@chaitons.com)

**Lawyers for the Applicant**

TO: **RICHMOND HILL RE-DEV CORPORATION**  
157 Main Street, 202  
Unionville, Ontario L3R 2G8

Attention: Harshal Dave

**Respondent**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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- and -

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Respondent

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1. Notice of Application dated February 24, 2023
2. Affidavit of Abraham Strahl sworn February 24, 2023
- A Corporation Profile Report for Richmond Hill Re-Dev Corporation
- B Parcel Registers for 64 and 72 Major Mackenzie Drive East and 115 and 119 Church Street, Richmond Hill, ON
- C Commitment letter dated November 13, 2019 as amended by an Amending Agreement dated December 10, 2019
- D Charge registered December 11, 2019, Transfer of Charge registered November 4, 2021, Agreement Amending Charge dated November 2, 2021 and registered on title on November 4, 2021 as a Notice
- E General Security Agreement dated December 10, 2019
- F Acknowledgement and Confirmation of Existing Security dated November 4, 2021
- G Charge/Mortgage in favour of Jason Waxman registered on March 24, 2021, as amended by Notice registered on November 4, 2021 and a Notice registered on March 9, 2022
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# **TAB 1**



Court File No.

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

B E T W E E N:

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- and -

**RICHMOND HILL RE-DEV CORPORATION**

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**NOTICE OF APPLICATION**

**TO THE RESPONDENT**

**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 writing
- In person
- By telephone conference
- By video conference

on **Wednesday, March 8, 2023, at 11:30 a.m.**

**IF YOU WISH TO OPPOSE THIS APPLICATION**, to receive notice of any step in the application or to be served with any documents in the application you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of 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 February 24, 2023

Issued by \_\_\_\_\_

Local Registrar

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

**TO: RICHMOND HILL RE-DEV CORPORATION**  
157 Main Street, 202  
Unionville, Ontario, L3R 2G8

Attention: Harshal Dave

## APPLICATION

1. The Applicant, Empirical Capital Corp. (“**Empirical**”) makes application for:
  - (a) if necessary, an order validating service of this Notice of Application and the Application Record in the manner effected, abridging the time for service thereof, and dispensing with service thereof on any party other than the parties served;
  - (b) an order appointing RSM Canada Limited (“**RSM**”) as receiver (“**Receiver**”) of the property, assets and undertakings of Richmond Hill Re-Dev Corporation (the “**Debtor**”) pursuant to Section 243 of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3 (the “**BIA**”), and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”); and
  - (c) such further and other relief as to this Honourable Court may deem just.
  
2. The grounds for the application are:

### *The Parties*

- (a) The Debtor is a corporation incorporated under the laws of the Province of Ontario and has its head office located in Unionville, Ontario.
- (b) The Debtor is the registered owner of land municipally known as 115 and 119 Church Street, and 64 and 72 Major Mackenzie Drive East, Richmond Hill, Ontario (the “**Property**”).
- (c) The Debtor intends to construct on the Property two mid-rise condominium buildings (collectively, the “**Development**”).

- (d) Empirical is an Ontario corporation that provides financing for the acquisition and development of residential property.

### *Financing the Development*

- (e) Pursuant to a commitment letter dated November 13, 2019, as amended by an Amending Agreement dated December 10, 2019 (collectively, the “**Commitment Letter**”), Empirical agreed to loan \$5.5 million to the Debtor (the “**Loan**”).
- (f) Pursuant to the terms of the Commitment Letter, the Loan was payable on demand, with a thirteen (13) month term from the initial advance date.
- (g) The Loan was to be repaid out of the sale or refinancing of the Property.
- (h) The purpose of the Loan was to refinance an existing mortgage on the Property and provide land and servicing financing to the Debtor.
- (i) Empirical syndicated an interest in the Loan to another lender (together with Empirical, the “**Lenders**”).

### *Security*

- (j) As security for the Loan, the Debtor has granted, among other things, a first-registered charge/mortgage originally in the principal amount of \$5.5 million and subsequently increased to \$6.5 million (as discussed below), and a general security agreement (collectively, the “**Security**”).
- (k) Under the Commitment Letter and the Security, the Debtor has agreed that, upon an event of default, the Lenders are entitled to appoint a receiver in writing and/or make an application for the court appointment of a receiver.

### ***Other Creditors***

- (l) In addition to the Lenders' charge, there is a \$2.45 million second registered charge/mortgage in favour of Jason Waxman *et al* (the "**Waxman Charge**"). Pursuant to an Amended and Restated Subordination and Standstill Agreement dated November 4, 2021 between the Debtor, the Lenders and Mr. Waxman, the Waxman Charge and all other security granted to him by the Debtor is subordinate to the Security.
- (m) The Waxman Charge is in arrears. On January 25, 2023, Mr. Waxman and the other lenders demanded payment from the Debtor of \$2,568,917.21 in principal, interest, fees, and legal costs.
- (n) As set out in tax certificates issued by the City of Richmond Hill dated February 2, 2023, there is \$21,534.93 in unpaid 2022 property taxes and penalties with respect to the Property.

### ***Status of the Loan and the Development***

- (o) The term of the Loan initially was to mature on January 2, 2021.
- (p) Pursuant to a Forbearance Agreement dated January 5, 2021, the Debtor and Empirical agreed, among other things, to extend the maturity date of the Loan to July 2, 2021.
- (q) Pursuant to an Extension Agreement dated June 23, 2021, the Debtor and Empirical agreed, among other things, to extend the maturity date of the Loan to January 1, 2022.

- (r) Pursuant to a Further Amendment to the Commitment Letter dated October 21, 2021, the Debtor and Empirical agreed, among other things, to increase the principal amount of the Loan from \$5.5 million to \$6.5 million and extend the maturity date of the Loan to January 2, 2023
- (s) The Loan matured on January 2, 2023.
- (t) As the Debtor is still at the development approvals stage with respect to the Development, it has not sold any units and construction has not yet begun.

***Demand***

- (u) The Debtor failed to repay the outstanding balance of the Loan by the maturity date.
- (v) On January 11, 2023, Empirical delivered notices of default.
- (w) On January 24, 2023, Empirical demanded payment from the Debtor and delivered its notice to enforce its security under the *BIA* the following day.
- (x) To date, Empirical has not received any payments from the Debtor in response to the demand for payment.

***Just and Convenient to Appoint a Receiver***

- (y) The Loan has matured. Empirical has demanded payment of the Loan from the Debtor and has sent a *BIA* notice. The 10-day period under the *BIA* has expired.
- (z) The Debtor owes approximately \$6.7 million to the Lenders and \$2.57 million in connection with the Waxman Charge, among other amounts.

- (aa) The Debtor has provided no documentation to suggest that it will be in a position to repay the Loan in the near future.
- (bb) It is in the best interests of the Lenders and the Debtor's creditors generally that a Receiver be appointed to take control over and realize on the Property for the benefit of all stakeholders.
- (cc) It is just and convenient in the circumstances to appoint a Receiver over the Debtor's property. Empirical proposes that RSM be appointed as Receiver. RSM has agreed to accept the appointment.

***Statutory and Other Grounds***

- (dd) Section 243 of the *BIA*, and Section 101 of the *CJA*.
  - (ee) Rules 1.04(1), 1.05, 2.01, 2.03, 3.02, and 38 of the *Rules of Civil Procedure*.
  - (ff) Such further and other grounds as counsel may advise and this Honourable Court permits.
3. The following documentary evidence will be used at the hearing of the application:
- (a) the affidavit of Abraham Strahl sworn February 24, 2023 and the exhibits thereto;  
and
  - (b) such further and other evidence as the lawyers may advise and this Honourable Court may permit.



February 24, 2023

**CHAITONS LLP**

5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

**Harvey Chaiton** (LSO No. 21592F)

Tel: (416) 218-1129

E-mail: harvey@chaitons.com

**Sam Rappos** (LSO No. 51399S)

Tel: (416) 218-1137

E-mail: samr@chaitons.com

**Lawyers for the Applicant**

Electronically issued / Délivré par voie électronique : 24-Feb-2023  
Toronto Superior Court of Justice / Cour supérieure de justice  
EMPIRICAL CAPITAL CORP.

-and-

Court File No./N° du dossier du greffe : CV-23-00695238-00CL

RICHMOND HILL RE-DEV CORPORATION

Applicant

Respondent

Court File No.

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

PROCEEDING COMMENCED AT  
TORONTO

**NOTICE OF APPLICATION**

**CHAITONS LLP**

5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

**Harvey Chaiton** (LSO No. 21592F)

Tel: (416) 218-1129

E-mail: harvey@chaitons.com

**Sam Rappos** (LSO No. 51399S)

Tel: (416) 218-1137

E-mail: samr@chaitons.com

**Lawyers for the Applicant**

# **TAB 2**

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

B E T W E E N:

**EMPIRICAL CAPITAL CORP.**

Applicant

- and -

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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**  
(sworn February 24, 2023)

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 the Applicant, Empirical Capital Corp. (“**Empirical**”). The facts in this affidavit are within my personal knowledge or determined from the face of the documents attached as exhibits and from information and advice provided to me by others. When matters set out below are based upon information and advice from others, I have identified the source of the information and believe it to be true.

2. This affidavit is sworn in support of the application by Empirical for the appointment of RSM Canada Limited (“**RSM**”) as receiver (“**Receiver**”) of the property, assets, and undertakings of the Respondent, Richmond Hill Re-Dev Corporation (the “**Debtor**”).

### **THE DEBTOR AND THE PROPERTY**

3. The Debtor is a corporation governed by the Ontario *Business Corporations Act*. The Debtor was incorporated on March 22, 2017 and has its registered office located in Unionville, Ontario. A copy of the Corporation Profile Report for the Debtor is attached hereto and marked as **Exhibit “A”**.

4. Harshal Dave is the sole officer and a director of the Debtor and is the individual I primarily dealt with as the Debtor’s representative in connection with the Loan (as defined below) and the Property (as defined below).

5. The Debtor is the registered owner of land municipally known as 115 and 119 Church Street, and 64 and 72 Major Mackenzie Drive East, Richmond Hill, Ontario (the “**Property**”). The Debtor acquired the Property on May 18, 2017. Copies of the four parcel registers that form the Property are collectively attached hereto and marked as **Exhibit “B”**.

6. The Debtor intends to construct on the Property two mid-rise condominium buildings (collectively, the “**Development**”).

7. Based on my discussions with Mr. Dave, I understand that the Debtor is a single-purpose entity that was established to hold title to the Property.

8. Empirical is an Ontario corporation that provides financing for the acquisition and development of residential property.

## **LOAN AND SECURITY**

### Commitment Letter

9. Pursuant to a commitment letter dated November 13, 2019, as amended by an Amending Agreement dated December 10, 2019 (collectively, the “**Commitment Letter**”), Empirical agreed to provide a loan in the maximum principal amount of \$5.5 million to the Debtor (the “**Loan**”). A copy of the Commitment Letter is attached hereto and marked as **Exhibit “C”**.

10. Pursuant to the terms of the Commitment Letter, the Loan was to be repaid out of the sale or refinancing of the Property.

11. The purpose of the Loan was to refinance an existing mortgage on the Property and provide land and servicing financing to the Debtor so that it could meet the conditions necessary to achieve draft and site plan approvals and prepare the Property for development.

12. In accordance with the terms of the Commitment Letter, Empirical syndicated the Loan with other investors and lenders. Vault Capital Inc. (“**Vault**”) participated in the Loan subject to and in accordance with the Further Amendment to the Commitment Letter as more particularly set out in paragraph 26 hereof. As of the date hereof, Empirical and Vault (collectively, the “**Lenders**”) are the lenders under the Loan.

13. Empirical was appointed by the Lenders to be the administrator of the Loan.

14. The term of the Loan initially was to mature on January 2, 2021. As discussed below, the term was extended to July 2, 2021, January 2, 2022, and then to January 2, 2023.

15. Pursuant to the terms of the Commitment Letter, the failure by the Debtor to repay the Loan in full by the maturity date constitutes an event of default under the Commitment Letter and the security documents discussed below.

### Security

16. As security for the Loan, the Debtor has granted, among other things, the following security documents in favour of the Lenders:

- (a) a Charge/Mortgage registered on title to the Property on December 11, 2019 in the principal amount of \$5.5 million as Instrument No. YR3045080, which was later amended by:
  - (i) a Transfer of Charge registered on title to the Property on November 4, 2021 as Instrument No. YR3336909 to add Vault as a chargee; and
  - (ii) an Agreement Amending Charge/Mortgage of Land dated November 2, 2021 and registered on title November 4, 2021 as a Notice bearing Instrument No. YR3336913, which, among other things, increased the principal amount of the charge to \$6.5 million (collectively, the “**Lenders Charge**”), copies of which are collectively attached hereto and marked as **Exhibit “D”**;
- (b) a General Security Agreement dated December 10, 2019 (the “**General Security Agreement**”), a copy of which is attached hereto and marked as **Exhibit “E”**; and
- (c) an Acknowledgement and Confirmation of Existing Security dated November 4, 2021, a copy of which is attached hereto and marked as **Exhibit “F”**.

17. Pursuant to the terms of the Commitment Letter, the Lenders Charge, and the General Security Agreement, upon an event of default, the Lenders are entitled to appoint a receiver in writing and/or make an application for the court appointment of a receiver.

## **OTHER CREDITORS**

### Real Property Charge

18. In addition to the Lenders Charge, a \$1.6 million Charge/Mortgage in favour of Jason Waxman was registered on title to the Property on March 24, 2021 as Instrument No. YR3227109, as amended by a Notice registered on title to the Property on November 4, 2021 as Instrument No. YR3336935 and a Notice registered on title to the Property on March 9, 2022 as Instrument No. YR3392549 (collectively, the “**Waxman Charge**”). Pursuant to the Notice registered as Instrument No. YR3392549, the principal balance of the Waxman Charge was amended to \$2.45 million. A copy of the Waxman Charge is attached hereto and marked as **Exhibit “G”**.

19. Pursuant to an Amended and Restated Subordination and Standstill Agreement dated November 4, 2021 between the Debtor, the Lenders and Jason Waxman (the “**Subordination and Standstill Agreement**”), Mr. Waxman agreed that the Waxman Charge and all other security granted to him by the Debtor (collectively, the “**Waxman Security**”) was subordinate to the Lenders Charge and all other security granted to the Lenders by the Debtor. A copy of the Subordination and Standstill Agreement is attached hereto and marked as **Exhibit “H”**.

20. A Postponement of Interest was registered on title to the Property on November 4, 2021 as Instrument No. YR3336914, in connection with the Subordination and Standstill Agreement, a copy of which is attached hereto and marked as **Exhibit “I”**.



21. On March 9, 2022, a Transfer of Charge was registered on title to the Property as Instrument No. YR3392552, pursuant to which Mr. Waxman transferred the Waxman Charge to himself and six other persons. A copy of the Transfer of Charge is attached hereto and marked as **Exhibit “J”**.

#### Real Property Taxes

22. As set out in tax certificates issued by the City of Richmond Hill dated February 2, 2023, there is \$21,534.93 in unpaid 2022 property taxes and penalties with respect to the Property. Copies of the tax certificates are collectively attached hereto and marked as **Exhibit “K”**.

#### PPSA

23. I am advised by Sam Rappos, a lawyer with Chaitons LLP, Empirical’ s legal counsel, that, as of February 1, 2023, the only persons that had registered financing statements against the Debtor under the *Personal Property Security Act* (Ontario) were the Lenders and Mr. Waxman. Attached hereto and marked as **Exhibit “L”** is a copy of the search result for the Debtor.

#### **STATUS OF THE LOAN AND THE DEVELOPMENT**

24. The term of the Loan initially was to mature on January 2, 2021. Pursuant to a Forbearance Agreement dated January 5, 2021 (the “**Forbearance Agreement**”), the Debtor and Empirical agreed, among other things, to extend the maturity date of the Loan to July 2, 2021. A copy of the Forbearance Agreement is attached hereto and marked as **Exhibit “M”**.

25. Pursuant to an Extension Agreement dated June 23, 2021 (the “**Extension Agreement**”), the Debtor and Empirical agreed, among other things, to extend the maturity date of the Loan to January 1, 2022. A copy of the Extension Agreement is attached hereto and marked as **Exhibit “N”**.

26. Pursuant to a Further Amendment to the Commitment Letter dated October 21, 2021 (the “**Further Amendment to the Commitment Letter**”), the Debtor and Empirical agreed, among other things, to increase the principal amount of the Loan from \$5.5 million to \$6.5 million and extend the maturity date of the Loan to January 2, 2023. A copy of the Further Amendment to the Commitment Letter is attached hereto and marked as **Exhibit “O”**.

27. As the Debtor is still at the development approvals stage with respect to the Development, it has not sold any units in the development, and construction has not yet begun.

## **DEMAND**

28. As noted above, the Loan matured on January 2, 2023. The Debtor failed to repay the outstanding balance of the Loan by the maturity date.

29. As a result, on January 11, 2023, Empirical, through its lawyers, delivered letters to provide notice of default and intention to demand payment of the full amount of the Loan if the arrears were not timely paid (the “**Notices**”). A copy of the Notices are attached hereto and marked as **Exhibit “P”**.

30. Following the issuance of the Notices, Empirical and the Debtor discussed the possibility of extending the maturity date of the Loan, provided that the Debtor pay Empirical interest arrears of \$17,753.80 by no later than 4:00 pm on January 23, 2023.

31. The Debtor failed to pay the interest arrears to Empirical by the deadline.

32. As a result, on January 24, 2023, Empirical, through its lawyers, demanded payment of \$6,701,382.26 for principal, interest and fees (excluding legal costs) owed by the Debtor to the

Lenders as of January 23, 2023. A copy of the demand letter is attached hereto and marked as **Exhibit “Q”**.

33. On January 30, 2023, Empirical, through its lawyers, delivered a notice of its intention to enforce its security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the “**BIA Notice**”). A copy of the BIA Notice is attached hereto and marked as **Exhibit “R”**.

34. As of the date of the swearing of this affidavit, Empirical has received no payment from the Debtor since the Loan matured on January 2, 2023 and demand was issued.

35. The Debtor has informed Empirical that it is in discussions with a potential investor. The Debtor has been unable to produce a binding written commitment from a party for the new investment.

36. I have been advised by Mr. Rappos that on January 25, 2023, Mr. Waxman and the other lenders under the Waxman Charge, through their lawyers, notified the Debtor that the mortgage was in arrears and demanded payment of \$2,568,917.21 in principal, interest, fees, and legal costs outstanding as of January 25, 2023. A copy of the demand letter is attached hereto and marked as **Exhibit “S”**.

#### **JUST AND CONVENIENT TO APPOINT A RECEIVER**

37. The Debtor owes approximately \$6.7 million to the Lenders. The Loan matured on January 2, 2023. Empirical has demanded payment of the Loan and has delivered its BIA Notice. The 10-day period has expired. The Debtor has provided no documentation to suggest that it will be in a position to repay the Loan in the near future.

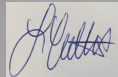
38. The Debtor owes approximately \$2.57 million in connection with the Waxman Charge. The Waxman Charge mortgagees have demanded payment and I am advised by Mr. Rappos that their lawyer has confirmed that no payment has been made since demand was issued on January 25, 2023.

39. In these circumstances, I believe it is in the best interests of the Lenders and the Debtor's creditors generally that a receiver be appointed to take control over and realize on the Property under Court supervision and for the benefit of all stakeholders.

40. Empirical proposes that RSM be appointed as Receiver. RSM has agreed to accept the appointment, and a copy of its consent is attached hereto as Exhibit "T".

41. This affidavit is sworn in support of Empirical's application for the appointment of a Receiver and for no other or improper purpose.

**SWORN BEFORE ME** over videoconference on this 24<sup>th</sup> day of February, 2023. The affiant was located in the City of Ochos Rios in the Country of Jamaica and the commissioner was located in the City of Toronto, in the Province of Ontario, Canada. This affidavit was commissioned remotely in accordance O. Reg. 431/20, Administering Oath or Declaration Remotely



**Laura Culleton**  
Commissioner for Taking Affidavits  
(or as may be)



**ABRAHAM STRAHL**

**THIS IS EXHIBIT "A" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



## Profile Report

RICHMOND HILL RE-DEV CORPORATION as of February 01, 2023

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	RICHMOND HILL RE-DEV CORPORATION
Ontario Corporation Number (OCN)	2568239
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	March 22, 2017
Registered or Head Office Address	157 Main Street, 202, Unionville, Ontario, Canada, L3R 2G8

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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

**Active Director(s)**

Minimum Number of Directors 1  
Maximum Number of Directors 10

**Name** HARSHAL DAVE  
**Address for Service** 62 Hepburn Street, Markham, Ontario, Canada, L3S 3Z9  
**Resident Canadian** Yes  
**Date Began** March 22, 2017

**Name** FERNAND HRACH VARTANIAN  
**Address for Service** 181 Dunblaine Avenue, Toronto, Ontario, Canada, M5M 2S6  
**Resident Canadian** Yes  
**Date Began** March 28, 2022

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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

**Active Officer(s)**

**Name**

HARSHAL DAVE

**Position**

President

**Address for Service**

62 Hepburn Street, Markham, Ontario, Canada, L3S 3Z9

**Date Began**

March 22, 2017

**Name**

HARSHAL DAVE

**Position**

Secretary

**Address for Service**

62 Hepburn Street, Markham, Ontario, Canada, L3S 3Z9

**Date Began**

March 22, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

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Additional historical information may exist in paper or microfiche format.



**Corporate Name History**

**Name**

**Effective Date**

RICHMOND HILL RE-DEV CORPORATION

March 22, 2017

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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

Additional historical information may exist in paper or microfiche format.

### Active Business Names

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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

### Expired or Cancelled Business Names

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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

## Document List

Filing Name	Effective Date
CIA - Notice of Change PAF: Harshal DAVE	March 28, 2022
CIA - Notice of Change PAF: HARSHAL DAVE - OFFICER	January 21, 2021
Annual Return - 2018 PAF: HARSHAL DAVE - DIRECTOR	January 17, 2021
Annual Return - 2017 PAF: HARSHAL DAVE - DIRECTOR	January 17, 2021
CIA - Initial Return PAF: HARSHAL DAVE - OFFICER	March 04, 2019
BCA - Articles of Amendment	May 16, 2017
BCA - Articles of Incorporation	March 22, 2017

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

Certified a true copy of the record of the Ministry of Public and Business Service Delivery.

*V. Quintanilla W.*

Director/Registrar

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**THIS IS EXHIBIT "B" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

PROPERTY DESCRIPTION: LT 149, PL 1883;; TOWN OF RICHMOND HILL

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
DIVISION FROM 03172-0419

PIN CREATION DATE:  
1999/08/16

OWNERS' NAMES  
RICHMOND HILL RE-DEV CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/06/23 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/16**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p> <p><b>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</b></p> <p><b>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</b></p> <p><b>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</b></p> <p><b>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</b></p> <p><b>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</b></p> <p><b>** CONVENTION.</b></p> <p><b>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</b></p> <p><b>**DATE OF CONVERSION TO LAND TITLES: 1999/03/29 **</b></p>						
RH28787	1963/07/17	BYLAW				C
YR2670946	2017/05/18	TRANSFER	\$1,200,000	ROSETOWN SUITES INC.	RICHMOND HILL RE-DEV CORPORATION	C
YR3045080	2019/12/11	CHARGE	\$5,500,000	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
YR3045081	2019/12/11	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3045080						
YR3227109	2021/03/24	CHARGE	\$1,600,000	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
YR3227110	2021/03/24	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
REMARKS: YR3227109.						
YR3336909	2021/11/04	TRANSFER OF CHARGE		EMPIRICAL CAPITAL CORP.	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.

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

LAND  
REGISTRY  
OFFICE #65

03172-0761 (LT)

PREPARED FOR Lynda001  
ON 2023/02/13 AT 14:10:47

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: YR3045080.				
YR3336913	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3045080				
YR3336914	2021/11/04	POSTPONEMENT		WAXMAN, JASON	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3227109 TO YR3336913				
YR3336935	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392549	2022/03/09	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392552	2022/03/09	TRANSFER OF CHARGE		WAXMAN, JASON	WAXMAN, JASON GRATTON, CHRISTOPHER ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS DSD MANAGEMENT INC. KMF ENTERPRISES INC. DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION	C
		REMARKS: YR3227109.				





PROPERTY DESCRIPTION: LT 148, PL 1883; RICHMOND HILL

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
DIVISION FROM 03172-0419

PIN CREATION DATE:  
1999/08/16

OWNERS' NAMES  
RICHMOND HILL RE-DEV CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/06/23 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/08/16**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p> <p><b>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</b></p> <p><b>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</b></p> <p><b>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</b></p> <p><b>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</b></p> <p><b>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</b></p> <p><b>** CONVENTION.</b></p> <p><b>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</b></p> <p><b>**DATE OF CONVERSION TO LAND TITLES: 1999/03/29 **</b></p>						
RH28787	1963/07/17	BYLAW				C
YR2670947	2017/05/18	TRANSFER	\$1,200,000	BENBASSAT, GEORGE	RICHMOND HILL RE-DEV CORPORATION	C
YR3045080	2019/12/11	CHARGE	\$5,500,000	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
YR3045081	2019/12/11	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3045080						
YR3227109	2021/03/24	CHARGE	\$1,600,000	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
YR3227110	2021/03/24	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
REMARKS: YR3227109.						
YR3336909	2021/11/04	TRANSFER OF CHARGE		EMPIRICAL CAPITAL CORP.	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: YR3045080.				
YR3336913	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3045080				
YR3336914	2021/11/04	POSTPONEMENT		WAXMAN, JASON	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3227109 TO YR3336913				
YR3336935	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392549	2022/03/09	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392552	2022/03/09	TRANSFER OF CHARGE		WAXMAN, JASON	WAXMAN, JASON GRATTON, CHRISTOPHER ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS DSD MANAGEMENT INC. KMF ENTERPRISES INC. DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION	C
		REMARKS: YR3227109.				



PROPERTY DESCRIPTION: LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
RE-ENTRY FROM 03172-0631

PIN CREATION DATE:  
1999/03/26

OWNERS' NAMES  
RICHMOND HILL RE-DEV CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p><b>**EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1997/06/23 ON THIS PIN**</b></p> <p><b>**WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/03/26**</b></p> <p><b>** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **</b></p> <p><b>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</b></p> <p><b>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *</b></p> <p><b>** AND ESCHEATS OR FORFEITURE TO THE CROWN.</b></p> <p><b>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF</b></p> <p><b>** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY</b></p> <p><b>** CONVENTION.</b></p> <p><b>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</b></p> <p><b>**DATE OF CONVERSION TO LAND TITLES: 1999/03/29 **</b></p>						
RH28787	1963/07/17	BYLAW				C
YR2670944	2017/05/18	TRANSFER	\$2,400,000	ARTENOSI, DEAN	RICHMOND HILL RE-DEV CORPORATION	C
YR3045080	2019/12/11	CHARGE	\$5,500,000	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
YR3045081	2019/12/11	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
		REMARKS: YR3045080				
YR3227109	2021/03/24	CHARGE	\$1,600,000	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
YR3227110	2021/03/24	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109.				
YR3336909	2021/11/04	TRANSFER OF CHARGE		EMPIRICAL CAPITAL CORP.	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C

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REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
		REMARKS: YR3045080.				
YR3336913	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3045080				
YR3336914	2021/11/04	POSTPONEMENT		WAXMAN, JASON	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3227109 TO YR3336913				
YR3336935	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392549	2022/03/09	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392552	2022/03/09	TRANSFER OF CHARGE		WAXMAN, JASON	WAXMAN, JASON GRATTON, CHRISTOPHER ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS DSD MANAGEMENT INC. KMF ENTERPRISES INC. DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION	C
		REMARKS: YR3227109.				



PROPERTY DESCRIPTION: LT 147, PL 1883; RICHMOND HILL

PROPERTY REMARKS:

ESTATE/QUALIFIER:  
FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:  
DIVISION FROM 03172-0419

PIN CREATION DATE:  
1999/08/16

OWNERS' NAMES  
RICHMOND HILL RE-DEV CORPORATION

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
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RH28787	1963/07/17	BYLAW				C
YR2670945	2017/05/18	TRANSFER	\$1,200,000	MAZZA, FRANK	RICHMOND HILL RE-DEV CORPORATION	C
YR3045080	2019/12/11	CHARGE	\$5,500,000	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
YR3045081	2019/12/11	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP.	C
REMARKS: YR3045080						
YR3227109	2021/03/24	CHARGE	\$1,600,000	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
YR3227110	2021/03/24	NO ASSGN RENT GEN		RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
REMARKS: YR3227109.						
YR3336909	2021/11/04	TRANSFER OF CHARGE		EMPIRICAL CAPITAL CORP.	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C

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LAND  
REGISTRY  
OFFICE #65

03172-0759 (LT)

PREPARED FOR Lynda001  
ON 2023/02/13 AT 14:09:02

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
		REMARKS: YR3045080.				
YR3336913	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3045080				
YR3336914	2021/11/04	POSTPONEMENT		WAXMAN, JASON	EMPIRICAL CAPITAL CORP. VAULT CAPITAL INC.	C
		REMARKS: YR3227109 TO YR3336913				
YR3336935	2021/11/04	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392549	2022/03/09	NOTICE	\$2	RICHMOND HILL RE-DEV CORPORATION	WAXMAN, JASON	C
		REMARKS: YR3227109				
YR3392552	2022/03/09	TRANSFER OF CHARGE		WAXMAN, JASON	WAXMAN, JASON GRATTON, CHRISTOPHER ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION ZOLADEK, MORRIS DSD MANAGEMENT INC. KMF ENTERPRISES INC. DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION	C
		REMARKS: YR3227109.				



**THIS IS EXHIBIT "C" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



**COMMITMENT LETTER**

November 13, 2019

Richmond Hill Re-Dev Corporation  
c/o CFO Capital  
80 Tiverton Court, Suite 401  
Markham, Ontario L3R 0G4

**Attention: Richard Tavares**

Dear Richard,

**Re: First (1st) Mortgage Financing (the “Loan”) on 115 & 119 Church Street & 64 & 72 Major Mackenzie Drive, Richmond Hill, Ontario (the “Property”)**  
**Our Ref: 19-49**

---

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 **October 21<sup>st</sup>, 2019**, and accepted **October 25<sup>th</sup>, 2019** (“**Proposal**”) and subject to the undernoted amendments and conditions:

**Loan Proposal Revisions**

a) **Sources and Uses of Funds:**

<b>Use of Funds</b>	<b>Total</b>
Repay Existing 1 <sup>st</sup> Mortgage	\$4,000,000
Interest Reserve	508,750
Soft Cost Reserve*	764,250
Lender Fee	137,500
Broker Fee	82,500
Legals (est.)	25,000
Due Diligence Costs (est.)	12,000
<b>Total Costs</b>	<b><u>\$5,530,000</u></b>
<b>Source of Funds:</b>	
ECC Loan	\$5,500,000
Borrower Earnest Fee	30,000
	<b><u>\$5,530,000</u></b>

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

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b) The Loan shall be repaid out of the sale or refinancing of the Property.

**\*To be placed into a dedicated Project bank account and used exclusively for site specific costs by the Borrower, including without limitation the Borrower’s legal fees in connection with this loan. Any site-specific soft cost expenses borne by the Borrower between the date of the signing of the Loan Proposal and the funding date may be reimbursed to the Borrower from the Soft Cost Reserve as part of the loan advance.**

2. **TERM & MATURITY:**

**12 Months** from the **Interest Adjustment Date (“IAD”)**, being the **2<sup>nd</sup>** day of the month following the **Advance Date with the option to renew at the Lender’s discretion for an additional 6 months for a renewal fee of 1%.**

The Loan shall mature **February 2<sup>nd</sup>, 2021.**

3. **LOAN FEES AND DISBURSEMENTS:**

The Lender’s Fee shall total **2.5%** or **\$137,500** payable as follows:

- a) **\$ 30,000 (“Earnest Fee”)** payable upon acceptance of this Loan 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 (PAID).
- b) A further **\$107,500 (“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.
- c) In addition to the above-mentioned fees, the Borrower confirms that **\$82,500** shall be deducted from the Initial Advance and paid to *CFO Capital*, 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.
- d) The Borrower is directed to “**Schedule A**” in the Loan Proposal, which lists typical incidental fees that the Lender may charge from time to time during the term of the herein loan.
- e) 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: *Robert Miller of Chaitons LLP*, for all legal services pertaining to registration of the Security. Legal fees are estimated to be **\$25,000** not including disbursements and HST.

4. **ADVANCES:**

The Loan shall be funded as follows:

- a) The Initial Advance will be **\$5,500,000** and paid out on **December 10, 2019** (the “Advance Date”) (subject to change) as follows:
  - (i) **\$107,500** towards the Commitment Fee;
  - (ii) The Borrower shall direct that the sum of **\$508,750** 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 12 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.
  - (iii) **\$82,500** towards the Broker Fee;
  - (iv) **\$25,000** towards estimated Legal fees; and
  - (v) **\$12,000** towards Lender’s estimated due diligence costs.

The balance of **\$4,764,250** will be deposited with the Lender’s solicitor and will be used repayment of the existing first mortgage and funding the soft cost reserve.

**END OF LOAN PROPOSAL REVISIONS**

**Funding Date**

**And Loan Amount:** \$5,500,000 on December 10, 2019

**Commitment Expiry:** **December 10<sup>th</sup>, 2019.** 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 2<sup>nd</sup> 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.

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

**Robert Miller**  
Chaitons LLP  
5000 Yonge Street, 10<sup>th</sup> Floor  
Toronto, Ontario M2N 7E9

Telephone: (416) 222-8888

All legal costs & fees incurred, in connection with this mortgage shall be paid by Borrower. 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.

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**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 respect of which, the Lender is in receipt of the 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.

**Closing:** The actual date upon which the full advance or initial advance, as the case may be, of the loan occurs is herein called the "Initial Advance Date", the "Closing Date", "Closing" or other similar reference. As required by the context, "Closing" also means the successful completion of the Loan and the full or initial advance thereunder as the case may be.

The Closing shall occur on **December 10, 2019** unless, prior thereto, the Borrower and the Lender agree in writing (which may be evidenced by one or ore emails from or between the Borrower and/or Lender and/or



their respective solicitors) that the Closing shall occur on some other date; and the date set out in this paragraph or such other date, as the case may be, is herein called the “**Scheduled Closing Date**”.

Each Borrower Entity acknowledges that the Loan will be syndicated by the Lender to one or more investors, who will provide the Lender prior to the Scheduled Closing Date their respective shares of advances to be made under the Loan with the expectation that the Closing shall occur on the Scheduled closing Date and that interest shall accrue from and after the Scheduled Closing Date on the funds intended to be advanced on that date notwithstanding that, in order to comply with all of the terms and conditions of the Commitment, the actual Closing may not occur until after the Scheduled Closing Date.

**Acceptance Date:** This commitment is open for acceptance until **November 18<sup>th</sup>, 2019**.

Regards,  
**EMPIRICAL CAPITAL CORP.**



David Strahl, Vice President  
Principal Broker #M17000304

**ACCEPTANCE OF COMMITMENT LETTER**

ACCEPTED on the terms and conditions herein provided this 13th day of November, 2019.

**BORROWERS:**

Richmond Hill Re-Dev Corporation

PER: Harshal Dave  
Name: Harshal Dave  
Title: President & CEO  
I have authority to bind the company.

**GUARANTORS:**

PER: Harshal Dave  
Harshal Dave  
Harshal Dave

Witness:

PER: Qing Li  
Qing Li

Witness:

PER: Fernand Vartanian  
Fernand Vartanian

Witness:

PER: Rong Zhao  
Rong Zhao

Witness:

Richmond Hill Re-Dev Corporation

Commitment Letter -115 & 119 Church Street & 64 & 72 Major Mackenzie Drive, Richmond H

November 13, 2019 - Loan #19-49

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Watford Richmond Hill Holdings Inc.

PER: Harshal Dave

Name: Harshal Dave

Title: President & CEO

I have authority to bind the company.

Golden Maple Richmond Hill Ltd.

PER: Qing Li

Name: ~~Harshal Dave~~ Qing Li

Title: president

I have authority to bind the company.

AMENDMENT OF COMMITMENT LETTER AND LOAN PROPOSAL

THIS AGREEMENT made as of the 10 day of December, 2019.

AMONG:

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

- and -

**RICHMOND HILL RE-DEV CORPORATION**  
(the "Borrower")

- and -

**WATFORD RICHMOND HILL HOLDINGS INC., GOLDEN MAPLE RICHMOND HILL LTD.,  
HARSHAL DAVE, QING LI, FERNAND VARTANIAN and RONG ZHAO**  
(collectively, the "Covenantors")

WHEREAS:

- A. The Lender, the Borrower and the Covenantors entered into a loan proposal dated as of October 21, 2019 (the "Loan Proposal") and a commitment letter dated as of November 13, 2019 (the "Commitment Letter"); and
- B. The Lender, the Borrower and the Covenantors have each agreed to further amend the Loan Proposal and the Commitment Letter in accordance with and subject to the terms and conditions hereof (this "Amending Agreement").

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

- 1. Section 2 of the Commitment Letter is hereby amended by deleting reference to a term of "12 months" and inserting in its place reference to a term of "13 months".
- 2. Section 11 of the Loan Proposal is hereby amended by deleting the following sentence,

"Commencing on the second day of the 13<sup>th</sup> month and every month thereafter unless the Loan is repair or renewed on mutually agreeable terms: Floating at the greater of 14% per annum, or the RBC Posted Bank Prime Rate of Interest from time to time plus 10.05% Per Annum (the "Delta Rate")."

and inserting in its place:

"The final month of the term of the Loan, or the renewal of the term of the Loan, if renewed pursuant to the renewal provision contained herein, shall bear interest at the rate that is the greater of (a) 14% per annum and (b) the RBC Posted Bank Prime Rate from time to time, plus 10.05% per

annum (the “**Delta Rate**”), calculated, compounded and payable in the same manner as prior to entering into such final month aforesaid.”

3. The parties hereto confirm that in all other respects, the terms, covenants and conditions of the Commitment Letter remain unchanged and in full force and effect, except as modified by this Amending Agreement, and time shall remain of the essence.
4. This Amending Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
5. The parties acknowledge that this Amending Agreement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

*[remainder of the page intentionally left blank]*

DATED as of the date first written above.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Name: David Strahl  
Title: Vice-President

I have authority to bind the Corporation.

**RICHMOND HILL RE-DEV CORPORATION**

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

**WATFORD RICHMOND HILL HOLDINGS INC.**

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

**GOLDEN MAPLE RICHMOND HILL LTD.**

Per: \_\_\_\_\_  
Name: Qing Li  
Title: President

I have authority to bind the Corporation.

Witness: \_\_\_\_\_ )  
Name: \_\_\_\_\_ ) Harshal Dave  
)  
)

Witness: \_\_\_\_\_ )  
Name: \_\_\_\_\_ ) Qing Li  
)  
)

DATED as of the date first written above.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the Corporation.

**RICHMOND HILL RE-DEV CORPORATION**

Per: Harshal Dave  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

**WATFORD RICHMOND HILL HOLDINGS INC.**

Per: Harshal Dave  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

**GOLDEN MAPLE RICHMOND HILL LTD.**

Per: \_\_\_\_\_  
Name: Qing Li  
Title: President

I have authority to bind the Corporation.

Witness: \_\_\_\_\_  
Name: Tom Poliszuk

)  
)  
) Harshal Dave  
) Harshal Dave  
)

Witness: \_\_\_\_\_  
Name: Tom Poliszuk

)  
)  
) \_\_\_\_\_  
) Qing Li  
)

DATED as of the date first written above.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the Corporation.

**RICHMOND HILL RE-DEV CORPORATION**

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

**WATFORD RICHMOND HILL HOLDINGS INC.**

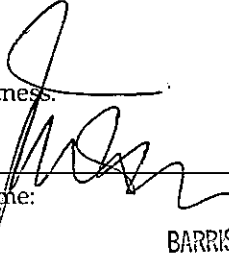
Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

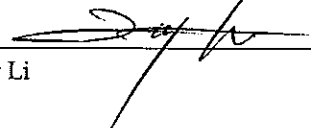
I have authority to bind the Corporation.

**GOLDEN MAPLE RICHMOND HILL LTD.**

Per:   
Name: Qing Li  
Title: President

I have authority to bind the Corporation.

Witness: \_\_\_\_\_ )  
Name: \_\_\_\_\_ )  
Witness:  )  
Name: HENRY K. HUI )  
BARRISTER, SOLICITOR & NOTARY PUBLIC )

\_\_\_\_\_ )  
Harshal Dave )  
\_\_\_\_\_ )  
 )  
Qing Li )



Witness:



Name:

Ivan Polisch

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Fernand Vartanian

Witness:

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Name:

Rong Zhao

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Witness: )

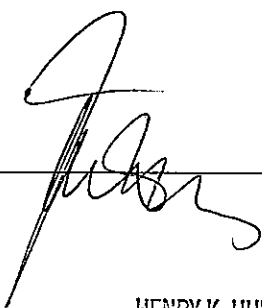
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Name: )

\_\_\_\_\_  
Fernand Vartanian

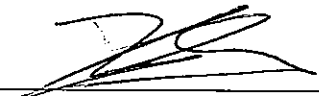
Witness: )

\_\_\_\_\_  
Name: )

\_\_\_\_\_  
Rong Zhao



HENRY K. HUI  
BARRISTER, SOLICITOR & NOTARY PUBLIC



**THIS IS EXHIBIT "D" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



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*A Commissioner etc.*

**Properties**

<i>PIN</i>	03172 - 0294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL			
<i>Address</i>	115 CHURCH STREET SOUTH RICHMOND HILL			
<i>PIN</i>	03172 - 0759	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 147, PL 1883; RICHMOND HILL			
<i>Address</i>	119 CHURCH STREET SOUTH RICHMOND HILL			
<i>PIN</i>	03172 - 0760	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 148, PL 1883; RICHMOND HILL			
<i>Address</i>	72 MAJOR MACKENZIE DRIVE EAST RICHMOND HILL			
<i>PIN</i>	03172 - 0761	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 149, PL 1883;; TOWN OF RICHMOND HILL			
<i>Address</i>	64 MAJOR MACKENZIE DRIVE EAST RICHMOND HILL			

**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* RICHMOND HILL RE-DEV CORPORATION  
*Address for Service* 62 Hepburn Street  
 Markham, Ontario L3S 3Z9

I, Harshal Dave, 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* 4950 Yonge Street, Suite 1706  
 Toronto, Ontario M2N 6K1

**Provisions**

<i>Principal</i>	\$5,500,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	Monthly, Not in Advance		
<i>Balance Due Date</i>	2021/02/02		
<i>Interest Rate</i>	See Schedule		
<i>Payments</i>			
<i>Interest Adjustment Date</i>	2020 01 02		
<i>Payment Date</i>	2nd day of each month		
<i>First Payment Date</i>	2020 02 02		
<i>Last Payment Date</i>	2021 02 02		
<i>Standard Charge Terms</i>	200033		
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>	Watford Richmond Hill Holdings Inc., Golden Maple Richmond Hill Ltd., Harshal Dave, Qing Li, Fernand Vartanian and Rong Zhao		

**Additional Provisions**

See Schedules

**Signed By**

Alexandra Mary Ann Krancevic	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Chargor(s)	Signed	2019 12 11
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Tel 416-222-8888

Fax 416-218-1860

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

**Submitted By**

CHAITONS LLP  
5000 Yonge Street, 10th Floor  
Toronto  
M2N 7E9  
2019 12 11

Tel 416-222-8888  
Fax 416-218-1860

**Fees/Taxes/Payment**

Statutory Registration Fee \$65.05  
Total Paid \$65.05

**File Number**

Chargee Client File Number : 64755

## SCHEDULE - ADDITIONAL PROVISIONS

### 1. DEFINITIONS

In this Charge, unless the context requires otherwise:

- (a) “**Act**” means the *Condominium Act, 1998* (Ontario) as amended.
  - (b) “**Applicable Taxes**” means any goods and services tax levied under Part IV of the *Excise Tax Act* (Canada), the provincial portion of harmonized sales tax, value-added tax or any similar tax applicable thereon.
  - (c) “**Business Day**” means any day, other than a Saturday or Sunday, on which Canadian chartered banks are open for domestic and foreign exchange business in the Province of Ontario.
  - (d) “**Charge**” means this charge/mortgage of land (including the attached electronic form of charge/mortgage, this schedule and all other schedules to this charge) as it may be amended, restated or replaced from time to time.
  - (e) “**Chargee**” means Empirical Capital Corp.
  - (f) “**Chargor**” means the Person or Persons indicated in the applicable Computer Field.
  - (g) “**Commitment**” means collectively, the loan proposal and the letter of commitment, each issued by the Chargee to the Chargor in connection with the borrowing contemplated hereby, as may be subsequently amended from time to time.
  - (h) “**Computer Field**” means a computer data entry field in the attached electronic form of charge/mortgage registered pursuant to Part 111 of the *Land Registration Reform Act* (Ontario) in which the terms and conditions of this Charge may be inserted.
  - (i) “**Condominium Corporation**” means, if applicable, the proposed condominium corporation which may be created on any portion of the Real Property upon registration of a declaration and description by the Chargor.
  - (j) “**Costs**” means the Schedule of costs attached as Schedule “A” to the Commitment and includes all fees, costs, charges and expenses of the Chargee of and incidental to, including without limitation:
    - (i) the collection of any amounts payable hereunder, enforcement of any covenants contained herein, and the realization of the security herein contained;
    - (ii) procuring or attempting to procure payment of any portion of the outstanding principal sum secured hereunder or any other amounts due and payable hereunder, including foreclosure, power of sale or execution proceedings commenced by the Chargee or any other party;
    - (iii) the Chargee having to go into possession of the Real Property and secure, complete and equip any buildings or improvements situate thereon in any way in connection therewith;
    - (iv) the exercise of any of the powers of a Receiver contained herein; and
    - (v) all solicitor’s costs, charges and expenses relating to any of the foregoing and any necessary examination of title to the Real Property.
- For greater certainty, Costs shall:
- (i) extend to and include legal costs incurred by the Chargee on a substantial indemnity basis;
  - (ii) be payable forthwith by the Chargor;
  - (iii) bear interest at the Interest Rate; and
  - (iv) be a charge on the Real Property.
- (k) “**Covenantor**” means the Person or Persons indicated in the applicable Computer Field.
  - (l) “**Governmental Authority**” means, when used with respect to any Person, any government, parliament, legislature, regulatory authority, agency, commission, tribunal, department, commission, board, administrative agency, court, arbitration board or arbitrator or other law, regulation or rule making entity having or purporting to have jurisdiction on behalf of, or pursuant to the laws of Canada or any province, municipality or district located therein.

- (m) **"Hazardous Substance"** means any hazardous waste or substance, pollutant, contaminant, waste or other substance, whether solid, liquid or gaseous in form, which when released into the natural environment may immediately or in the future directly or indirectly cause material harm or degradation to the natural environment or to the health or welfare of any living thing and includes, without limiting the generality of the foregoing:
  - (i) any such substance as defined or designated under any applicable laws and regulations for the protection of the environment or any living thing;
  - (ii) asbestos, urea formaldehyde, poly-chlorinated biphenyl ("**PCB's**") and materials manufactured with or containing the same; and
  - (iii) radioactive and toxic substances.
- (n) **"Interest Adjustment Date"** means the date indicated in the applicable Computer Field.
- (o) **"Interest Rate"** means the interest rate set out in the Commitment.
- (p) **"Loan"** means the loan extended by the Chargee to the Chargor pursuant to the terms of the Commitment.
- (q) **"Maturity Date"** means the date indicated in the applicable Computer Field.
- (r) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, and the executors, administrators or other legal representatives of an individual in such capacity.
- (s) **"Project"** means the proposed project intended to be developed by the Chargor on the Real Property, which may consist of the Units together with any ancillary amenities thereto.
- (t) **"Real Property"** means the real property described in the attached electronic form of charge/mortgage, together with all of the present and future interest of the Chargor in the Real Property including, all rights, benefits, agreements, rights-of-way, easements, privileges and right to use or occupy now or hereafter to such real property; and, all fixtures, improvements, buildings and other structures placed, installed or erected from time to time on any such real property (including all such property now or in the future owned, leased, licensed, possessed or acquired by the Chargor, or in which the Chargor now or in the future has any interest or to which the Chargor is now or may in the future become entitled).
- (u) **"Requirements of Environmental Law"** means all requirements of the common law or the statutes, regulations, by-laws, ordinances, treaties, judgments and decrees and (whether or not they have the force of law) rules, policies, guidelines, orders, approvals, notices, permits, directives and the like, of any Governmental Authority relating to environmental, health, fire or safety matters, or any of them and the Real Property and the activities carried out therein (whether in the past, present or the future), including, but not limited to, all such requirements relating to Hazardous Substances.
- (v) **"Taxes"** means all taxes, rates and assessments of whatever nature or kind and to whomever imposed, levied, collected, withheld or assessed as of the date of this Charge or at any time in the future charged or payable with respect to the Real Property by any Governmental Authority having jurisdiction, including local improvement rates and any and all interest, fines and penalties in connection therewith.
- (w) **"Term"** means the term of this Charge, to expire on the Maturity Date.
- (x) **"Unit"** means any portion of the Real Property, consisting of an individual condominium unit created in accordance with the provisions of the Act, and "**Units**" means more than one (1) Unit.

## 2. NON-MERGER

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

deemed a default under this Charge. In the event of an inconsistency or conflict between any of the terms of this Charge and the terms of the Commitment, the Commitment shall prevail.

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

- (a) Whereas pursuant to the terms of the Commitment, the Chargee has agreed to extend a loan facility to the Chargor and the Chargor hereby charges the Real Property in favour of the Chargee with the indebtedness owing from time to time pursuant to the Loan up to the principal amount set out in the Commitment, together with interest thereon at the Interest Rate, Costs and other amounts thereon as provided for herein.
- (b) Provided this Charge to be void upon payment to the Chargee of the aggregate of the unpaid balance advanced to the Chargor by the Chargee by the Initial Advance in lawful money of Canada with interest thereon at the Interest Rate, and, which interest shall be calculated and compounded monthly not in advance as hereinafter set forth, as well after as before maturity and both before and after default and judgment.
- (c) Interest calculated daily and compounded monthly, not in advance, at the Interest Rate on the amount advanced from time to time shall become due and payable monthly on the second (2<sup>nd</sup>) day of each and every month from and including the second (2<sup>nd</sup>) day of the month immediately following the Interest Adjustment Date to and including the second (2<sup>nd</sup>) day of the month in which the Maturity Date takes place. The aggregate sum advanced to the Chargor by the Chargee by the Initial Advance, together with interest thereon at the Interest Rate shall become due and payable on the Maturity Date. The first payment of interest to be computed from the Interest Adjustment Date shall be due and payable on the second (2<sup>nd</sup>) day of the month immediately following such date.
- (d) Costs and Taxes and performance of statute labour, and observance and performance of all covenants, provisos and conditions herein contained.

4. **COMPOUND INTEREST**

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

5. **CAPITALIZED INTEREST**

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

6. **PREPAYMENT**

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

7. **PRE-AUTHORIZED DEBIT**

- (a) If so requested by the Chargee from time to time, all or a portion of the payments to be made by the Chargor to the Chargee hereunder shall be made by way of automatic monthly debit withdrawals by the Chargee from a designated bank account of the Chargor, as the Chargor may notify the Chargee in writing. In this regard, the Chargor hereby authorizes and directs the Chargee to automatically debit any bank account designated by the Chargor for amounts payable hereunder. The Chargor hereby further agrees to do, make and execute, or cause to be done, made and executed, all such documents, acts, matters and things as may be reasonably required by the



Chargee to give effect to the foregoing, including, without limitation, executing the Chargee's Pre-Authorized Debit Form.

- (b) Alternatively (or in addition), if so requested by the Chargee, the Chargor shall deliver to the Chargee a series of post-dated cheques from time to time at any time during the Term following the delivery to the Chargor by the Chargee of the final advance to be made under the Loan, representing all or a portion of monthly payments on account of interest due and owing on account thereof throughout the then-remaining Term.

8. **PAYMENTS AFTER 3:00 P.M.**

Any payment received by the Chargee after 3:00 P.M. (local time) on any Business Day, shall be deemed for the purpose of calculation of interest, to have been made and received on the immediately following Business Day. For greater certainty, if funds are received (or deemed received) on a Friday after 3:00 P.M. (local time), interest shall be calculated to the following Business Day.

9. **SALE OR CHANGE OF CONTROL**

- (a) In the event that the Chargor directly or indirectly sells, conveys, transfers, assigns or exercises a power of appointment with respect to the Real Property or any portion thereof to a purchaser, transferee or assignee, other than a sale or transfer of individual Units to a purchaser thereof as contemplated by Section 15 hereof, or in the event of a change of shareholders of the Chargor which results in a change of control of the Chargor, or in the event of a change in the legal or beneficial ownership of the Real Property or any portion thereof, other than a sale or transfer of individual Units to a purchaser thereof as contemplated by Section 15 hereof, the Chargee may, at the Chargee's sole option, declare all of the sums secured by this Charge to be immediately due and payable and invoke any remedies permitted by this Charge or law, unless the written consent of the Chargee is first obtained, which consent may be arbitrarily or unreasonably withheld. The right of the Chargee pursuant to this provision shall not be affected or limited in any way by the acceptance of payments due under this Charge from the Chargor or any Person claiming through or under the Chargor and the rights of the Chargee hereunder shall continue without diminution for any reason whatsoever until such time as the Chargee has consented in writing as required by this provision.
- (b) No sale or other dealings by the Chargor with the equity of redemption in the Real Property or any part thereof shall in any way change the liability of the Chargor for the observance, fulfilment and maintenance of all covenants, terms and provisions herein or in any way alter the rights of the Chargee as against the Chargor or any other Person liable for payment of the moneys hereby secured. No dealing between the Chargee and the Chargor or the owner of the equity of redemption, including extending or renewing this Charge, shall in any way affect, change or prejudice the liability of the Chargor for the observance, fulfilment and maintaining of all covenants, terms, provisos, conditions, agreements and stipulations in this Charge or any amendment or extension thereof or in any way alter the rights of the Chargee as against the Chargor or any other Person liable for payment of the moneys hereby secured, and the Chargor expressly waives all notice of such dealings between the Chargee with the owner of the equity of redemption, including extending or renewing this Charge.

10. **MATERIAL ADVERSE CHANGES**

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

11. **RESTRICTIONS ON FURTHER FINANCING**

The Chargor covenants and agrees that it will not enter into, create, incur, assume, suffer or permit to exist any other charge, pledge or other form of financing against the Real Property and/or in respect of any chattels or other equipment directly related to the Real Property, and not to further encumber same in any

manner without the prior written consent of the Chargee, which approval may be unreasonably withheld by the Chargee.

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

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

13. **NON-APPORTIONMENT**

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

14. **DEVELOPMENT PROVISIONS**

- (a) The Chargor, its agents, employees, and parties authorized by it may not conduct development and construction operations on the Real Property, including, without limitation, demolition and removal of existing structures, survey work, grading and excavation operations, installation of services, construction of a sales pavilion and all other acts incidental to the development of the Project without the prior written consent of the Chargee, in its sole and unfettered discretion. Provided that in the event that the Chargee has approved of any such construction operations on the Real Property and the Chargor is not in default hereunder, the Commitment, and/or any other Additional Security, the Chargee shall, on written request from the Chargor, execute and deliver within five (5) Business Days of written request therefore, without the requirement of payment of any principal or interest under this Charge, all plans, agreements, consents, postponements, releases and other documents so that the Chargor may develop the Real Property, including, without limitation the following:
- (i) engineering, financial, condominium, subdivision, servicing, site plan, development, cost-sharing and reciprocal agreements required by the Governmental Authorities;
  - (ii) consents or authorizations required to have the Real Property or any part thereof rezoned or divided or to comply with the provisions of the *Planning Act* (Ontario);
  - (iii) consents or postponements for any easements required to be granted for any public service or other purpose including the realignment of the existing pedestrian and vehicular easement with the adjoining land owner;
  - (iv) consents or partial discharges for or relating to parts of the Real Property required by the Governmental Authorities for the purpose of granting or dedicating roads, road widenings, walkways, reserves, parklands, recreation sites, school sites, drainage areas, buffer strips or other public purposes, provided such conveyances do not negatively impact on continued access to the Real Property; and
  - (v) consents for the registration of the Condominium relating to the Real Property.
- (b) Provided, however, that the Chargee shall not be required to undertake or assume any financial or other obligation as a result thereof and provided further, that with respect to partial discharges or consents required for any of the purposes referred to herein, an amount shall be paid for a partial discharge for such portion of the Real Property equal to the amount if any, received by the Chargor from any third party for the transfer or dedication of any such lands as set out in Section 15 herein.
- (c) The Chargor hereby covenants and agrees that it will:
- (i) indemnify the Chargee and save it harmless from any losses, claims, actions or damages arising as a result of its agreement to execute any of the documentation referred to above; and
  - (ii) bear the Costs of the Chargee's solicitors and consultants in connection with the review of such documentation.

15. **PARTIAL DISCHARGE PROVISIONS**

- (a) The following provisions shall apply in respect of each and every partial discharge of this Charge from any part of the Real Property as may be requested by the Chargor and/or given by the Chargee pursuant to the terms of this Charge:
- (i) notwithstanding anything otherwise contained herein, the Chargor shall not be entitled to request or receive any partial discharge when there is any outstanding material default by the Chargor hereunder;
  - (ii) in addition to all amounts on account of principal required to be paid by the Chargor to the Chargee in respect of any part of the Real Property to be partially discharged, the Chargor shall also pay to the Chargee:
    - a. accrued and unpaid interest on such principal amounts to the date of partial discharge;
    - b. the reasonable legal and other costs incurred by the Chargee in connection with each such partial discharge; and
    - c. any and all other charges due and owing by the Chargor pursuant to the provisions of this Charge;
  - (iii) the Chargor shall not be entitled to request and the Chargee shall not be obliged to give any partial discharge if doing so and registration of the same would result in any of the following:
    - a. a violation of the *Planning Act* (Ontario);
    - b. any undischarged parts of the Real Property becoming landlocked;
    - c. the occupancy and use of any undischarged parts of the Real Property in the same manner as prior to such partial discharge to be in non-compliance with any laws, by-laws or regulations of any Governmental Authority having jurisdiction;
  - (iv) the Chargee hereby agrees to deliver to the Chargor, upon prior written request, execution copies of all instruments and other documents reasonably required to be executed by the Chargee in connection with any partial discharge(s) of this Charge (collectively, the "**Discharge Documents**") contemplated to be registered at any time during the Term, in respect of any portion of the Real Property designated or intended for use as a Unit, provided that any such Discharge Documents so delivered to the Chargor by the Chargee pursuant to this subsection (d) shall be held in escrow by the Chargor's solicitors (provided that the Chargor's solicitors are acceptable to the Chargee) pending (i) the successful sale of any such Unit to a third party purchaser for value and delivery of the applicable Net Closing Proceeds (as hereinafter defined) to the Chargee (or as it may otherwise direct) together with payment of the Chargee's reasonable administrative and legal costs incurred with respect to preparation and delivery of such partial discharge(s), and (ii) written notice from the Chargee or its solicitors that any such Discharge Documents may be so released. Any other request for partial discharge shall be made by the Chargor upon not less than five (5) Business Days' prior written notice to the Chargee accompanied by execution copies of all Discharge Documents required to be executed by the Chargee in connection therewith; and
  - (v) all monies payable to the Chargee in respect of each partial discharge shall be paid by certified cheque, in lawful money of Canada.
- (b) When and if pursuant to exercise of the partial discharge provisions set forth in this Charge, the Chargor has paid to the Chargee all amounts secured by this Charge, then the Chargee acknowledges and agrees that, notwithstanding anything otherwise contained herein, the Chargor shall be entitled to request and obtain from the Chargee one or more partial discharges of this Charge from all parts of the Real Property then remaining undischarged without further payment on account of principal, but subject always to the provisions set forth in this Section 15.

- (c) Notwithstanding the foregoing, but subject always to the provisions set forth in this Section 15(a)-(e), the Chargor shall be entitled to request and obtain from the Chargee a partial discharge of any portion of the Real Property designated or intended for use as a Unit upon payment to the Chargee for each such Unit an amount on account of principal which is equal to one hundred (100%) percent of the Net Closing Proceeds from the sale of each such Unit. For the purposes herein, "**Net Closing Proceeds**" shall mean the sale price of such Unit (which sale price shall be approved by the Chargee) less, the aggregate of:
- (i) approved legal costs in respect of such sale;
  - (ii) approved sales commission in respect of such sale; and
  - (iii) any Applicable Taxes payable in respect of the sale of such Unit.

16. **CONDOMINIUM PROVISIONS**

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

Condominium Corporation, or any insurer thereof cancels or threatens cancellation of any existing obligation to insure the same;

- (viii) the Chargee is hereby irrevocably authorized and empowered to exercise all rights of the Chargor (in its capacity as an owner of any particular Unit forming a part of the condominium development (the "**Condominium**")) to vote or to consent in all matters relating to the affairs of the Condominium Corporation (collectively, the "**Rights**") provided that:
- a. the Chargee may at any time or from time to time give notice in writing to the undersigned and the Condominium Corporation that the Chargee does not intend to exercise the Rights until such time as the Chargee revokes same and the undersigned may exercise its respective Rights. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter; and
  - b. the Chargee shall not by virtue of the assignment to the Chargee of the Rights be under any obligation to vote or consent or to protect the interest of the undersigned;
  - c. the foregoing assignment is made pursuant to the (i) *Land Registration Reform Act*, R.S.O. 1990, Chapter L.4 and (ii) Act.

17. **ENVIRONMENTAL PROVISIONS**

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

with interest at the Interest Rate, shall be payable by the Chargor forthwith and shall be a charge upon the Real Property. The exercise of any of the powers enumerated in this clause shall not deem the Chargee or its respective agents to be in possession, management or control of the Real Property.

- (c) In consideration of the advance of funds by the Chargee, the Chargor and the Covenantor by way of separate guarantee, hereby agree that, in addition to any liability imposed on the Chargor and the Covenantor under any instrument evidencing or securing the Loan indebtedness, the Chargor and the Covenantor shall be jointly and severally liable for any and all of the costs, expenses, damages or liabilities of the Chargee, its directors and officers (including, without limitation, all reasonable legal fees) directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Real Property of any Hazardous Substances and such liability shall survive foreclosure of the security for the Loan and any other existing obligations of the Chargor and Covenantor to the Chargee in respect of the Loan and any other exercise by the Chargee of any remedies available to it for any default under the Charge.
- (d) The Chargor covenants that it will:
- (i) remedy forthwith, at its own expense, any environment damage that may occur or be discovered on the Real Property in the future;
  - (ii) comply with and monitor, on a regular basis, its compliance and the compliance of any tenant, subtenant, assignee or other occupant of the Real Property with all Requirements of Environmental Law;
  - (iii) notify the Chargee promptly of any event or occurrence that has given, or is likely to give, rise to a report, order, inquiry or investigation relating to a matter that may have an adverse effect on the financial position of the Chargor or the Real Property or any action, suit or proceeding against the Chargor or others having an interest in the Real Property relating to, or a violation of, the Requirements of Environmental Law, including any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into, on or under the Real Property, air and surface and ground water, and will also notify the Chargee promptly of any such above-mentioned information of which the Chargor has or receives knowledge relating to lands adjacent to the Real Property;
  - (iv) not lease or content to any sublease or assignment of any part of the Real Property to a tenant, subtenant or assignee who may engage in, nor permit any tenant, subtenant, assignee or occupant of the Real Property to engage in a business involving the generation of Hazardous Substances or the storing, handling, processing, manufacturing or disposing of Hazardous Substances in, or, under or from the Real Property save and except in accordance with the Requirements of Environmental Law, and any lease, sublease or assignment of any part of the Real Property shall preserve as against any lessee, sublessee or assignee all of the rights of the Chargee herein;
  - (v) save and except for those Hazardous Substances which are present on, in or under the Real Property in accordance with the Requirements of Environmental Law and which have been disclosed to the Chargee in writing remove, in accordance with all Requirements of Environmental Law, any Hazardous Substances from the Real Property forthwith upon their discovery and advise the Chargee forthwith in writing of the procedures taken;
  - (vi) provide to the Chargee upon request such information, certificates or statutory declarations as to compliance with the provisions hereof and all Requirements of Environmental Law and conduct such environmental audits or site assessments as may be reasonably necessary to ensure compliance with the Requirements of Environmental Law, and to provide to the Chargee copies of any environmental, soils, safety or health reports or studies in respect of the Real Property that it receives or possesses from time to time; and
  - (vii) permit the Chargee to conduct such inspections and appraisals of all of any of its records, business and property relating to the Real Property at any time and from time to time to monitor compliance with the Requirements of Environmental Law.

- (e) The Chargor and Covenantor further covenant that they will be liable for and fully indemnify and save harmless the Chargee and its officers, directors, employees, agents and shareholders from and against any and all losses, damages, costs and expenses of any and every nature and kind whatsoever (including legal fees on a substantial indemnity basis and any environmental remediation costs included by the Chargee) which at any time or from time to time may be paid or incurred by or asserted against any of them as a direct or indirect result of:
- (i) a breach of any of the representations, warranties or covenants hereinbefore set out;
  - (ii) the presence of any Hazardous Substance in, on or under the Real Property; or
  - (iii) the discharge, emission, spill or disposal of any Hazardous Substance from the Real Property into or upon any property, the atmosphere, any watercourse, body of water or wetland;

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

- (i) the costs of defending, counterclaiming or claiming over against one or more third parties in respect of any action or matter; and
- (ii) any settlement of any action or proceeding entered into by the Chargee with the consent of the Chargor (which consent shall not be unreasonably withheld);

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

18. **TAXES**

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

19. **INSURANCE**

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

20. **ACKNOWLEDGEMENT ON ASSIGNMENT**

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

21. **INSPECTION OF REAL PROPERTY**

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

22. **EXPROPRIATION**

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

23. **LIENS**

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

24. **ADDITIONAL SECURITY**

- (a) A General Assignment of Rents, General Security Agreement and other collateral security documents contemplated by the Commitment (collectively, the “**Additional Security**”) are being given as further security to this Charge, which Additional Security is being granted by the Chargor to the Chargee and any default under the Additional Security shall constitute default under this Charge and any default under this Charge shall constitute default under the Additional Security and at the option of the Chargee require the entire principal secured under this Charge, together with all accrued and unpaid interest to become due and payable. Payment under the Additional Security shall constitute payment under this Charge and payment on account of this Charge shall constitute payment under the Additional Security.
- (b) It is agreed that the Chargee’s rights hereunder shall in no way merge or be affected by any proceedings the Chargee may take under the Additional Security and the Chargee shall not be required to take proceedings under such Additional Security or any part thereof before proceeding under this Charge, and conversely, no proceedings under this Charge shall in any way affect the rights of the Chargee under such Additional Security and the Chargee shall not be required to take proceedings under this Charge before proceeding under the Additional Security or any part thereof.



- (c) Upon request from the Chargee, the Chargor agrees forthwith upon delivery from time to time of any chattels in which it has an ownership interest (including replacements thereof) relating to the Real Property, it shall promptly notify the Chargee, and its solicitors, of such delivery and shall forthwith supply the Chargee with all serial numbers and a description which shall include make and model. The Chargor agrees to provide written evidence of proof of purchase of the chattels, free of encumbrances, and of insurance of same, both in the form and content satisfactory to the Chargee.

25. **UNDERTAKINGS**

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

26. **SALE ON TERMS**

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

27. **COSTS**

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

28. **MORTGAGE STATEMENT**

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

29. **EVENTS OF DEFAULT**

- (a) At the option of the Chargee, it shall constitute default hereunder if the Chargor or any Covenantor shall become insolvent or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation or any transaction or series of transactions which results in a change in control of the Chargor (subject to Section 9), reorganization (subject to Section 9), or any liquidation, winding-up, dissolution or receivership or without the Chargee's consent, seeks continuation under the laws of any other jurisdiction. In the event of a default by the Chargor under this Charge, the Chargor will, if required by the Chargee, establish a separate bank account for the Project.
- (b) Provided and without in any way limiting anything herein contained, in the event that:
- (a) the Chargor makes default in the payment of any principal or interest or any other monies required to be paid by the Chargor hereunder;
  - (b) the Chargor fails to observe or perform any other covenant or agreement herein contained and/or the Commitment;
  - (c) any representation or warranty made herein and/or in the Commitment by the Chargor is at any time while this Charge is outstanding not true;
  - (d) any construction lien is registered against any portion of the Real Property and is not removed within ten (10) Business Days;
  - (e) an order is made or a resolution is passed for the winding up of the Chargor, or if a petition is filed for the winding up of the Chargor;

- (f) the Chargor becomes insolvent or makes an unauthorized assignment or bulk sale of the Chargor's assets or if a bankruptcy petition is filed or presented against the Chargor;
- (g) any proceedings with respect to the Chargor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or other debtor relief legislation;
- (h) an execution, sequestration, extent or any other process of any court becomes enforceable against the Chargor or if a distress of analogous process is levied against the Real Property or any portion thereof, provided such execution, sequestration, extent, process of court, distress or analogous process is not in good faith being disputed by the Chargor;
- (i) the Chargor shall permit any sum which has been admitted as due by the Chargor or is not disputed to be due by the Chargor and which forms, or is capable of being made, a charge upon any portion of the Real Property in priority to or raking equally with the charge of this Charge to be or remain unpaid;
- (j) any charge or encumbrance created or issued by the Chargor having the nature of a fixed and/or floating charge shall become enforceable, whether ranking in priority to, or *pari passu* with this Charge; and/or
- (k) the Chargor ceases or threatens to cease to carry on its business or if the Chargor commits or threatens to commit any act of bankruptcy;

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

30. **REMEDIES ON DEFAULT**

- (a) Upon the occurrence and during the continuance of default the Chargee may, personally or by agent, at such time or times as the Chargee in its discretion may determine to exercise any one or more of the remedies in and by this Charge or conferred by law in case of default, including the following remedies:
  - (a) Possession. Entry into possession and use of the Real Property or any part or parts of it with power, among other things, to exclude the Chargor therefrom, to preserve and maintain the Real Property and to make such repairs, replacements, alterations and additions to the whole or any part of the Real Property that the Chargee may think advisable, to satisfy the whole or any part of any prior charge or any other prior claim or encumbrance then affecting the Real Property, to receive rents, income and profits of all kinds owing to the Chargor in respect of the Real Property and to pay from it all expenses of maintaining, preserving, protecting and operating the Real Property, including payments which may be due for insurance, Taxes, assessments, charges or liens prior to the charge of this Charge upon the Real Property and for the services of lawyers, agents and other Persons, and all costs, charges and expenses incurred in connection with the execution of the powers contained in this Charge; and to enjoy and exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including the power to advance its own money (with interest payable on it at the Interest Rate) and to enter into contracts and to undertake obligations for the foregoing purposes upon the security of this Charge;
  - (b) Court Receiver. Proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Real Property, and removal or replacement from time to time of any such receiver;
  - (c) Private Receiver. Appointment by instrument in writing of a receiver of all or any part of the Real Property, whether before or after entry into possession of the Real Property or any part of it, and removal or replacement from time to time of any such receiver;
  - (d) Distress. The Chargee may distress for arrears of payments in respect of the principal amount of this Charge, interest or any other amount payable under this Charge;
  - (e) Sale or Lease. Sale, lease or other disposition of all or any part of the Real Property whether before or after entry into possession of the Real Property or any part of it;
  - (f) Foreclosure. Proceedings in any court of competent jurisdiction for sale or foreclosure of all or any part of the Real Property, with or without entry into possession of it;

- (g) Action on Covenant. Taking any action or proceeding to enforce the performance of any covenant in favour of the Chargor contained in this Charge, whether before or after entry into possession of the Real Property or any part of it;
  - (h) Proof of Claim. Filing of proofs of claim and other documents to establish the claims of the Chargee in any proceeding relating to the Chargor; and
  - (i) Other. Any other remedy or proceeding authorized or permitted by this Charge or at law or in equity.
- (b) No right or remedy of the Chargee under this Charge or that the Chargee may have at law or in equity shall be exclusive or dependent on any other right or remedy, but any one or more of such rights and remedies may from time to time be exercised independently or in combination. The rights, remedies and powers conferred under this Charge are supplementary to and not in substitution for any of the powers that the Chargee may have or be entitled to at law, in equity or otherwise.

31. **RECEIVER**

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

- c. give any and all notices to be given by the Chargor under any leases and exercise any and all rights of the Chargor under them;
- d. do or cause to be done any and all acts and things under any lease and adjust and settle all matters relating to such performance; and
- e. institute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Real Property, defend all suits, proceedings and actions against the Chargor or the Receiver, appear in and conduct the prosecution and defence of any suit, proceeding or action then pending or thereafter instituted and appeal any suit, proceeding or action.

32. **APPLICATION OF PROCEEDS**

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

33. **ATTORNEY OF THE CHARGOR**

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

34. **LIMITATION OF OBLIGATIONS**

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

35. **CHARGEES COSTS**

- (a) The Chargee may (but shall not be obliged to) pay all costs, charges and expenses (including agents' charges and solicitors' fees and disbursements on a solicitor and his own client basis) incurred from time to time in taking, recovering and keeping possession of the Real Property or in performing work in respect of the buildings, erections, structures and improvements situate on it or in inspecting it and generally in any other proceedings taken to realize the money secured by this Charge or in protecting the security for such money, whether any action or other judicial proceeding to enforce such payment has been taken or not. Any and all amounts so paid shall be

added to the obligation and shall be payable forthwith by the Chargor to the Chargee with interest at the Interest Rate from the date of payment by the Chargee.

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

36. **ADDITIONAL REMEDIES**

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

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

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

38. **SEVERABILITY OF ANY INVALID PROVISIONS**

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

39. **INDEMNIFICATION OF CHARGE**

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

40. **HEADINGS**

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

41. **BREACH OF COVENANT**

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

42. **TIME OF ESSENCE**

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

43. **GOVERNING LAW**

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

44. **SUCCESSORS AND ASSIGNS**

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

45. **AGREEMENTS IN WRITING**

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

46. **CURRENCY REFERENCES**

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

47. **CONFLICT/AMBIGUITY**

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

49. **BLANKET CHARGE**

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



**Properties**

*PIN* 03172 - 0294 LT  
*Description* LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL  
*Address* 115 CHURCH STREET SOUTH  
RICHMOND HILL

*PIN* 03172 - 0759 LT  
*Description* LT 147, PL 1883; RICHMOND HILL  
*Address* 119 CHURCH STREET SOUTH  
RICHMOND HILL

*PIN* 03172 - 0760 LT  
*Description* LT 148, PL 1883; RICHMOND HILL  
*Address* 72 MAJOR MACKENZIE DRIVE EAST  
RICHMOND HILL

*PIN* 03172 - 0761 LT  
*Description* LT 149, PL 1883;; TOWN OF RICHMOND HILL  
*Address* 64 MAJOR MACKENZIE DRIVE EAST  
RICHMOND HILL

**Source Instruments**

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
YR3045080	2019 12 11	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

*Name* EMPIRICAL CAPITAL CORP.  
*Address for Service* 4950 Yonge Street, Suite 1706, Toronto,  
Ontario M2N 6K1  
I, Abraham Strahl, President, have the authority to bind the corporation.  
This document is not authorized under Power of Attorney by this party.

**Transferee(s)**

<i>Name</i>	<i>Capacity</i>	<i>Share</i>
EMPIRICAL CAPITAL CORP.		38.46%
4950 Yonge Street, Suite 1706, Toronto, Ontario M2N 6K1		
VAULT CAPITAL INC.		61.54%
41 Scarsdale, Unit 5, Toronto, Ontario M3B 3R2		

**Statements**

The chargee transfers the selected charge for \$2.00  
This document relates to registration number(s)YR3045080 and YR3045081.

**Signed By**

Alexandra Mary Ann Krancevic	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Transferor(s)	Signed	2021 11 04
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Tel 416-222-8888  
Fax 416-218-1860

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

Alexandra Mary Ann Krancevic	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Transferee(s)	Signed	2021 11 04
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Tel 416-222-8888  
Fax 416-218-1860

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



**Submitted By**

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9	2021 11 04
Tel	416-222-8888	
Fax	416-218-1860	

**Fees/Taxes/Payment**

<i>Statutory Registration Fee</i>	\$66.30
<i>Total Paid</i>	\$66.30



**Properties**

*PIN* 03172 - 0294 LT  
*Description* LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL  
*Address* 115 CHURCH STREET SOUTH  
 RICHMOND HILL

*PIN* 03172 - 0759 LT  
*Description* LT 147, PL 1883; RICHMOND HILL  
*Address* 119 CHURCH STREET SOUTH  
 RICHMOND HILL

*PIN* 03172 - 0761 LT  
*Description* LT 149, PL 1883;; TOWN OF RICHMOND HILL  
*Address* 64 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

*PIN* 03172 - 0760 LT  
*Description* LT 148, PL 1883; RICHMOND HILL  
*Address* 72 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

**Consideration**

*Consideration* \$2.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

*Name* RICHMOND HILL RE-DEV CORPORATION  
*Address for Service* 157 Main Street, Suite 202  
 Unionville, ON L3R 2G8

I, Harshal Dave, 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. 38.46%  
*Address for Service* 4950 Yonge Street, Suite 1706  
 Toronto, Ontario M2N 6K1

I, Abraham Strahl, President, have the authority to bind the corporation

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

*Name* VAULT CAPITAL INC. 61.54%  
*Address for Service* 41 Scarsdale, Unit 5  
 Toronto, Ontario M3B 3R2

I, Robert Trager, President, have the authority to bind the corporation

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

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, YR3045080 registered on 2019/12/11 to which this notice relates is deleted

Schedule: See Schedules

This document relates to registration number(s) YR3045080, YR3045081 and YR3336909.

**Signed By**

Alexandra Mary Ann Krancevic 5000 Yonge Street, 10th Floor acting for Signed 2021 11 04  
 Toronto Applicant(s)  
 M2N 7E9

Tel 416-222-8888

Fax 416-218-1860

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

**Submitted By**

CHAITONS LLP  
5000 Yonge Street, 10th Floor  
Toronto  
M2N 7E9  
2021 11 04

Tel 416-222-8888  
Fax 416-218-1860

**Fees/Taxes/Payment**

Statutory Registration Fee \$66.30  
Total Paid \$66.30

**File Number**

Party To Client File Number : 64755

AGREEMENT AMENDING CHARGE/MORTGAGE OF LAND

THIS AGREEMENT made as of the 2<sup>nd</sup> day of November, 2021.

AMONG:

EMPIRICAL CAPITAL CORP. and  
VAULT CAPITAL INC.  
(collectively, the "Chargee")

- and -

RICHMOND HILL RE-DEV CORPORATION  
(the "Chargor")

- and -

WATFORD RICHMOND HILL HOLDINGS INC. and HARSHAL DAVE  
(collectively, the "Covenantors")

WHEREAS:

- A. By a certain charge/mortgage of land (the "**Original Charge**") registered in the Land Registry Office for York Region (No. 65) on the 11<sup>th</sup> day of December, 2019, as Instrument No. YR3045080, the Chargor did charge in favour Empirical Capital Corp. ("**ECC**"), those lands legally described in PINs 03172-0294 (LT), 03172- 0759 (LT), 03172-0760 (LT), and 03172-0761 (LT) (collectively, the "**Real Property**") to secure payment of the principal sum stipulated therein, together with interest and costs thereon and upon the terms and conditions set out in the Charge;
- B. ECC transferred a portion of its interest in the Charge to Vault Capital Inc. ("**Vault**") pursuant to a transfer of charge/mortgage of land (the "**Transfer of Charge**") registered against title to the Real Property on the date hereof;
- C. For the purposes of this Agreement, (i) the Original Charge and the Transfer of Charge shall hereinafter be collectively referred to as the "**Charge**" and (ii) ECC and Vault shall hereinafter be collectively referred to as the "**Chargee**";
- D. The Chargor is the present registered owner of the Real Property; and
- E. The parties hereto have agreed to amend the Charge upon and subject to the terms and conditions hereinafter set forth.

NOW THEREFORE IN CONSIDERATION OF THE SUM OF TWO (\$2.00) DOLLARS and other good and valuable consideration now paid by each of the parties hereto to the other (the receipt and sufficiency whereof are hereby acknowledged by each of the parties hereto), the parties hereto hereby agree as follows:

1. The foregoing recitals are true and accurate both in substance and in fact.
2. In this Agreement, all capitalized terms shall have the same meanings ascribed thereto in the Original Charge, except and only to the extent as amended by or as required by the context of this Agreement. In this Agreement, "**Further Amended Charge**" means the Charge, as amended by this Agreement.
3. From and after the date of this Agreement, the Charge is hereby amended as follows:
  - (a) the "**Principal**" under the heading of "**Provisions**" set forth on Page 1 of the Charge is hereby amended by deleting reference to "\$5,500,000.00" and substituting in its place reference to "\$6,500,000.00";
  - (b) the "**Balance Due Date**" and "**Last Payment Date**" under the heading of "**Provisions**" set forth on Page 1 of the Charge are each hereby amended by deleting reference to "2021/02/02" and substituting in its place reference to "2022/12/02"; and

- (c) the “**Guarantor**” under the heading of “**Provisions**” set forth on Page 1 of the Charge is hereby amended by deleting reference to “Watford Richmond Hill Holdings Inc., Golden Maple Richmond Hill Ltd., Harshal Dave, Qing Li, Fernand Vartanian and Rong Zhao” and substituting in its place reference to “Watford Richmond Hill Holdings Inc. and Harshal Dave”.
4. This Agreement shall be read and construed with the Charge and be treated as a part thereof, and for such purpose and so far as may be necessary to effectuate the true intent and meaning of this Agreement, the Charge is hereby amended. Except as specifically amended or varied hereby, this Agreement does not and shall not be construed as revoking, amending, limiting, restricting or otherwise varying any other terms or provisions of the Charge, which, except as specifically amended or varied hereby, shall remain in full force and effect; and, for greater clarity, in no event shall this Agreement be construed so as to in any way restrict or limit the rights given to the Chargee to enforce payment under the Further Amended Charge and/or realize upon the property charged thereby.
  5. Nothing herein contained shall in any way affect or prejudice the rights of the Chargee as against the Chargor, its successors and assigns, or as against any party to the Charge or as against any surety, guarantor, covenantor or other indemnifier of the Charge or any part thereof or as against any collateral which the Chargee may now or hereafter hold in respect of the whole or any part of the monies secured by the Charge.
  6. The Covenantors hereby consent to the amendments to the Charge as contemplated herein in their capacities as covenantor under the loan secured by the Charge.
  7. The Chargor and/or the Covenantors, to the extent applicable, hereby covenant and agree that they will each execute such further assurances with respect to this Agreement, the Further Amended Charge and/or the Real Property as may be required to evidence the true intent and meaning of this Agreement.
  8. This Agreement shall be read and construed with all changes of gender and number of the party or parties referred to in each case as required by the context. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the parties hereto hereby attorn to the jurisdiction of the Province of Ontario. This Agreement, together with all schedules annexed hereto and forming a part hereof, shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective heirs, legal personal representatives, successors, and assigns.
  9. This Agreement may be signed in counterparts and transmitted by electronic transmission. Each counterpart shall be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

*[remainder of this page intentionally left blank]*

DATED as of the date first written above.

EMPIRICAL CAPITAL CORP.

Per: \_\_\_\_\_  
Name: Abraham Shahi  
Title: President

I have authority to bind the Corporation.

VAULT CAPITAL INC.

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I/We have authority to bind the Corporation.

RICHMOND HILL RE-DEV CORPORATION

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

WATFORD RICHMOND HILL HOLDINGS INC.

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Witness: \_\_\_\_\_  
Name: \_\_\_\_\_

)  
)  
) \_\_\_\_\_  
) Harshal Dave  
)  
)

DATED as of the date first written above.

EMPIRICAL CAPITAL CORP.

Per: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the Corporation.

VAULT CAPITAL INC.

Per: \_\_\_\_\_  
Name: *ROBERT TRAGER*  
Title: *PRESIDENT*

Per: \_\_\_\_\_  
Name:  
Title:

I/We have authority to bind the Corporation.

RICHMOND HILL RE-DEV CORPORATION

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

WATFORD RICHMOND HILL HOLDINGS INC.

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Witness: )  
 )  
 ) \_\_\_\_\_  
Name: ) Harshal Dave  
 )  
 )



DATED as of the date first written above.

EMPIRICAL CAPITAL CORP.

Per: \_\_\_\_\_  
Name:  
Title:

I have authority to bind the Corporation.


VAULT CAPITAL INC.

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:


I/We have authority to bind the Corporation.

RICHMOND HILL RE-DEV CORPORATION

Per:   
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

WATFORD RICHMOND HILL HOLDINGS INC.

Per:   
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Witness:   
Name: B. Polsw

)  
)  
)   
) Harshal Dave  
)  
)

**THIS IS EXHIBIT "E" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

## GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of December 10, 2019.

TO: **EMPIRICAL CAPITAL CORP.**

WHEREAS:

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

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

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

- (a) "**Accessions**", "**Account**", "**Chattel Paper**", "**Consumer Goods**", "**Document of Title**", "**Equipment**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**" and "**Proceeds**" have the meanings given to them in the PPSA;
- (b) "**Books and Records**" means all books, records, files, papers, disks, documents and other repositories of data recording in any form or medium, evidencing or relating to the Collateral which are at any time owned by the Debtor or to which the Debtor (or any Person on the Debtor's behalf) has access;
- (c) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the province referred to in the "Governing Law" section of this Agreement;
- (d) "**Collateral**" means all of the present and future undertaking, Personal Property (including any Personal Property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement) and real property (including any real property that may be described in any Schedule to this Agreement or any schedules, documents or listings that the Debtor may from time to time sign and provide to the Creditor in connection with this Agreement and including all fixtures and all buildings placed, installed or erected from time to time on any such real property) of the Debtor (including all such property at any time owned, leased or licensed by the Debtor, or in which the Debtor at any time has any interest or to which the Debtor is or may at any time become entitled) and all Proceeds thereof, wherever located;
- (e) "**Contracts**" means all contracts, licences and agreements to which the Debtor is at any time a party or pursuant to which the Debtor has at any time acquired rights, and includes (i) all rights of the Debtor to receive money due and to become due to it in connection with a contract, licence or agreement, (ii) all rights of the Debtor to damages arising out of, or for breach or default in respect of, a contract, licence or agreement, and (iii) all rights of the Debtor to perform and exercise all remedies in connection with a contract, licence or agreement;

- (f) **“Default”** means the occurrence of any of the following events or conditions:
- (i) the Debtor does not pay any of the Liabilities when due;
  - (ii) the Debtor does not observe or perform any of the Debtor’s obligations under this Agreement or any other agreement or document existing at any time between the Debtor and the Creditor;
  - (iii) any representation, warranty or statement made by or on behalf of the Debtor to the Creditor, in this Agreement or otherwise, is untrue in any material respect when made;
  - (iv) the Debtor ceases or threatens to cease to carry on in the normal course all or any material part of the Debtor’s business;
  - (v) the Debtor becomes insolvent or bankrupt, or makes or files a proposal, a notice of intention to make a proposal or an assignment for the benefit of creditors under the *Bankruptcy and Insolvency Act* (Canada) or comparable legislation in Canada or any other jurisdiction; a petition in bankruptcy is filed against the Debtor; or, if the Debtor is a corporation, proceedings are initiated under any legislation by or against the Debtor seeking its liquidation, winding-up, dissolution or reorganization or any arrangement or composition of its debts;
  - (vi) a Receiver, trustee, custodian or other similar official is appointed in respect of the Debtor or any of the Collateral;
  - (vii) any Person holding a Security Interest in respect of any part of the Collateral takes possession of all or any material part of the Collateral, or a distress, execution or other similar process is levied against all or any material part of the Collateral;
  - (viii) the Debtor challenges or threatens to challenge the validity or enforceability of this Agreement or the Security Interests created by this Agreement; or
  - (ix) the Creditor, acting in good faith and upon commercially reasonable grounds, believes that the prospect of payment or performance of any of the Liabilities is or is about to be impaired or that all or any material part of the Collateral is or is about to be placed in jeopardy;
- (g) **“Intellectual Property Rights”** means all industrial and intellectual property rights, including copyrights, patents, trade-marks, industrial designs, know how and trade secrets and all Contracts related to any such industrial and intellectual property rights;
- (h) **“Liabilities”** means all present and future indebtedness, liabilities and obligations of every kind, nature and description (whether direct or indirect, joint or several, absolute or contingent, matured or unmatured) of the Debtor to the Creditor, wherever and however incurred, and any unpaid balance thereof;
- (i) **“Money”** has the meaning given to it in the PPSA or, if there is no such meaning given in the PPSA, means a medium of exchange authorized or adopted by the Parliament of Canada as part of the currency of Canada, or by a foreign government as part of its currency;

- (j) **"PPSA"** means the *Personal Property Security Act* of the province referred to in the "Governing Law" section of this Agreement, as such legislation may be amended, renamed or replaced from time to time (and includes all regulations from time to time made under such legislation);
- (k) **"Permits"** means all permits, licences, authorizations, approvals, franchises, rights-of-way, easements and entitlements that the Debtor has, requires or is required to have, to own, possess or operate any of its property or to operate and carry on any part of its business;
- (l) **"Person"** will be broadly interpreted and includes an individual, a corporation, a limited liability company, a partnership, a trust, a joint venture, an association, an unincorporated organization, the government of a country or any political subdivision thereof, any agency or department of any such government, a regulatory agency or any other juridical entity and the heirs, executors, administrators or other legal representatives of an individual;
- (m) **"Personal Property"** means personal property and includes Accounts, Books and Records, Chattel Paper, Contracts, Documents of Title, Equipment, Goods, Instruments, Intangibles (including Intellectual Property Rights and Permits), Inventory, Money and Securities;
- (n) **"Receiver"** means a receiver, a manager or a receiver and manager;
- (o) **"Securities"** has the meaning given to it in the PPSA, or if there is no such meaning given in the PPSA but the PPSA defines "security" instead, it means the plural of that term; and
- (p) **"Security Interest"** means any mortgage, charge, pledge, hypothecation, lien (statutory or otherwise), assignment, finance lease, title retention agreement or arrangement, security interest or other encumbrance or adverse claim of any nature, or any other security agreement or arrangement creating in favour of any creditor a right in respect of a particular property.

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

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

4. **Attachment; No Obligation to Advance.** The Debtor confirms that value has been given by the Creditor to the Debtor, that the Debtor has rights in the Collateral (other than after-acquired property) and that the Debtor and the Creditor have not agreed to postpone the time for attachment of the Security Interests created by this Agreement to any of the Collateral. The Security Interests created by this Agreement will have effect and be deemed to be effective whether or not the Liabilities or any part thereof are owing or in existence before or after or upon the date of this Agreement. Neither the execution of this

Agreement nor any advance of funds shall oblige the Creditor to advance any funds or any additional funds.

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

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

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

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

(d) **Authority; Consents.** The Debtor has full power and authority to grant to the Creditor the Security Interests created by this Agreement and to execute, deliver and perform its obligations under this Agreement, and such execution, delivery and performance does not contravene any of the Debtor's constating documents or by-laws or any agreement, instrument or restriction to which the Debtor is a party or by which the Debtor or any of the Collateral is bound. Except for any consent that has been obtained and is in full force and effect, no consent of any party (other than the Debtor) to any Contract or any obligor in respect of any Account is required, or purports to be required, for the execution, delivery and performance of this Agreement. Except as disclosed in writing by the Debtor to the Creditor, neither the Debtor nor (to the best of the Debtor's knowledge) any other party to any Account or Contract is in default or is likely to become in default in the performance or observance of any of the terms of such Account or Contract.

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

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

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

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

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

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

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

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

(c) Payment of Expenses; Indemnification. The Debtor will pay on demand, and will indemnify and save the Creditor harmless from, any and all liabilities, costs and expenses (including legal fees and expenses on a solicitor and own client basis and any sales, goods and services or other similar taxes payable to any governmental authority with respect to any such liabilities, costs and expenses) (i) incurred by the Creditor in the preparation, registration, administration or enforcement of this Agreement, (ii) with respect to, or resulting from, any failure or delay by the Debtor in performing or observing any of its obligations under this Agreement, or (iii) incurred by the Creditor in performing or observing any of the other covenants of the Debtor under this Agreement.

(d) Maintenance of Records. The Debtor will keep and maintain accurate and complete records of the Collateral, including a record of all payments received and all credits granted with respect

to the Accounts and Contracts. At the written request of the Creditor, the Debtor will mark any Collateral specified by the Creditor to evidence the existence of the Security Interests created by this Agreement.

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(o) Appoint Receiver. Appoint by instrument in writing one or more Receivers of the Debtor or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Creditor under this Agreement) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such Receiver from time to time. To the extent permitted by applicable law, any Receiver appointed by the Creditor will (for purposes relating to responsibility for the Receiver's acts or omissions) be considered to be the agent of the Debtor and not of the Creditor.

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

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

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

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

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

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

11. **Application of Proceeds.** All Proceeds of Collateral received by the Creditor or a Receiver may be applied to discharge or satisfy any expenses (including the Receiver's remuneration and other expenses of enforcing the Creditor's rights under this Agreement), Security Interests in favour of Persons other than the Creditor, borrowings, taxes and other outgoings affecting the Collateral or which are considered advisable by the Creditor or the Receiver to protect, preserve, repair, process, maintain or enhance the Collateral or prepare it for sale, lease or other disposition, or to keep in good standing any Security Interests on the Collateral ranking in priority to any of the Security Interests created by this Agreement, or to sell, lease or otherwise dispose of the Collateral. The balance of such Proceeds may, at the sole discretion of the Creditor, be held as collateral security for the Liabilities or be applied to such of the Liabilities (whether or not the same are due and payable) in such manner and at such times as the Creditor considers appropriate and thereafter will be accounted for as required by law.

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

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

14. **Performance by Creditor of Debtor's Obligations.** If the Debtor fails to perform or comply with any of the obligations of the Debtor under this Agreement, the Creditor may, but need not, perform or

otherwise cause the performance or compliance of such obligation, provided that such performance or compliance will not constitute a waiver, remedy or satisfaction of such failure. The expenses of the Creditor incurred in connection with any such performance or compliance will be payable by the Debtor to the Creditor immediately on demand, and until paid, any such expenses will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

15. **Interest.** If any amount payable to the Creditor under this Agreement is not paid when due, the Debtor will pay to the Creditor, immediately on demand, interest on such amount from the date due until paid, at a nominal annual rate equal at all times 24%. All amounts payable by the Debtor to the Creditor under this Agreement, and all interest on all such amounts, compounded monthly on the last Business Day of each month, will form part of the Liabilities and will be secured by the Security Interests created by this Agreement.

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

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

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

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

(c) **Collections on Accounts and Contracts.** The Creditor hereby authorizes the Debtor to collect the Accounts and payments under the Contracts in the normal course of the business of the Debtor and for the purpose of carrying on the same. If required by the Creditor at any time, any payments of Accounts or under Contracts, when collected by the Debtor, will be forthwith (and, in any event, within

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

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

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

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

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

**21. Waivers and Indemnity.** To the extent permitted by applicable law, the Debtor unconditionally and irrevocably waives (i) all claims, damages and demands it may acquire against the Creditor arising out

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

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

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

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

reference in this Agreement to a "Section" means the relevant Section of this Agreement. If more than one Debtor executes this Agreement, their obligations under this Agreement are joint and several.

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

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

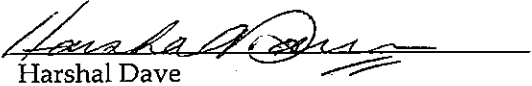
27. **Electronic Transmission.** This Agreement may be signed by electronic transmission, which shall for all purposes be deemed to be an original and legally binding instrument.

*[remainder of this page intentionally left blank]*



DATED as of the date first written above.

**RICHMOND HILL RE-DEV CORPORATION**

Per:   
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Address: 62 Hepburn Street  
Markham, Ontario L3S 3Z9

Attention: Harshal Dave

Telecopier: 416-418-2802

E-mail: harshal@watbridgroup.com

**SCHEDULE A**

**Locations of Collateral (Paragraph 5(a))**

115 and 119 Church Street, Richmond Hill, Ontario  
64 and 72 Major Mackenzie Drive, Richmond Hill, Ontario

**Locations of Real Property (Paragraph 5(a))**

115 and 119 Church Street, Richmond Hill, Ontario  
64 and 72 Major Mackenzie Drive, Richmond Hill, Ontario

**THIS IS EXHIBIT “F” TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



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*A Commissioner etc.*

**ACKNOWLEDGEMENT AND CONFIRMATION OF EXISTING SECURITY**

**TO:**           **EMPIRICAL CAPITAL CORP.**

**AND TO:**       **CHAITONS LLP, the Lender's solicitors herein**

**RE:**           **Mortgage in favour of Empirical Capital Corp. (the "Lender") granted by Richmond Hill Re-Dev Corporation (the "Borrower"), secured over the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario and legally described in PINs 03172-0294 (LT), 03172- 0759 (LT), 03172-0760 (LT), and 03172-0761 (LT), as guaranteed by Watford Richmond Hill Holdings Inc. and Harshal Dave (collectively, the "Covenantors") pursuant to a commitment letter dated as of November 13, 2019 as amended from time to time (collectively, the "Commitment Letter")**

**DATED:**       **November 4, 2021**

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**WHEREAS:**

- A.       The Lender extended a loan in favour of the Borrower subject to certain terms and conditions set out in the Commitment Letter;
- B.       As collateral security for the Borrower's indebtedness and liabilities to the Lender, the Borrower, and the Covenantors (collectively, the "**Obligors**") granted certain security in favour of the Lender, including, without limitation, the security set out on Schedule "A" attached hereto (collectively, the "**Existing Security**"); and
- C.       The Obligors have agreed that the Existing Security shall secure all present and future obligations of the Borrower to the Lender, including, without limitation, the obligations of the Borrower to the Lender (collectively, the "**Obligations**") under the Amendment subject to and in accordance with the terms hereof.

**NOW THEREFORE THIS ACKNOWLEDGEMENT AND CONFIRMATION WITNESSES THAT** in consideration of the sum of Two (\$2.00) Dollars now paid by the Lender to each of the undersigned and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the undersigned), each of the undersigned hereby irrevocably acknowledge and agree that:

- 1.       The Obligors acknowledge and agree that the foregoing recitals are true and form a part of this Acknowledgement and Confirmation.
- 2.       The Obligors confirm that the Existing Security (a) has not been discharged, waived or varied (save and except as has been approved by the Lender) (b) is binding upon the Obligors party thereto (c) is valid and enforceable in accordance with its written terms and (d) shall constitute and be held by the Lender as, general and continuing security for the payment and fulfillment of all of the indebtedness, liabilities and obligations of the Borrower to the Lender, present or future, direct or indirect, contingent or not, matured or not, including, without limitation, the Obligations.

3. The Existing Security shall be deemed to be amended *mutatis mutandis* as provided herein and are also hereby amended *pro tanto* to give effect to this Acknowledgement and Confirmation and the provisions set out in the Commitment Letter.
4. This Acknowledgement and Confirmation shall be governed by the laws of the Province of Ontario and the laws of Canada applicable herein.
5. This Acknowledgement and Confirmation shall be binding upon the Obligors and their respective successors and permitted assigns and shall enure to the benefit of the Lender and its successors and assigns.
6. This Acknowledgement may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

*[remainder of this page intentionally left blank]*

DATED as of the date first written above.

RICHMOND HILL RE-DEV CORPORATION

Per: Harshal Dave  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

WATFORD RICHMOND HILL HOLDINGS INC.

Per: Harshal Dave  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Witness: B. Patel  
Name: B. Patel

)  
)  
) Harshal Dave  
) Harshal Dave  
)  
)

**SCHEDULE "A"**  
**The Existing Security**

1. Charge/Mortgage of Land granted by the Borrower in favour of the Lender and registered against title to the Property on December 11, 2019 as Instrument No. YR3045080;
2. Notice of Assignment of Rents – General granted by the Borrower in favour of the Lender and registered against title to the Property on December 11, 2019 as Instrument No. 3045081;
3. Acknowledgement of Standard Charge Terms No. 200033 dated December 10, 2019, granted by the Obligors in favour of the Lender;
4. Acknowledgement of Receipt of PPSA Verification Statements dated December 10, 2019, granted by the Obligors in favour of the Lender;
5. General Security Agreements dated December 10, 2019, granted by the Borrower in favour of the Lender;
6. Assignment of Insurance in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
7. Assignment of Sale Agreements in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
8. Assignment of Material Contracts in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
9. Assignment re Letters of Credit in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
10. Assignment re Cash Security in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
11. Assignment re Tarion in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
12. Assignment and Pledge of Securities dated December 10, 2019, granted by the Borrower in favour of the Lender;
13. Direction re Tax Authorities in respect of the Property dated December 10, 2019, granted by the Borrower in favour of the Lender;
14. Joint and Several Deficiency and Completion Agreement in respect of the Property dated December 10, 2019, granted by the Obligors in favour of the Lender;
15. Environmental Warranty and Indemnity in respect of the Property dated December 10, 2019, granted by the Obligors in favour of the Lender;

16. Non-Merger Acknowledgement dated December 10, 2019, granted by the Obligors in favour of the Lender;
17. Undertaking and Pledge re Project Bank Account dated December 10, 2019, granted by the Borrower in favour of the Lender;
18. Undertaking and Consent re Share Capital dated December 10, 2019, granted by the Obligors in favour of the Lender; and
19. Authorization to Complete dated December 10, 2019, granted by the Obligors in favour of the Lender.



**THIS IS EXHIBIT "G" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



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*A Commissioner etc.*

**Properties**

<i>PIN</i>	03172 - 0761	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 149, PL 1883;; TOWN OF RICHMOND HILL			
<i>Address</i>	64 MAJOR MACKENZIE DRIVE EAST RICHMOND HILL			
<i>PIN</i>	03172 - 0759	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 147, PL 1883; RICHMOND HILL			
<i>Address</i>	119 CHURCH STREET SOUTH RICHMOND HILL			
<i>PIN</i>	03172 - 0760	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 148, PL 1883; RICHMOND HILL			
<i>Address</i>	72 MAJOR MACKENZIE DRIVE EAST RICHMOND HILL			
<i>PIN</i>	03172 - 0294	LT	<i>Interest/Estate</i>	Fee Simple
<i>Description</i>	LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL			
<i>Address</i>	115 CHURCH STREET SOUTH RICHMOND HILL			

**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* RICHMOND HILL RE-DEV CORPORATION  
*Address for Service* 62 Hepburn Street  
 Markham, Ontario L3S 3Z9

I, Harshal Dave (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* WAXMAN, JASON  
*Address for Service* 18 Turner Avenue, Hamilton, Ontario L8P 3K5

**Statements**

Schedule: See Schedules

**Provisions**

<i>Principal</i>	\$1,600,000.00	<i>Currency</i>	CDN
<i>Calculation Period</i>	Monthly, not in advance		
<i>Balance Due Date</i>	2022/04/01		
<i>Interest Rate</i>	12.75 % per annum		
<i>Payments</i>	\$17,000.00		
<i>Interest Adjustment Date</i>	2021 04 01		
<i>Payment Date</i>	first day of each month		
<i>First Payment Date</i>	2021 05 01		
<i>Last Payment Date</i>	2022 04 01		
<i>Standard Charge Terms</i>	200433		
<i>Insurance Amount</i>	Full insurable value		
<i>Guarantor</i>	Harshal Dave		

**Additional Provisions**

This Charge secures a loan from the Chargee to the Chargor, the particulars of which are more fully described in the Loan Commitment dated March 12, 2021, as executed by the parties thereto.

**Signed By**

Robert Ramsin Pauls

255 Consumers Road, 5th Floor  
Toronto  
M2J 1R4acting for  
Chargor(s)

Signed 2021 03 23

**Signed By**

Tel 416-256-1600

Fax 855-353-5182

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

**Submitted By**

DIAMOND & DIAMOND LAWYERS LLP

255 Consumers Road, 5th Floor  
Toronto  
M2J 1R4

2021 03 24

Tel 416-256-1600

Fax 855-353-5182

**Fees/Taxes/Payment**

Statutory Registration Fee \$65.30

Total Paid \$65.30

**File Number**

Chargor Client File Number : MAT24009

Chargee Client File Number : MAT24009

## Schedule A

### PRE-AUTHORIZED PAYMENT / POST-DATED CHEQUES

The Chargor agrees to provide the mortgage payments by "pre-authorized debit plan" to allow monthly payments to be withdrawn automatically. Alternatively, the Chargee may require the Chargor to provide one or more series of post-dated cheques for the payments that are payable under this Charge during the term of this Charge or such portion thereof as the Chargee may specify. The failure to provide the post-dated cheques shall constitute default under the Charge and the Chargee shall be entitled to all of its remedies there under.

### DUE ON SALE

In the event that the Chargor sells, conveys, transfers, assigns, exercises a power of appointment or enters into any agreement of sale with respect to the charged property to a purchaser, transferee or assignee or in the event of a change of shareholders of the Chargor which results in a change of control of the Chargor or in the event of a change in the beneficial ownership of the charged property or if such a purchaser, transferee or assignee should fail to apply for and receive the Chargee's written approval, agree to assume all the obligations of the Chargor under this Charge and execute an assumption agreement in the form required by the Chargee, then at the option of the Chargee all amounts hereby secured shall forthwith become due and payable together with accrued interest thereon and 3 months of interest.

### RENEWABILITY

This Charge loan is not automatically renewable at the end of any stipulated term and any renewal term must be negotiated and may bear a renewal fee. If the Charge is not renewed and the Chargor fails to repay the mortgage principal on the maturity date, a fee equivalent to the Lender fee as stipulated in the Mortgage Commitment shall become due and payable, only if a renewal term is provided. The Chargor/ Mortgagee agrees to pay this renewal fee upon receipt of a renewal of the term of the mortgage only.

### LEASE

The Chargor covenants and agrees with the Chargee that the Chargor will obtain the prior written consent of the Chargee before executing any lease, offer or agreement to lease, or any tenancy agreement for the lease of the whole or any part of the charged property regardless of the length of term of any such lease, offer or agreement to lease or tenancy agreement. The Chargor further covenants and agrees with the Chargee that forthwith after any change or happening affecting any of the leases, offers or agreements to lease, or any tenancy agreements the Chargor will forthwith advise the Chargee accordingly in writing and will furnish the Chargee with full particulars thereof. If the charged property is leased in whole or in part by the Chargor without the prior written consent of the Chargee, or if the Chargor fails to inform the Chargee of any change or happening affecting any of the leases as set out above, then at the option of the Chargee all amounts hereby secured shall forthwith become due and payable together with accrued interest thereon.

### COLLATERAL ASSIGNMENT OF LEASES AND RENTS

As additional security, the Chargor hereby assigns to the Chargee, all leases and contracts already in existence and to be created in the future, together with all rents to become due under existing or future leases and, upon an event of default as hereinafter provided, confers upon the Chargee herein the exclusive power, to be used or not used in its sole discretion, to act as agent, or to appoint a third person to act as agent for the Chargor, with power to take possession of and collect all rents and profits arising from the charged property and to apply such rents and profits at the option of the Chargee to the payment of the indebtedness, interest, insurance, taxes, cost of maintenance and operation, repairs and other expenses similar to the foregoing in such order of priority as the Chargee may in its sole discretion determine.

### CONSTRUCTION ACT

No portion of the proceeds of this Charge is to be used to finance any construction, alterations, renovations or improvements to the charged property within the meaning of the *Construction Act* (Ontario)

or to repay a charge/mortgage which was taken out for this purpose, failing which at the option of the Chargee all amounts hereby secured shall forthwith become due and payable together with accrued interest and unearned interest thereon until maturity. If any amount of money is claimed in priority over this Charge pursuant to the *Construction Act* (Ontario) and if the Chargee is obliged to pay any amounts owing under the said Act, same may be added to the principal amount outstanding under this Charge.

#### FARM DEBT MEDIATION ACT

The Chargor represents and warrants that the Chargor is not a "farmer" as defined in the *Farm Debt Mediation Act* and the Chargor further covenants and agrees that during the currency of this Charge the Chargor will not engage in any activity which would have the effect of deeming the Chargor a "farmer" within the meaning of the *Farm Debt Mediation Act*. In the event that the Chargor fails to comply with this provision, then at the option of the Chargee all amounts hereby secured shall forthwith become due and payable together with accrued interest and (3) months interest thereon.

#### INSULATION

The charged property is not and has never been insulated with urea formaldehyde foam insulation, and the Chargor will not permit such insulation to be used in the construction of any future improvement to the charged property.

#### BANKRUPTCY & INSOLVENCY ACT

The Chargor represents and warrants that the Chargor is not an "undischarged bankrupt" as defined in the *Bankruptcy and Insolvency Act*. In the event that the Chargor is an "undischarged bankrupt" then at the option of the Chargee all amounts hereby secured shall forthwith become due and payable together with accrued interest and three (3) months interest thereon.

#### WELL WATER ANALYSIS

In the event that the charged property is not on municipal water supply, the Chargee requires satisfactory bacteriological analysis of the well water by the Ministry of Health.

#### INSURANCE

The Chargor must insure and keep insured all buildings, structures, fixtures and improvements on the charged property for not less than full replacement value in Canadian dollars. The Chargor must keep this insurance coverage in place at all times until the indebtedness has been fully paid and the Charge discharged. The insurance must include coverage for loss or damage caused by fire with extended perils coverage. At any time, the Chargee may require that the Chargor also obtain coverage for additional perils, risks or events. All insurance policies must be carried with a company that is satisfactory to the Chargee, acting reasonably, contain mortgage clauses approved by the Insurance Bureau of Canada, or by the Chargee, confirming that any loss proceeds will be paid first to the 1st mortgage and then to the Chargee, and give the Chargee the first right to receive and to have a lien on the insurance proceeds. If the Chargee asks the Chargor to, the Chargor must provide the Chargee with certified copies of all insurance policies. At least fifteen (15) days before any insurance policy expires, the Chargor must provide the Chargee with evidence that the Chargor has renewed the policy and paid all premiums. If the Chargor does not arrange for insurance or if the Chargor does not pay the premium for any insurance policy, the Chargee may arrange for insurance and pay the premium. However, the Chargee is not obligated to do so. If the Chargee pays any insurance premium or other amount of money for insurance on behalf of the Chargor, the Chargor must repay the Chargee immediately. If any loss or damage occurs, the Chargor must immediately do everything necessary to enable the Chargee to obtain the insurance money payable to the Chargee under the Charge, subject to the prior rights of the first mortgagee. The Chargor must pay all expenses related to this. The Chargor agrees that if the Chargee produce the Charge, that will be sufficient authority for the insurance company to pay the Chargee any insurance money that is payable because of a loss, subject to the prior rights of the first mortgagee. The Chargor hereby authorizes and directs the insurance company to do so without the Chargor's further signature or consent. The Chargee shall have the right to decide how to use the insurance money. For example, the Chargee may use part or all of the insurance money to repair or rebuild the charged property, reduce any part of the loan amount, whether it is due or not, including paying any prepayment charges that are payable, or pay the Chargor. Failure by the Chargor to maintain insurance coverage as set out herein shall constitute default under the provisions of this Charge and the Chargee shall be entitled at its option

to declare all amounts hereby secured due and payable in full and to exercise any or all of the remedies available to it hereunder or at law.

#### MUNICIPAL TAXES

The Chargor shall pay all municipal, school, and local improvement taxes on the charged property. Taxes must be paid when they are due and the Chargor shall provide the Chargee with a copy of the receipted tax bill within thirty (30) days after the due date of the final instalment. If the Chargor does not provide the Chargee with a receipted tax bill, the Chargor shall pay the reasonable administrative fee set out herein and reimburse the Chargee for any costs incurred by the Chargee to obtain a tax search and for making up for any deficiencies.

#### FEES AND COSTS

The Chargor covenants and agrees with the Chargee as follows:

1. To pay to the Chargee its administration and/or servicing fees for the following matters in the amounts set forth:
  - a) An administrative fee of \$1,500.00 if the first mortgage on the charged property falls into arrears and requires the Chargee to bring it current.
  - b) An administration fee for processing documents in the amount of \$112.50 to be deducted from the advance.
  - c) An administrative fee of \$300.00 for each failure by the Chargor to provide proof of payment of realty taxes.
  - d) An administrative fee of \$500.00 for each correspondence/payment made by the Chargee in order to protect its security, including without limitation payment for the maintenance of fire insurance, utility continuance, condominium common expenses, realty taxes, etc. The Chargor agrees that any such payment by the Chargee shall bear interest at eighteen percent (18%) per annum, calculated and compounded monthly.
  - e) An administrative fee of \$500.00 for each visit to a property, capped at one visit per calendar quarter.
  - f) An administrative fee of \$200.00 per day for administering the maintenance and security of any property in the possession of Chargee.
  - g) An administrative fee of \$300.00 for each failure to provide post-dated cheques.
  - h) Missed payment fee of \$300.00 shall be payable for each missed or late instalment and for processing each NSF cheque or other returned payment. If any cheque is returned NSF, any replacement cheque must be certified. If such replacement cheque is not certified, the Chargee shall be entitled to have it certified, and to add all the costs of certification (including courier charges to and from the Chargor's bank) to the amount owing on the Charge.
  - i) An administrative fee of \$3,500.00 for each demand, action or proceeding instituted by the Chargee to enforce its rights and remedies pursuant to the Charge.
  - j) An administrative fee of \$500.00 for attending to take possession of a property following default.
  - k) Monthly fee of \$500.00 will apply for each month in which the Chargee implements its own insurance policy on a property.
  - l) An administrative fee of \$300.00 for preparation of each mortgage and/or payout statement requested with at least 72 hours advance written notice. Where less than 72 hours advance written notice is given, a nominal fee of \$600.00 will be charged to the Chargor.
  - m) A discharge fee of \$350.00 for each property. Legal and registration fee to be added to the discharge fee.
  - n) A late discharge fee of \$1,500.00 is applicable to mortgages past 5 days at maturity.
  - o) A late renewal fee of \$1,500.00 is applicable to mortgages past 5 days at maturity.
  - p) If offered a renewal at maturity, there will be a renewal fee of 3.75% of the outstanding balance.

- q) An administrative fee of \$100.00 for each PPSA registration, including without limitation, registration of renewal, discharge, name change, etc.
- r) Payment Change Fee of \$50.00 for each payment change.
- s) If a lender(s) chooses to use SDRSP's as the financial vehicle to fund this mortgage a \$498.75 Administration Charge will be levied by the lending institution at the borrowers expense.

The Chargor acknowledges and agrees that the above fees are a genuine pre-estimate of the value of the services performed for same and is a reasonable estimate of fees to be incurred and is not a penalty or additional interest on the loan secured by the Charge. The Chargee reserves the right to charge other reasonable fees for other administrative services. The Chargor acknowledges and agrees that all amounts herein shall be deemed to be a genuine pre-estimate of the value of the services performed for same and is not a penalty or additional interest on the loan secured by the Charge. The Chargor acknowledges having received and had explained to it all of the possible fees and charges as set forth in the Charge which would be in addition to principal and interest due hereunder. The Chargor acknowledges and agrees that the fees and charges are reasonable and reflect a reasonable pre-estimate of the Chargee's actual costs with respect to each of such charges and fees. Any service or administration fee owing by the Chargor to the Chargee which is not paid forthwith after having been incurred shall be added to the principal and shall bear interest at the rate herein set forth.

- 2. If the Chargor is required by the Chargee to prepay the entire amount of principal owed to the Chargee (the "Outstanding Principal") because of any default by the Chargor under the terms hereof or if the Chargor fails to pay the Outstanding Principal upon the maturity of this Charge, the Chargor must also pay, in addition to all other amounts due as set out herein, 3 months' interest on the Outstanding Principal. Without limiting the generality of the foregoing, the Chargor acknowledges and agrees that if the Chargee issues either a Notice of Sale or a Statement of Claim, then the Chargee shall be entitled to charge an additional fee equivalent to 3 month's interest on the Outstanding Principal. There shall be no duplication of the 3 month interest penalty.
- 3. The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of any security interests pursuant to the *Personal Property Security Act*, any renewals, discharges or other changes thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charges hereunder, shall be added to the principal sum secured by the within charge if not paid by the Chargor.
- 4. The Chargor shall pay to the Chargee on demand all reasonable legal fees payable on a solicitor-client basis, costs and out-of-pocket expenses incurred by any of the Chargee, its agents, officers and employees with respect to:
  - a) the preparation of this Charge, any renewals thereof and related security documents (the "Security Documents") and any other documents, agreements and instruments required pursuant hereto or thereto and any costs associated with realization under this Charge or the Security Documents. The Borrower's deposit shall be applied to such charges.
  - b) the Chargee obtaining advice as to its rights and responsibilities under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto or in the event of exercise of any or all of its remedies hereunder or thereunder;
  - c) the exercising of any or all of the rights, remedies and powers of the Chargee under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto, or in defending or taking any measures to defend any action, claim, cause of action or in proceedings directly or indirectly relating to the provisions of any such instrument or document;
  - d) any or all of the taking of, recovering of possession of any assets or property of the Chargor, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Charge or in any instrument or document comprising the Security Documents or relating thereto, or any proceedings otherwise taken in relation to any assets or property of the Chargor or subject to the security given by the Chargor to the Chargee, or any proceedings taken by reason of any non-payment or non-performance of the obligations of the Chargor hereunder; and

- e) any appraisals, environmental reports, engineering reports, cost consultants' reports, or any other reports obtained at any time by the Chargee relating to the charged property. The Lender will act reasonably and only commission such reports with good care.

In the event the Chargor fails to pay any such legal fees, costs and expenses to the Chargee forthwith upon demand by the Chargee, then the amount of such unpaid legal fees, costs and expenses shall be added to the Charge indebtedness secured hereunder and shall bear interest at the rate herein set forth.

- 5. The Chargor and Guarantor agree that should the Chargee herein be a trustee for beneficiaries, the Chargor and Guarantor shall have no claims against the beneficial owners of the Charge.

#### PAYMENTS

The Chargor must pay the amount of each instalment on every instalment date, beginning on the first instalment date and ending on the last instalment date, all as shown in the Charge. The Chargee shall apply each instalment as follows: First, to pay or reduce any compound interest on this Charge up to the instalment date. Second, to pay other interest on this Charge up to that date. Third, to reduce the principal of this Charge. If the Charge goes into default, the Chargee does not have to apply an instalment as shown above. If the Chargee does not advance the full amount approved for this Charge, the Chargor must still pay the full amount of each instalment, unless Chargee agrees otherwise.

The Chargor must repay the balance of this Charge and the interest thereon in full on the balance due date, unless this Charge is renewed for another term. The Chargor shall have the right to apply any payment by the Chargor to the interest and principal of any other indebtedness of the Chargor to the Chargee in priority to the principal amount secured by this Charge.

Any discharge of this Charge shall be prepared by the Chargee at the Chargor's expense within a reasonable time after repayment of the principal sum secured herein together with accrued interest thereon and all applicable fees, costs and expenses. Any payments made after 1:00 p.m. shall be deemed, for the purpose of calculation of interest, to have been made and received on the next bank business day.

#### PRIOR & SUBSEQUENT ENCUMBRANCES

In the event that the Chargor is in default under any prior or subsequent mortgage, charge or encumbrance, such default shall constitute default under the provisions of this Charge and the Chargee shall be entitled at its option to declare all amounts hereby secured due and payable in full and to exercise any or all of the remedies available to it hereunder or at law.

#### FURTHER ENCUMBRANCES

The Chargor shall not grant or permit any further mortgages, charges or encumbrances of any nature to be registered against the lands without the prior written consent of the Chargee. In the event of a breach of this covenant, the Chargee shall be entitled at its option to declare all amounts hereby secured due and payable in full and to exercise any or all of the remedies available to it hereunder or at law. In the event that the Chargee has consented to the registration of further mortgages, charges or encumbrances against the lands and the Chargor defaults under any such mortgages, charges or encumbrances, such default shall constitute default under the provisions of this Charge and the Chargee shall be entitled at its option to declare all amounts hereby secured due and payable in full and to exercise any or all of the remedies available to it hereunder or at law.

#### PAYMENT OF OTHER CHARGES AND PERFORMANCE OF OTHER OBLIGATIONS BY THE CHARGE

The Chargor covenants and agrees with the Chargee to pay all property taxes, public utility rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and entitle the Chargee at its sole option to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs. In addition, at the Chargee's sole option, the Chargor hereby agrees that the Chargee may satisfy any charge, lien, any matter raised in this paragraph or other



encumbrance now or hereafter existing or to arise or be claimed upon the charged property and the amount so paid together with all costs associated therewith shall be added to the principal sum hereby secured and bear interest at the rate of interest set forth herein and shall be payable forthwith by the Chargor to the Chargee and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the option of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event of the Chargee satisfying any such charge or claim, it shall be entitled to all equities and securities of the person or persons so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

#### CROSS DEFAULT

The Chargor acknowledges that this Charge has been given pursuant to the provisions of the mortgage commitment issued by the Chargee in favour of the Chargor (the "Commitment"). The Chargor agrees that any and all default under the terms and conditions of the Charge, the Commitment or pursuant to any other charge or security document between the Chargor and the Chargee, including any document pursuant to which the Chargor is a guarantor, shall constitute concurrent default under this Charge and any and all default under this Charge shall constitute concurrent default under all such security documents and shall entitle the Chargee to pursue its remedies under any or all of the aforesaid security documents and the unpaid principal balance of all liabilities and amounts owing pursuant to the Commitment together with interest as aforesaid shall, at the option of and upon demand by the Chargee, become immediately due and repayable.

#### REVENUE CANADA LIENS

Should a Revenue Canada Tax Lien be placed upon this property then it will be deemed in default and repayable with immediate effect, at the lender's discretion. All applicable default fees shall apply.

#### NON-MERGER

Notwithstanding the registration of the Charge and the advance of funds pursuant hereto, the terms and conditions of the Commitment shall remain binding and effective on the parties hereto and shall not merge in this Charge nor in any document executed and delivered to the Chargee in connection with the transaction contemplated by the Commitment, and the terms of the Commitment are incorporated herein by reference.

#### POSSESSION UPON DEFAULT

Upon default in payment of principal or interest under this Charge or in performance of any of the terms and conditions hereof, the Chargee may enter into and take possession of the charged property, free of all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever.

#### NOTICE OF POWER OF SALE

In the event a Power of Sale is commenced, the Notice of Power of Sale may be served by registered mail on the address of service of the Borrower and the Borrower hereby accepts this service as if such notice was served on the Borrower's last known location. The Borrower must choose an address for service in Canada.

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#### POSSESSION UPON DEFAULT

Upon default in payment of principal or interest under this Charge or in performance of any of the terms and conditions hereof, the Chargee may enter into and take possession of the charged property, free of all manner of former conveyances, mortgages, charges or encumbrances without the let, suit, hindrance, interruption or denial of the Chargor or any other person whatsoever.

#### SEVERABILITY OF ANY INVALID PROVISIONS

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

#### INCONSISTENCY OF TERMS

The provisions herein shall be in addition to and not in substitution for those found in the Standard Charge Terms and the Commitment. In the event of an inconsistency between the terms of the Charge, the Commitment and the Standard Charge Terms, the Chargee may, in its sole discretion, determine which shall prevail.



**Properties**

*PIN* 03172 - 0761 LT  
*Description* LT 149, PL 1883;; TOWN OF RICHMOND HILL  
*Address* 64 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

*PIN* 03172 - 0759 LT  
*Description* LT 147, PL 1883; RICHMOND HILL  
*Address* 119 CHURCH STREET SOUTH  
 RICHMOND HILL

*PIN* 03172 - 0760 LT  
*Description* LT 148, PL 1883; RICHMOND HILL  
*Address* 72 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

*PIN* 03172 - 0294 LT  
*Description* LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL  
*Address* 115 CHURCH STREET SOUTH  
 RICHMOND HILL

**Consideration**

*Consideration* \$2.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

*Name* RICHMOND HILL RE-DEV CORPORATION  
*Address for Service* 62 Hepburn Street  
 Markham, Ontario L3S 3Z9

I, Harshal Dave (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* WAXMAN, JASON  
*Address for Service* 18 Turner Avenue, Hamilton, Ontario L8P 3K5

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

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, YR3227109 registered on 2021/03/24 to which this notice relates is deleted

Schedule: See Schedules

I Robert Ramsin Pauls solicitor make the following law statement The Charge registered as YR3227109 is hereby amended as follows:  
 Balance Due Date & Last Payment Date: 2023/01/01; Interest Rate: Interest shall be charged at the rate of 13.75% per annum on the outstanding balance of the principal sum owing until December 1, 2022. Thereafter, the interest rate shall be 18.00% per annum, Interest shall be calculated at the applicable rate as provided herein, monthly- interest only, not in advance, before as well as after maturity, default or judgment.

This document relates to registration number(s)YR3227109, YR3227110, and YR3336914

**Signed By**

Robert Ramsin Pauls 255 Consumers Road, 5th Floor acting for Signed 2021 11 04  
 Toronto Applicant(s)  
 M2J 1R4

Tel 416-256-1600

Fax 855-353-5182

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

**Submitted By**

DIAMOND & DIAMOND LAWYERS LLP	255 Consumers Road, 5th Floor Toronto M2J 1R4	2021 11 04
Tel	416-256-1600	
Fax	855-353-5182	

**Fees/Taxes/Payment**

Statutory Registration Fee	\$66.30
Total Paid	\$66.30



**ADDISON  
WEALTH  
MANAGEMENT INC.**

July 29, 2021

Please find a quote below for a loan extension and Notice of Consent to Amend First Mortgage Charge relating to the existing 2nd mortgage loan on 64-72 Major Mackenzie Drive East & 115-119 Church Street South, Richmond Hill, ON, L4C1G9, subject to satisfactory information from the requested documents below.

This loan is also subject to the conditions outlined below:

**Lender:** Jason A. Waxman, or as assigned.

**Borrower:** RICHMOND HILL RE-DEV CORPORATION

**Guarantors:** Harshal Dave

**Security Address A:** 64-72 Major Mackenzie Drive East & 115-119 Church Street South, Richmond Hill, ON, L4C1G9

**Mortgage Amount:** \$1,600,000

**Mortgage Structure:** 2nd mortgage land advance

**Interest Rate:** 13.75% per annum

**Lender Fee:** \$57,000 (This includes the 2% fee outlined in item (n) subsection (i) below + pro-rated lender fee for the additional 5 months)

**Payments:** 17 months deducted from the advance of this loan.

**Mortgage Interest Reserve:** \$9,333.33 deducted off the advance of the new first mortgage representing 7 months over and above the pre-paid interest on March 24, 2021.

**Mortgage Payments:** \$18,333.33 per month interest only April 1st, 2022 onward.

**Term:** 17 months fully open on 30 days notice.

**Conditions Precedent:**

- (a) This Term Sheet is for discussion purposes only, and does not represent a binding commitment to fund.
- (b) This term sheet can be assigned by the Lender at any time without notice.

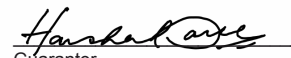
**Documents Required:** These documents must be received prior to a firm commitment being offered by the Lender. Receipt, review and approval of the following:

- (a) A signed copy of this term sheet by 5:00pm on Tuesday August 3, 2021 or this term sheet becomes null and void.
- (b) 2020 NOAs showing no taxes owing for all borrowers/guarantors.
- (c) Proof of no existing construction liens.
- (d) New appraisal from an accredited appraisal company, suitable to the Lender at its sole and absolute discretion, showing an as is value of: \$10,000,000 for Security Address A and transmittal of same to the Lender.
- (e) Planning Report at the sole and absolute discretion of the Lender.
- (f) Letters of transmittal of all reports, including, but not limited to, Environmental reports and appraisal.
- (g) Current property tax bill.
- (h) Assignment of rents.
- (i) All drawings, plans and other documents related to the subject site.
- (j) The joint and several personal guarantee of Harshal Dave for 100% of the loan amount plus interest and expenses and an assignment and postponement of claims by the Guarantors and all shareholders of the Borrower relating to any claims against the Borrower.
- (k) Agreement between Addison Wealth Management Inc. and Empirical Capital Corp. concerning a standstill agreement at the sole and absolute discretion of the Lender that will, in the event of default, allow the Lender to keep Empirical Capital Corp. current in order for the Lender to run power of sale proceedings.
- (l) The first mortgage charge from Empirical Capital Corp. cannot exceed \$6,500,000.
- (m) Such other and further security and documentation as may be required by the Lender or its solicitor to complete and perfect the Security.
- (n) The Lender consents to allow the amendment of the first mortgage charge amount from \$5,500,000 to \$6,500,000 provided all other terms and conditions of the new first mortgage remain the same with no other adverse impacts to the above referenced Loan. The current second mortgage shall remain in place as registered on March 24, 2021, in both form and substance. Such consent is hereby granted pursuant to the following consideration (also outlined in the interest rate and lender fee above):
  - (i) A one-time, non-refundable fee of \$32,000 (2.0% of the principal amount); and
  - (ii) An increase in interest from 12.75% to 13.75% per annum, which shall accrue as of the date of the increase in the first mortgage charge amount. Such interest shall also be pre-paid for the remainder of the term.
  - (iii) Consideration shall be due and payable from the advance of the increase of the first mortgage charge, currently estimated to be September 1, 2021.

  
Borrower

Richmond Re-Dev Corporation  
Date 2021-08-03

ADDISON WEALTH MANAGEMENT INC.  
905 575 7421 • info@addisonwealth.com  
www.addisonwealth.com

  
Guarantor

Harshal Dave  
Date 2021-08-03



**Properties**

*PIN* 03172 - 0761 LT  
*Description* LT 149, PL 1883;; TOWN OF RICHMOND HILL  
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*Description* LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL  
*Address* 115 CHURCH STREET SOUTH  
 RICHMOND HILL

**Consideration**

*Consideration* \$2.00

**Applicant(s)**

The notice is based on or affects a valid and existing estate, right, interest or equity in land

*Name* RICHMOND HILL RE-DEV CORPORATION  
*Address for Service* 62 Hepburn Street  
 Markham, Ontario L3S 3Z9

A person or persons with authority to bind the corporation has/have consented to the registration of this document.

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

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

*Name* WAXMAN, JASON  
*Address for Service* 18 Turner Avenue, Hamilton, Ontario L8P 3K5

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

**Statements**

This notice is pursuant to Section 71 of the Land Titles Act.

This notice may be deleted by the Land Registrar when the registered instrument, YR3227109 registered on 2021/03/24 to which this notice relates is deleted

Schedule: See Solicitor Statement.

I Robert Ramsin Pauls solicitor make the following law statement The Charge registered as YR3227109, and as amended by a Notice registered as YR3336935, is hereby further amended as follows: Principal balance: \$2,450,000.00  
 Balance Due Date & Last Payment Date: 2022/12/01; Interest Rate: Interest shall be charged at the rate of 13.75% per annum on the outstanding balance of the principal sum owing until December 1, 2022. Thereafter, the interest rate shall be 18.00% per annum, Interest shall be calculated at the applicable rate as provided herein, monthly- interest only, not in advance, before as well as after maturity, default or judgment.

This document relates to registration number(s) This YR3227109, YR3227110, YR3336914 and YR3336935

**Signed By**

Robert Ramsin Pauls 255 Consumers Road, 5th Floor acting for Signed 2022 03 09  
 Toronto Applicant(s)  
 M2J 1R4

Tel 416-256-1600

Fax 855-353-5182

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



**Submitted By**

DIAMOND & DIAMOND LAWYERS LLP	255 Consumers Road, 5th Floor Toronto M2J 1R4	2022 03 09
Tel	416-256-1600	
Fax	855-353-5182	

**Fees/Taxes/Payment**

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

**THIS IS EXHIBIT "H" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

**AMENDED AND RESTATED SUBORDINATION AND STANDSTILL AGREEMENT**

THIS AGREEMENT made this 4th day of November, 2021.

B E T W E E N:

**EMPIRICAL CAPITAL CORP. and  
VAULT CAPITAL INC.**

(hereinafter collectively called the "**Prior Lender**")

- and -

**JASON A. WAXMAN**

(hereinafter called the "**Subordinate Lender**")

- and -

**RICHMOND HILL RE-DEV CORPORATION**

(hereinafter called the "**Borrower**")

**W H E R E A S:**

- A. **RICHMOND HILL RE-DEV CORPORATION** (hereinafter called the "**Chargor**" and/or the "**Borrower**") is the registered and beneficial owner of certain lands and premises known municipally as 64-72 Major Mackenzie Drive East and 115-119 Church Street South, Richmond Hill, Ontario and more particularly described legally in Appendix "1" attached hereto (collectively the "**Lands**") together with all personal property (the "**Personal Property**") located on or arising out of, from or in connection with ownership, use or disposition of the Lands (the said Lands and Personal Property being hereinafter collectively referred to as the "**Property**");
- B. The Prior Lender has agreed to make or extend a loan or credit facility (the "**Loan**") to the Borrower in the maximum principal amount of **SIX MILLION FIVE HUNDRED THOUSAND DOLLARS (\$6,500,000.00)** which loan or credit facility is secured by, *inter alia*, the following security:
- (i) a first Charge/Mortgage of Land relating to the Lands registered in York Land Registry Office No. 65 (the "**Registry Office**") as Instrument No. YR3045080 as transferred pursuant to a Transfer of Charge/Mortgage of Land registered as Instrument No. YR3336909 and amended by a Notice registered as Instrument No. YR3336913 (collectively, the "**Charge**");
  - (ii) an Assignment of Rents and Leases relating to the Charge registered in the Registry Office as Instrument No. YR3045081 and notice of which was filed on 20191127, 1401590 1330 as Reference File No. 75800733 pursuant to the *Personal Property Security Act* (Ontario), as amended (the "**PPSA**"); and
  - (iii) a General Security Agreement securing the Personal Property of the Borrower notice of which was filed on 20191127, 1401590 1330 as Reference File No. 75800733 pursuant to the PPSA.

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Prior Lender from time to time pursuant to the Loan, including the principal sum plus any accrued and unpaid interest thereon at the rate prescribed by the Charge and all legal and other costs, charges, fees and expenses pertaining thereto both before and after default being hereinafter referred to as the "**Prior Indebtedness**", and the Charge and all other additional or collateral security now or hereafter securing the Prior Indebtedness being hereinafter referred to as the "**Prior Security**";

And for greater particularity, reference in this Agreement to the Loan, the Prior Indebtedness and the Prior Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time;

- C. The Subordinate Lender has made or extended a loan or credit facility (the "**Subordinate Loan**") available to the Borrower in the maximum principal amount of **\$1,600,000** which loan or credit facility is secured by, *inter alia*, the following security:
- (a) a second Charge/Mortgage of Land in the principal amount of \$1,600,000.00 relating to the Lands registered in the Registry Office as YR3227109 and amended by a Notice registered as Instrument No. YR3336935 (collectively, the "**Second Charge**"); and
  - (b) an Assignment of Rents and Leases relating to the Second Charge registered in Registry Office as Instrument No. YR3227110.

All existing and future indebtedness and all other obligations and liabilities owing by the Borrower to the Subordinate Lender from time to time pursuant to the Subordinate Loan, including but not limited to the principal sum, all interest thereon, all future advances and all other amounts owing to the Subordinate

Lender thereunder being hereinafter referred to as the "**Subordinate Indebtedness**", and the Subordinate Charge and all other additional or collateral security now or hereafter securing the Subordinate Indebtedness being hereinafter referred to as the "**Subordinate Security**";

And for greater particularity, reference in this Agreement to the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security includes all renewals, extensions, amendments, modifications and restatements thereof or thereto from time to time; and,

- D. The Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to and in favour of the Prior Lender, the Loan, the Prior Indebtedness and the Prior Security.

**NOW THEREFORE** for good and valuable consideration, including the sum of TEN DOLLARS (\$10.00) now paid by the Prior Lender to the Subordinate Lender, the receipt and sufficiency of which is hereby acknowledged by the Subordinate Lender, the parties agree as follows:

1. **Covenants, Representations and Warranties of the Subordinate Lender.**

The Subordinate Lender consents to the Prior Indebtedness and the Prior Security, and represents and warrants to the Prior Lender that:

- (a) the Subordinate Loan and the Subordinate Security are in good standing, in full force and effect, unamended, and the Borrower is not in default thereunder;
- (b) it holds no security of any kind against the Property other than the Subordinate Security;
- (c) it is the sole owner of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security, it has the full power, lawful authority and legal right to enter into this Agreement and this Agreement constitutes a valid and binding obligation of the Subordinate Lender enforceable against it in accordance with its terms;
- (d) the total amount owing to the Subordinate Lender under the Subordinate Indebtedness and Subordinate Security is **\$1,600,000.00** as of the date hereof;
- (e) the Subordinate Loan bears interest at 12.75% per annum for the first 12 months of the term; and
- (f) upon request by the Prior Lender from time to time, the Subordinate Lender shall provide the Prior Lender with copies of the Subordinate Security and/or a statement in detail of the Subordinate Indebtedness then outstanding.

2. **Subordination and Postponement.**

The Subordinate Lender hereby subordinates and postpones the Subordinate Loan, the Subordinate Indebtedness and the Subordinate Security to the Prior Security and the Prior Indebtedness and agrees with the Prior Lender that the Prior Security shall be a first priority lien and charge against the Property for the full amount of the Prior Indebtedness in full priority to the Subordinate Security. The subordination and postponement of the Subordinate Loan, Subordinate Indebtedness and the Subordinate Security to the Prior Security and the Prior Indebtedness, shall include subordination of the Subordinate Loan and the Subordinate Indebtedness to the extent required to make the Prior Security and the Prior Indebtedness a first priority lien and charge against the Property.

No discharge, release or waiver by the Prior Lender of any of the Prior Security against or in respect of the Property or any person(s), corporation(s) or entity(ies), or any amendment, renewal, extension, replacement, discharge, modification, supplement or restatement of any portion of the Prior Indebtedness and/or the Prior Security shall require notice to or the consent of the Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security, the Subordinate Loan and the Subordinate Indebtedness hereby granted by the Subordinate Lender.

The Subordinate Lender hereby acknowledges and agrees that this Agreement shall not defer or otherwise affect the present or future rights and remedies of the Prior Lender with respect to the present or future indebtedness and other liabilities of the Borrower to the Prior Lender, or with respect to any securities which the Prior Lender now holds or may hereafter receive from the Borrower as collateral for the Prior Indebtedness.

The Subordinate Lender agrees to execute and deliver at its cost, upon request by the Prior Lender, such further instruments and agreements and assurances as may reasonably be required by the Prior Lender in the circumstances in order to confirm and give effect to the provisions of this Agreement, and further, to register, record, amend, file or re-file notice of this Agreement and/or the subordination and postponement of the Subordinate Security in any office of public record as the Prior Lender may in its discretion consider necessary or desirable from time to time.

3. **Payments.**

Until such time as the Loan and the Prior Indebtedness are paid in full, the Subordinate Lender agrees that:

- (i) all rents, revenue, income, cash flow and other proceeds arising from or relating to the Property

(the "**Rents**") shall not be applied to any payment on account of the Subordinate Loan or the Subordinate Indebtedness except monthly interest payments due to the Subordinate Lender with respect to the Subordinate Charge while the Loan is in good standing; and

- (ii) it shall not accept any payment on account of the Subordinate Loan and/or the Subordinate Indebtedness which the Subordinate Lender knows or reasonably ought to know are payments made from the Rents, and if any such payments are received, save and except the monthly interest payments payable to the Subordinate Lender (provided that the Loan is in good standing) the Subordinate Lender shall immediately pay such amount to the Prior Lender. The Prior Lender and the Subordinate Lender shall provide reasonable co-operation to each other following the giving of such notice of default to ensure that the provisions of this paragraph are complied with. Without limiting the generality of the foregoing, and notwithstanding the terms of the Subordinate Charge, the Subordinate Lender acknowledges and agrees that the Subordinate Charge may not be repaid in whole or in part until the Prior Charge is discharged and the Prior Indebtedness is paid in full except upon the maturity of the Subordinate Loan (provided that on that date the Prior Loan is in good standing) and the Subordinate Mortgage is replaced by a new second mortgage acceptable to the Prior Lender which enters into an agreement on the same terms as this Agreement with the Prior Lender or by new equity capital for which both the identity and source of which is approved in advance by the Prior Lender.

Notwithstanding anything else herein contained, the Prior Lender covenants and agrees that:

- (i) it shall not amend the Charge, the Prior Indebtedness and the Prior Security by increasing the principal amount, the rate(s), interest or any fees nor consent to the doing of same without the prior written consent of the Subordinate Lender.

#### 4. **Standstill.**

The Subordinate Lender hereby agrees that except as specifically set forth herein it shall not take any Enforcement Action (as defined hereunder) under or in respect of the Subordinate Loan, including on the maturity date thereof, Subordinate Indebtedness or the Subordinate Security with respect to all or any part of the Property or against the Borrower or against any guarantor or covenantor of the Subordinate Loan, without prior written notice to and the written consent of the Prior Lender, which consent will not be unreasonably withheld. The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Prior Security or any Enforcement Action taken by the Prior Lender under or in respect of the Prior Security or Prior Indebtedness against all or any part of the Property or against the Borrower or against any guarantor or covenantor of the Subordinate Loan. Notwithstanding the foregoing, and subject to the terms of this Agreement, the Prior Lender agrees that the Subordinate Lender may have carriage of any enforcement proceedings provided that:

- (a) The Subordinate Lender keeps all interest payments due pursuant to the Prior Loan in good standing;
- (b) The Subordinate Lender keep the property taxes for the Property in good standing;
- (c) The Subordinate Lender shall ensure that the Property, including, all buildings thereon are insured in accordance with the requirements of the Prior Lender;
- (d) The Subordinate Lender shall keep the Prior Lender fully informed in writing with respect to all enforcement steps which it intends to take, including all professionals which it will engage, including, solicitors, receiver (if applicable) and real estate agent.

In this Agreement the term "**Enforcement Action**" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, the appointment or obtaining of the appointment of a receiver, a manager, or a receiver/ manager of all or any part of the Property, or the appointment of any other person, corporation or entity having similar powers as the aforesaid, the attainment of Rents, the taking possession or control of all or any part of the Property or any other property or undertaking of the Borrower, the commencing, giving notice of or making any demand for payment, the provision of any notice of intention to enforce security, the taking or commencement of any action or proceeding seeking payment of or recovery of all or any part of any indebtedness or damages in lieu thereof, the accepting of a transfer of any property in lieu of foreclosure, and/or the exercise of any other rights or remedies available to a creditor under its security or otherwise at law or in equity, including without limitation, any bankruptcy proceedings.

#### 5. **Right of Prior Lender**

In the event the Subordinate Lender takes the Enforcement Action as set forth in Paragraph 4, the Subordinate Lender agrees with the Prior Lender as follows:

1. The Subordinate Lender shall notify the Prior Lender in writing of its intention to commence an Enforcement Action as outlined in paragraph 4 herein.
2. In the event that the Prior Lender is acting reasonably is not satisfied with the enforcement carried out by the Subordinate Lender, the Prior Lender may by notice in writing to the Subordinate Lender elect to take over the Enforcement Action in which event the Subordinate Lender shall discontinue its Enforcement Action, save and except for the Subordinate Lender's agreement to issue notices of default, a notice of sale, a notice pursuant to the Bankruptcy and Insolvency action or the

Personal Property Security Act or a notice of sale pursuant to Change/Mortgage of Land;

3. During the currency of the Enforcement Action and as a condition thereof, the Subordinate Lender covenants and agrees to maintain the Prior Loan in good standing;
4. Any extra-ordinary expenses or costs incurred by the Subordinate Lender must approved in advance by the Prior Lender;
5. The Subordinate Lender covenants and agrees that it will not appoint a receiver for the Borrower or the Property without the prior consent of the Prior Lender; and

The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Prior Security or any Enforcement Action taken by the Prior Lender under or in respect of the Prior Security or Prior Indebtedness against all or any part of the Property or against the Borrower or against any guarantor or covenantor of the Subordinate Loan.

6. **Assignment by Subordinate Lender.**

The Subordinate Lender agrees that it shall not sell, transfer, assign, alienate or otherwise dispose of any interest in the Subordinate Loan, the Subordinate Indebtedness or the Subordinate Security to any person(s), corporation(s) or entity(ties) (hereinafter, an "Assignee") except in accordance with terms and conditions which are expressly subject to all of the terms of this Agreement. Concurrently with any such sale, transfer, assignment, alienation or other disposition from time to time, the Subordinate Lender shall cause each and every Assignee to enter into a subordination and standstill agreement with the Prior Lender on the same terms and conditions as this Agreement.

7. **Partial Discharges:**

Notwithstanding the provisions of the Subordinate Charge, the Subordinate Lender hereby acknowledge, covenants and agree that no such partial discharges will be granted to the Borrower, except as permitted by the Subordinate Charge, without prior written consent of the Prior Lender which consent may be unreasonably withheld. In any event no consent shall be granted so long as the Prior Lender's loan is outstanding.

8. **Entire Agreement.**

This Agreement and all schedules thereto contains the whole of the agreement between the parties hereto and there are no collateral or precedent conditions, warranties, agreements, representations, promises, understandings or inducements, whether oral or written, that are not specifically set forth herein, and no modification, amendment or variation hereof shall be effective or binding on the parties hereto unless agreed to in writing by all of them. This Agreement amends and restates the Subordination and Standstill Agreement dated March 2021 among the parties hereto, which following execution hereof by each of them, shall be deemed null and void and of no further force and effect.

9. **No Waiver.**

The waiver by any party of the breach of any term, covenant or condition herein contained shall not constitute a waiver of such term, covenant or condition, except in respect of the particular breach giving rise to such waiver. No term, covenant or condition of this Agreement is deemed to have been waived by any party hereto unless such waiver is in given in writing by that party.

10. **Severability.**

All of the sections, paragraphs, sentences, clauses and parts of this Agreement are distinct and severable, and if any of the same shall be held illegal or void, the validity or legality of the remainder of this Agreement shall not be affected.

11. **Survival of Covenants and Warranties.**

The covenants, warranties and representations of the Subordinate Lender contained in this Agreement shall survive the execution and delivery of this Agreement and shall continue in full force and effect for the benefit of the Prior Lender until the Loan has been repaid in full.

12. **Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the jurisdiction of the courts of this Province sitting at Toronto, Ontario.

13. **Successors.**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns including any successors by amalgamation and any appointed receivers or trustees in bankruptcy.

14. **Counterparts.**

This Agreement may be executed in counterparts and via PDF and all counterparts so executed will constitute one Agreement binding on the parties effective upon execution by all of the parties.

15. **Time Is of the Essence.**

Time is of the essence of this Agreement and every part hereof.

16. **Notice.**

Any notice pursuant to this Agreement may be made by email or delivery to the following addresses:

(a) If to the **Prior Lender:** Empirical Capital Corp.  
4950 Yonge Street, Suite 1706, Toronto, Ontario M2N 6K1

**Attn.:** Abraham (Abby) Strahl, President  
**Email:** [astrahl@empiricalcapital.ca](mailto:astrahl@empiricalcapital.ca)

and to

Vault Capital Inc.  
41 Scarsdale, Unit 5, Toronto, Ontario M3B 3R2

**Attn.:** Ari Khaihra  
**Email:** [ari@vaultcredit.ca](mailto:ari@vaultcredit.ca)

(b) If to the **Subordinate Lender:** Jason A. Waxman/Addison Wealth  
18 Turner Avenue, Hamilton ON L8P 3K5 Email:

[jason@addisonwealth.com](mailto:jason@addisonwealth.com)

(c) If to the **Borrower:** Richmond Hill Re-Dev Corporation  
157 Main Street, Suite 202, Unionville, Ontario L3R 2G8

**Attn.:** Harshal Dave, President Email:  
[harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)

Any notice shall be deemed received on the date of delivery or on the date sent by email.

*[remainder of this page intentionally left blank]*

DATED as of the date first written above.

EMPIRICAL CAPITAL CORP.

Per: \_\_\_\_\_  
Name: Abraham Shahi  
Title: President

I have authority to bind the Corporation.

VAULT CAPITAL INC.

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

I/We have authority to bind the Corporation.

RICHMOND HILL RE-DEV CORPORATION

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

WATFORD RICHMOND HILL HOLDINGS INC.

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Witness:  
\_\_\_\_\_  
Name:

)  
)  
) \_\_\_\_\_  
) Harshal Dave  
)  
)



IN WITNESS WHEREOF the undersigned have executed this Agreement as of the date first above written.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Name: Abraham (Abby) Strahl,  
Title: President

I have the authority to bind the Corporation.

**VAULT CAPITAL INC.**

Per: \_\_\_\_\_  
Name:  ROBERT TRAGER  
Title: PRESIDENT

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Corporation.

**RICHMOND HILL RE-DEV CORPORATION**

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have the authority to bind the Corporation

\_\_\_\_\_  
Witness

\_\_\_\_\_  
JASON A. WAXMAN

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the date first above written.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Name: Abraham (Abby) Strahl,  
Title: President

I have the authority to bind the Corporation.

**VAULT CAPITAL INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Corporation

**RICHMOND HILL RE-DEV CORPORATION**

Per:   
Name: Harshal Dave  
Title: President

I have the authority to bind the Corporation

\_\_\_\_\_  
Witness

\_\_\_\_\_  
JASON A. WAXMAN

IN WITNESS WHEREOF the undersigned have executed this Agreement as of the date first above written.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Name: Abraham (Abby) Strahl,  
Title: President

I have the authority to bind the Corporation.

**VAULT CAPITAL INC.**

Per: \_\_\_\_\_  
Name:  
Title:

Per: \_\_\_\_\_  
Name:  
Title:

I/We have the authority to bind the Corporation.

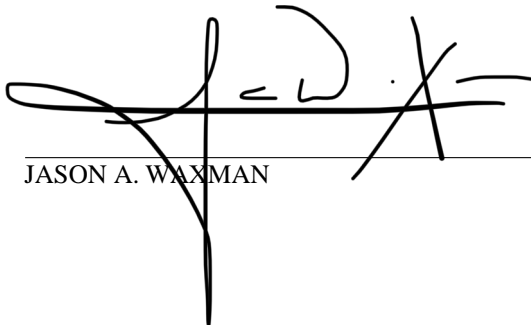
**RICHMOND HILL RE-DEV CORPORATION**

Per: \_\_\_\_\_  
Name: Harshal Dave  
Title: President

I have the authority to bind the Corporation



Witness



JASON A. WAXMAN



**THIS IS EXHIBIT "I" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

**Properties**

**PIN** 03172 - 0294 LT  
**Description** LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL  
**Address** 115 CHURCH STREET SOUTH  
 RICHMOND HILL

**PIN** 03172 - 0759 LT  
**Description** LT 147, PL 1883; RICHMOND HILL  
**Address** 119 CHURCH STREET SOUTH  
 RICHMOND HILL

**PIN** 03172 - 0760 LT  
**Description** LT 148, PL 1883; RICHMOND HILL  
**Address** 72 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

**PIN** 03172 - 0761 LT  
**Description** LT 149, PL 1883;; TOWN OF RICHMOND HILL  
**Address** 64 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

**Source Instruments**

Registration No.	Date	Type of Instrument
YR3227109	2021 03 24	Charge/Mortgage

**Party From(s)**

**Name** WAXMAN, JASON  
**Address for Service** 18 Turner Avenue  
 Hamilton, Ontario L8P 3K5

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

**Party To(s)**

Name	Capacity	Share
EMPIRICAL CAPITAL CORP.		38.46%
<b>Address for Service</b> 4950 Yonge Street, Suite 1706 Toronto, Ontario M2N 6K1		
VAULT CAPITAL INC.		61.54%
<b>Address for Service</b> 41 Scarsdale, Unit 5 Toronto, Ontario M3B 3R2		

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number YR3336913 registered on 2021/11/04

**Signed By**

Alexandra Mary Ann Krancevic 5000 Yonge Street, 10th Floor acting for Signed 2021 11 04  
 Toronto Party From(s)  
 M2N 7E9

Tel 416-222-8888

Fax 416-218-1860

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

**Submitted By**

CHAITONS LLP 5000 Yonge Street, 10th Floor 2021 11 04  
 Toronto  
 M2N 7E9

Tel 416-222-8888

Fax 416-218-1860

**Fees/Taxes/Payment**

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

**File Number**

Party To Client File Number : 64755

**THIS IS EXHIBIT "J" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



**Properties**

*PIN* 03172 - 0294 LT  
*Description* LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL  
*Address* 115 CHURCH STREET SOUTH  
 RICHMOND HILL

*PIN* 03172 - 0759 LT  
*Description* LT 147, PL 1883; RICHMOND HILL  
*Address* 119 CHURCH STREET SOUTH  
 RICHMOND HILL

*PIN* 03172 - 0760 LT  
*Description* LT 148, PL 1883; RICHMOND HILL  
*Address* 72 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

*PIN* 03172 - 0761 LT  
*Description* LT 149, PL 1883;; TOWN OF RICHMOND HILL  
*Address* 64 MAJOR MACKENZIE DRIVE EAST  
 RICHMOND HILL

**Source Instruments**

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
YR3227109	2021 03 24	Charge/Mortgage

**Transferor(s)**

This transfer of charge affects all lands that the charge is against which are outstanding.

*Name* WAXMAN, JASON  
*Address for Service* 18 Turner Avenue, Hamilton, Ontario  
 L8P 3K5

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

<b>Transferee(s)</b>	<i>Capacity</i>	<i>Share</i>
----------------------	-----------------	--------------

<i>Name</i>	WAXMAN, JASON		
<i>Address for Service</i>	18 Turner Avenue, Hamilton, Ontario L8P 3K5		
<i>Name</i>	GRATTON, CHRISTOPHER		
<i>Address for Service</i>	c/o 18 Turner Avenue, Hamilton, Ontario L8P 3K5		
<i>Name</i>	ALEXANDER RABINOVICH MEDICINE PROFESSIONAL CORPORATION		
<i>Address for Service</i>	c/o 18 Turner Avenue, Hamilton, Ontario L8P 3K5		
<i>Name</i>	ZOLADEK, MORRIS		
<i>Address for Service</i>	c/o 18 Turner Avenue, Hamilton, Ontario L8P 3K5		
<i>Name</i>	DSD MANAGEMENT INC.		
<i>Address for Service</i>	c/o 18 Turner Avenue, Hamilton, Ontario L8P 3K5		
<i>Name</i>	KMF ENTERPRISES INC.		
<i>Address for Service</i>	c/o 18 Turner Avenue, Hamilton, Ontario L8P 3K5		
<i>Name</i>	DR. JAMES DILL MEDICINE PROFESSIONAL CORPORATION		
<i>Address for Service</i>	c/o 18 Turner Avenue, Hamilton, Ontario L8P 3K5		

**Statements**

The chargee transfers the selected charge for \$2.00  
 The chargee transfers 100% of the selected charge.  
 This document relates to registration number(s)YR3227109, YR3227110, YR3336914, YR3336935, and YR3392549

**Signed By**

Robert Ramsin Pauls	255 Consumers Road, 5th Floor Toronto M2J 1R4	acting for Transferor(s)	Signed	2022 03 09
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**THIS IS EXHIBIT "K" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



RichmondHill.ca  
 225 East Beaver Creek Road, Richmond Hill, ON L4B 3P4

CHAITONS LLP  
 BARRISTERS & SOLICITORS  
 5000 YONGE STREET, 10TH FLR  
 TORONTO ON M2N 7E9

**Certificate of Treasurer**

No: 70998 Fee Paid: \$93.00  
 Date: February 2, 2023

Roll No: 38-02-0-010-01100-00000-05  
 Location: 64 MAJOR MACKENZIE DR E  
 Description: PLAN 1883 LOT 149  
 Owner: RICHMOND HILL RE-DEV CORPORA  
 Reference: FILE NO: 68760 *WATES*

**Levy Information**

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2023	2,176.00						2,176.00
2022		4,352.52					4,352.52

**Tax Information**

**\* Future Instalments**

Year	Tax Owing	Pen/Int Owing	Total Owing		
2023	2,372.29	2.45	2,374.74	March 1, 2023	1,088.00
2022	4,035.23	368.21	4,403.44	May 1, 2023	1,088.00
2021					
2020 & Prior					
Sub Total	6,407.52	370.66	6,778.18		
Tax Loans					
Total	6,407.52	370.66	6,778.18	* included in total owing	

**Collection Activity**

Note: **\*\*IMPORTANT NOTICE: ADVISE YOUR CLIENT(S) OF FUTURE INSTALMENTS AND NOTIFY OUR OFFICE IN WRITING OF ANY OWNERSHIP CHANGE(S) AFTER CLOSING TO OWNERCHANGE@RICHMONDHILL.CA**

CERTIFICATE IS SUBJECT TO CLEARANCE OF TAX PAYMENTS THROUGH THE BANK. Penalty/Interest is calculated to date of this Certificate. This Certificate shows all arrears of taxes against the lands described hereon including additions to the roll and proceedings have not been commenced under the Municipal Act, unless otherwise indicated. Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act and the Municipal Act, or other statutes, including those resulting from assessment reconsiderations, appeals, and/or land severances/consolidations, which may be billed in future years, are not included. There are no pending or existing local improvement charges unless indicated under additional information.

For Treasurer: 



RichmondHill.ca  
 225 East Beaver Creek Road, Richmond Hill, ON L4B 3P4

CHAITONS LLP  
 BARRISTERS & SOLICITORS  
 5000 YONGE STREET, 10TH FLR  
 TORONTO ON M2N 7E9

**Certificate of Treasurer**

No: 71000 Fee Paid: \$93.00  
 Date: February 2, 2023

Roll No: 38-02-0-010-01200-00000-06  
 Location: 72 MAJOR MACKENZIE DR E  
 Description: PLAN 1883 LOT 148  
 Owner: RICHMOND HILL RE-DEV CORPORA  
 Reference: FILE NO:64755

**Levy Information**

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2023	2,229.00						2,229.00
2022		4,459.82					4,459.82

**Tax Information**

**\* Future Instalments**

Year	Tax Owing	Pen/Int Owing	Total Owing		
2023	2,530.69	3.77	2,534.46	March 1, 2023	1,115.00
2022	5,588.09	498.58	6,086.67	May 1, 2023	1,114.00
2021					
2020 & Prior					
Sub Total	8,118.78	502.35	8,621.13		
Tax Loans					
Total	8,118.78	502.35	8,621.13	* included in total owing	

**Collection Activity**

Note: **\*\*IMPORTANT NOTICE: ADVISE YOUR CLIENT(S) OF FUTURE INSTALMENTS AND NOTIFY OUR OFFICE IN WRITING OF ANY OWNERSHIP CHANGE(S) AFTER CLOSING TO OWNERCHANGE@RICHMONDHILL.CA**

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For Treasurer:



RichmondHill.ca  
 225 East Beaver Creek Road, Richmond Hill, ON L4B 3P4

CHAITONS LLP  
 BARRISTERS & SOLICITORS  
 5000 YONGE STREET, 10TH FLR  
 TORONTO ON M2N 7E9

**Certificate of Treasurer**

No: 70997 Fee Paid: \$93.00  
 Date: February 2, 2023

Roll No: 38-02-0-010-84000-00000-06  
 Location: 115 CHURCH ST S  
 Description: PLAN 1883 LOT 145 TO 146  
 Owner: RICHMOND HILL RE-DEV CORPORA  
 Reference: FILE NO: ~~66762~~ 64755

**Levy Information**

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2023	3,594.00						3,594.00
2022		7,189.37					7,189.37

**Tax Information**

**\* Future Instalments**

Year	Tax Owing	Pen/Int Owing	Total Owing		
2023	3,815.27		3,815.27	February 7, 2023	221.27
2022	5,673.19	514.02	6,187.21	March 1, 2023	1,797.00
2021				May 1, 2023	1,797.00
2020 & Prior					
Sub Total	9,488.46	514.02	10,002.48		
Tax Loans					
Total	9,488.46	514.02	10,002.48	* included in total owing	

**Collection Activity**

Note: **\*\*IMPORTANT NOTICE: ADVISE YOUR CLIENT(S) OF FUTURE INSTALMENTS AND NOTIFY OUR OFFICE IN WRITING OF ANY OWNERSHIP CHANGE(S) AFTER CLOSING TO OWNERCHANGE@RICHMONDHILL.CA**

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For Treasurer: 





RichmondHill.ca  
 225 East Beaver Creek Road, Richmond Hill, ON L4B 3P4

CHAITONS LLP  
 BARRISTERS & SOLICITORS  
 5000 YONGE STREET, 10TH FLR  
 TORONTO ON M2N 7E9

**Certificate of Treasurer**

No: 70999 Fee Paid: \$93.00  
 Date: February 2, 2023

Roll No: 38-02-0-010-83900-00000-05  
 Location: 119 CHURCH ST S  
 Description: PL 1883 LT 147  
 Owner: RICHMOND HILL RE-DEV CORPORA  
 Reference: FILE NO:64755

**Levy Information**

Year	Interim	Annual	Supplementaries	Appeals	Apportionment	Cap/Clawback	Total
2023	2,796.00						2,796.00
2022		5,593.22					5,593.22

**Tax Information**

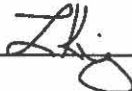
**\* Future Instalments**

Year	Tax Owing	Pen/Int Owing	Total Owing		
2023	3,026.85		3,026.85	February 7, 2023	230.85
2022	4,448.00	409.61	4,857.61	March 1, 2023	1,398.00
2021				May 1, 2023	1,398.00
2020 & Prior					
Sub Total	7,474.85	409.61	7,884.46		
Tax Loans					
Total	7,474.85	409.61	7,884.46	* included in total owing	

**Collection Activity**

Note: **\*\*IMPORTANT NOTICE: ADVISE YOUR CLIENT(S) OF FUTURE INSTALMENTS AND NOTIFY OUR OFFICE IN WRITING OF ANY OWNERSHIP CHANGE(S) AFTER CLOSING TO OWNERCHANGE@RICHMONDHILL.CA**

CERTIFICATE IS SUBJECT TO CLEARANCE OF TAX PAYMENTS THROUGH THE BANK. Penalty/Interest is calculated to date of this Certificate. This Certificate shows all arrears of taxes against the lands described hereon including additions to the roll and proceedings have not been commenced under the Municipal Act, unless otherwise indicated. Subsequent additional levies for the current year or prior years under the provisions of the Assessment Act and the Municipal Act, or other statutes, including those resulting from assessment reconsiderations, appeals, and/or land severances/consolidations, which may be billed in future years, are not included. There are no pending or existing local improvement charges unless indicated under additional information.

For Treasurer: 

**THIS IS EXHIBIT "L" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 1  
( 6754)

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE  
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION

FILE CURRENCY : 31JAN 2023

ENQUIRY NUMBER 20230201102148.27 CONTAINS 9 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CHAITONS LLP - LYNDA CHRISTODOULOU

5000 YONGE STREET, 10TH FLOOR  
TORONTO ON M2N 7E9

CONTINUED... 2



(crf6 05/2022)

Ontario 

RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 2  
( 6755)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
780974487

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	3		20220309 1623 1901 7532	P PPSA	05

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME RICHMOND HILL RE-DEV CORPORATION

ONTARIO CORPORATION NO.  
ON L3S 3Z9

ADDRESS 62 HEPBURN STREET MARKHAM

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT JASON WAXMAN

ADDRESS 18 TURNER AVE HAMILTON ON L8P 3K5

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
X	X	X	X	X			

MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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GENERAL COLLATERAL DESCRIPTION ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY LOCATED AT, ON, OR ABOUT THE LANDS AND PREMISES MUNICIPALLY KNOWN AS 64 & 72 MAJOR MACKENZIE DR E, RICHMOND HILL, ON AND 115 & 119 CHURCH

REGISTERING AGENT ESC CORPORATE SERVICES LTD.  
ADDRESS 445 KING STREET WEST, SUITE 400 TORONTO ON M5V 1K4

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(01/1v 05/2022)



RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 3  
( 6756)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
780974487

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	3		20220309 1623 1901 7532		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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GENERAL COLLATERAL DESCRIPTION  
ST S, RICHMOND HILL, ONTARIO, OR USED OR ACQUIRED IN CONNECTION WITH OR PRIMARILY RELATED TO THE BUSINESS OF THE DEBTOR CONDUCTED ON OR WITH RESPECT TO SUCH LANDS AND PREMISES. GENERAL ASSIGNMENT OF RENTS

REGISTERING AGENT  
ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crj11v 05/2022)

Ontario 

RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 4  
( 6757)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
780973487

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	003	3		20220309 1623 1901 7532		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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GENERAL COLLATERAL DESCRIPTION  
OVER THE PROPERTY 64 & 72 MAJOR MACKENZIE DR E, RICHMOND HILL, ON AND 115 & 119 CHURCH ST S, RICHMOND HILL, ONTARIO.

REGISTERING AGENT

ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

5

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF PERSONAL PROPERTY SECURITY/  
LE REG-STRATEUR DES SÛRETÉS MOBILIÈRES

(ej1fv 05/2022)



RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 5  
( 6758)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
758007333

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001	3		20191127 1410 1590 1330	P PPSA	5

DEBTOR NAME: RICHMOND HILL RE-DEV CORPORATION  
DATE OF BIRTH: [REDACTED]  
FIRST GIVEN NAME: [REDACTED]  
INITIAL: [REDACTED]  
SURNAME: [REDACTED]

ONTARIO CORPORATION NO.:  
ON L3S 3Z9

ADDRESS: 62 HEPBURN STREET MARKHAM

DEBTOR NAME: [REDACTED]  
DATE OF BIRTH: [REDACTED]  
FIRST GIVEN NAME: [REDACTED]  
INITIAL: [REDACTED]  
SURNAME: [REDACTED]

ONTARIO CORPORATION NO.

BUSINESS NAME: [REDACTED]

ADDRESS: [REDACTED]

SECURED PARTY / LIEN CLAIMANT: EMPIRICAL CAPITAL CORP.

ADDRESS: 4950 YONGE STREET, SUITE 1706 TORONTO ON M2N 6K1

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
X	X	X	X	X			

MOTOR VEHICLE: YEAR MAKE MODEL V.I.N.

GENERAL COLLATERAL DESCRIPTION: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY USED IN CONNECTION WITH, SITUATE AT, OR ARISING FROM THE OWNERSHIP, DEVELOPMENT, USE OR DISPOSITION OF THE LANDS AND PREMISES MUNICIPALLY KNOWN AS 115 AND

REGISTERING AGENT: CHAITONS LLP

ADDRESS: 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(rj)11v 05/2022



RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 6  
( 6759)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
758007333

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	002	3		20191127 1410 1590 1330		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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DEBTOR NAME	BUSINESS NAME
-------------	---------------

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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DEBTOR NAME	BUSINESS NAME
-------------	---------------

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY / LIEN CLAIMANT	ADDRESS
-------------------------------	---------

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
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GENERAL COLLATERAL DESCRIPTION	119 CHURCH STREET, RICHMOND HILL, ONTARIO AND 64 AND 72 MAJOR MACKENZIE DRIVE, RICHMOND HILL, ONTARIO AND LEGALLY DESCRIBED IN PINS 03172-0294 (LT), 03172-0759 (LT), 03172-0761 (LT) AND 03172-0760 (LT)
--------------------------------	---

REGISTERING AGENT	ADDRESS
-------------------	---------

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

(cr)11v 05/2022



RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 7  
( 6760)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER  
758007333

CAUTION FILING	PAGE NO.	TOTAL OF PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	003	3		20191127 1410 1590 1330		

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
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BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

DEBTOR NAME	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
----------------	---------------	------------------	---------	---------

BUSINESS NAME

ONTARIO CORPORATION NO.

ADDRESS

SECURED PARTY /  
LIEN CLAIMANT

ADDRESS

COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY OR	NO FIXED MATURITY DATE
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MOTOR VEHICLE	YEAR MAKE	MODEL	V.I.N.
------------------	-----------	-------	--------

GENERAL

AND ANY PROCEEDS THEREOF.

COLLATERAL  
DESCRIPTION

REGISTERING  
AGENT

ADDRESS

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED...

CERTIFIED BY/CERTIFIÉES PAR

*V. Quintanilla W.*

REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(aj11iv 05/2022)

Ontario 



RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 8  
( 6761)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING	PAGE NO. OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01	001	1		20211103 1550 1590 2858	P PPSA
21	RECORD REFERENCED	FILE NUMBER	758007333		
22	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	X	CHANGE REQUIRED A AMENDMENT	RENEWAL YEARS
23	REFERENCE	FIRST GIVEN NAME		INITIAL	SURNAME
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	RICHMOND HILL RE-DEV CORPORATION		
25	OTHER CHANGE REASON/ DESCRIPTION	TO ADD ADDITIONAL SECURED PARTY			
02/05	DEBTOR/ TRANSFEREE	DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
03/06	TRANSFEREE	BUSINESS NAME			
04/07	ADDRESS				ONTARIO CORPORATION NO.
29	ASSIGNOR	SECURED PARTY/LIEN CLAIMANT/ASSIGNER			
08		VAULT CAPITAL INC.			
09	ADDRESS	41 SCARSDALE, UNIT 5	TORONTO	ON	M3B 3R2
	COLLATERAL CLASSIFICATION	CONSUMER			
10	GOODS	INVENTORY	EQUIPMENT	ACCOUNTS OTHER	MOTOR VEHICLE INCLUDED
	X	X	X	X	X
11	MOTOR VEHICLE GENERAL DESCRIPTION	YEAR	MAKE	MODEL	V.I.N.
16	REGISTERING AGENT OR SECURED PARTY/ LIEN CLAIMANT	ADDRESS	CHAITONS LLP (JW/64755) 5000 YONGE STREET, 10TH FLOOR	TORONTO	ON M2N 7B9

\*\*\* FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. \*\*\*

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crj2fv 05/2022)





RUN NUMBER : 032  
RUN DATE : 2023/02/01  
ID : 20230201102148.27

PROVINCE OF ONTARIO  
MINISTRY OF GOVERNMENT SERVICES  
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM  
ENQUIRY RESPONSE  
CERTIFICATE

REPORT : PSSR060  
PAGE : 9  
( 6762)

TYPE OF SEARCH : BUSINESS DEBTOR  
SEARCH CONDUCTED ON : RICHMOND HILL RE-DEV CORPORATION  
FILE CURRENCY : 31JAN 2023

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
780974487	20220309 1623 1901 7532			
758007333	20191127 1410 1590 1330	20211103 1550 1590 2858		

3 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR  
*V. Quintanilla W.*  
REGISTRAR OF  
PERSONAL PROPERTY SECURITY/  
LE REGISTRATEUR  
DES SÛRETÉS MOBILIÈRES

(crf6 05/2022)

Ontario 

**THIS IS EXHIBIT "M" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

**FORBEARANCE AGREEMENT**  
(the “**Agreement**”)

**THIS AGREEMENT** made this 5<sup>th</sup> day of January, 2021.

**AMONG:**

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

OF THE FIRST PART

- and -

**RICHMOND HILL RE-DEV CORPORATION**  
(hereinafter called the “**Borrower**”)

OF THE SECOND PART

- and -

**GOLDEN MAPLE RICHMOND HILL LTD. (“Golden Maple”),**  
**WATFORD RICHMOND HILL HOLDINGS INC. (“Watford”),**  
**HARSHAL DAVE (“Harshal”), QING LI (“James”),**  
**FERNAND VARTANIAN (“Fernand”) and RONG ZHAO (“Henry”)**

(hereinafter individually called a “**Guarantor**” and  
collectively called the “**Guarantors**”)

OF THE THIRD PART

**WHEREAS:**

- A. The Borrower, the Lender and the Guarantor are parties to a Loan Proposal dated October 21, 2019 and a commitment letter dated November 13, 2019 (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 Guarantors acknowledge and agree that as of the date hereof the amount of the Loan owing is \$5,500,000.00 plus such other amounts as hereinafter described (the “**Indebtedness**”).
- B. The Borrower as security for the Loan executed and delivered a Mortgage (the “**Mortgage**”) registered as instrument number YR3045080 in favour of the Lender against the land and premises as more particularly described below:

115 and 119 Church Street and 64 and 72 Major Mackenzie Drive, Richmond Hill, Ontario (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 Guarantors guaranteed the Indebtedness of the Borrower under the Mortgage;
- E. The Borrower and the Guarantors acknowledge and agree that the Mortgage is in default;
- F. The parties hereto acknowledge that interest and legal costs continue to accrue on the Loan from the date hereof;
- G. Commencing on the date hereof, the Borrower and Guarantors have requested a forbearance and extension to be granted by the Lender from January 2, 2021 to July 2, 2021, (the **“Forbearance Term”**) on which date (the **“Due Date”**) the total of all amounts outstanding pursuant to this Agreement, the Commitment and the Mortgage shall be due and payable. The Lender will provide a second 6 month extension (**“Second Extension”**) commencing on the Due Date upon the following terms and conditions and provided that the Borrower is not then in default pursuant to this Agreement which has not been cured:
  - (1) namely the Borrower shall pay to the Lender a 6 month interest reserve and 1% fee on or before June 30, 2021; or
  - (2) the Borrower shall pay to the Lender a 1% fee on or before June 30, 2021 and interest monthly at the rate of 10.25% per annum to be paid by pre-authorized debit on the 2nd day of each month commencing August 2, 2021 to January 2, 2022.
- H. The Borrower and the Guarantors 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; and
- I. The Borrower has requested and the Lender has agreed to forbear from taking actions under the Commitment, the Mortgage and the Security or against the Guarantors on the terms and conditions set forth in this Agreement, but subject always to the Borrower at all times satisfying and 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 Guarantors, (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 Guarantors specifically acknowledge the existence, quantum and accuracy of the Indebtedness and specifically acknowledge that the Commitment, Mortgage, Security and Loan comprise duly granted, valid and enforceable obligation of the Borrower and the Guarantors in favour of the Lender.

**ARTICLE 2  
FORBEARANCE**

2.1 In consideration of the Borrower, Watford and Harshal 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 Loan, Commitment, the Mortgage and the Security (the “**Forbearance**”) conditional upon the Borrower, Watford and Harshal complying with each and every one of their obligations set forth in this Agreement. Subject to the Second Extension becoming effective, 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 on the 2<sup>nd</sup> day of each month from an interest reserve held by the Lender. In the event the principal and interest due pursuant to the Mortgage is not paid in full within 5 days of the Due Date and the Borrower and Lender have not agreed on mutually acceptable terms to extend the Loan, the Lender shall be entitled to an additional amount equal to 2 months’ additional interest on the Loan.

2.2 The Borrower and the Guarantors covenant and agree that:

- (a) The interest rate for the Forbearance Term shall be the rate per annum set out on and calculated in accordance with the Commitment and the interest rate for the Second Extension shall be as set out in paragraph G(2) of this Agreement.
- (b) Interest payments will be made from the Interest Reserve (as defined herein).
- (c) The Borrower, Watford and Harshal have agreed to provide the following to the Lender:
  - (i) an interest reserve of the \$254,375 for the payments for the period from January 2, 2021 to and including July 2, 2021 to be deposited with Chaitons LLP in trust on or before January 1, 2021;

- (ii) a fee of \$55,000 or 1% of the Loan Amount to be deposited with Chaitons on or before February 1, 2021;
- (iii) reimbursement of the expenses incurred by the Lender to the date hereof as set forth in Schedule "B" attached hereto on or before execution of this Agreement.
- (d) The Borrower to pay all of the Lender's legal fees herein on or before execution of this Agreement.
- (e) To pay all further reasonable legal fees incurred by the Lender from and after the date hereof in connection with this Agreement, the Mortgage and Security.
- (f) For the Second Extension the provisions of recital G shall apply and shall be deemed incorporated into this Section 2.2 by reference.

2.3 Upon default pursuant to Section 2.2 hereof, which is not remedied within five (5) business 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 Guarantors and the Lender shall be entitled to the additional 2 months' interest specified in Section 2.1 hereof.

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, Watford and Harshal breach any provisions of this Agreement including, the failure to pay the Lender, interest, fees or reimbursable expenses set forth in Schedule "B" attached hereto, and such breach is not cured within five (5) business days following notice in writing of such breach given to the Borrower, Watford and Harshal;
- (ii) If the Borrower, Watford and Harshal fail to pay property or liability insurance and real property taxes with respect to the Property, as and when same are due. An up to date insurance certificate has been provided to the Lender noting the Lender as first mortgagee and loss payee. The Lender is waiting for satisfactory confirmation from the City of Richmond Hill tax department that the realty taxes arrears for all properties have been paid;
- (iii) If the Borrower files 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 has been consented to in writing

by the Lender, 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; or

- (v) If the Borrower defaults in providing the reporting required by the Commitment (i.e. five (5) business days after each month end) and fails to cure such default within 5 business days.

### **ARTICLE 3 COVENANTS OF THE LENDER**

3.1 In consideration of the Borrower complying with all of its obligations herein, including without limitation:

- (a) providing the interest reserve; (satisfied)
- (b) paying the Lender fee;
- (c) paying all amounts due and owing up to the date hereof to the Lender or its counsel as per Schedule "B" attached hereto;
- (d) paying all outstanding realty taxes; (satisfied)
- (e) providing evidence of insurance; (satisfied)
- (f) providing evidence satisfactory to the Lender and its counsel that Golden Maple and Fernand have transferred their ownership interests in the Property to Harshal and have resigned as officers and directors of the Borrower; and
- (g) provide a notarized net worth statement of Harshal Dave.

The Lender shall release each of Golden Maple, James, Fernand and Henry as Guarantors in connection with the Loan as soon as possible after the date hereof and conditional upon compliance with the terms hereof each of the Lender, Golden Maple, James, Fernand and Henry shall exchange full and final releases of all claims. For clarity, payment of the lender fee on or before February 1, 2021 is not a condition precedent to the Lender releasing Golden Maple, Henry and James from their guarantees.

**ARTICLE 4**  
**REPRESENTATIONS BY THE BORROWER AND THE GUARANTOR**

- 4.1 The Borrower and each of the Guarantors of itself only, 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 Guarantors and is binding and enforceable against them in accordance with its terms.
  - (b) The Borrower and the Guarantors 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 Guarantors 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 Guarantors hereby confirm that all other mortgages and encumbrances registered on title to the Property are in good standing, if any.

**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  
Email: astrahl@empiricalcapital.ca  
Fax: (647) 426-1007



With a copy to: Chaitons LLP  
10th Floor, 5000 Yonge Street  
Toronto, ON M2N 7E9  
Email: [doug@chaitons.com](mailto:doug@chaitons.com)

b) If to Watford, Harshal  
or Fernand: 157 Main Street, Suite 202  
Markham, Ontario L3P 1X3  
Email: [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)

With a copy to: Friedman Law Professional Corporation  
150 Ferrand Drive, Suite 800  
Toronto, Ontario M3C 3E5

Attn.: William Friedman  
Email: [wf@friedmans.ca](mailto:wf@friedmans.ca)

c) If to Golden Maple,  
James or Henry: c/o Dom Michaud  
Robins Appleby LLP  
120 Adelaide St W #2600, Toronto, ON M5H 1T1  
Email: [dmichaud@robapp.com](mailto:dmichaud@robapp.com)

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 insist

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, Watford, Harshal and Fernand confirm that they have received independent legal representation from Friedman Law Professional Corporation and Golden Maple, James and Henry confirm that they have received independent legal representation from Robins Appleby LLP prior to executing this Agreement.

The Lender confirms that Chaitons LLP is acting for the Lender in connection with this Forbearance 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:

\_\_\_\_\_  
Witness

Harshal Dave  
HARSHAL DAVE

\_\_\_\_\_  
Witness

\_\_\_\_\_  
QING LI

\_\_\_\_\_  
Witness

\_\_\_\_\_  
FERNAND VARTANIAN

\_\_\_\_\_  
Witness

\_\_\_\_\_  
RONG ZHAO

**WATFORD RICHMOND HILL  
HOLDINGS INC.**

Per: Harshal Dave  
Harshal Dave, President  
I have the authority to bind the Corporation.

**GOLDEN MAPLE RICHMOND HILL LTD.**

Per: \_\_\_\_\_  
Qing Li, President  
I have the authority to bind the Corporation.

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:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
HARSHAL DAVE


\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
QING LI

\_\_\_\_\_  
Witness

\_\_\_\_\_  
FERNAND VARTANIAN

\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
RONG ZHAO

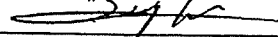
**WATFORD RICHMOND HILL  
HOLDINGS INC.**

Per: \_\_\_\_\_

Harshal Dave, President

I have the authority to bind the Corporation.

**GOLDEN MAPLE RICHMOND HILL LTD.**

Per:   
\_\_\_\_\_

Qing Li, President

I have the authority to bind the Corporation.

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:

\_\_\_\_\_  
Witness

\_\_\_\_\_  
HARSHAL DAVE

\_\_\_\_\_  
Witness

\_\_\_\_\_  
QING LI

*Lena Vartanian*  
\_\_\_\_\_  
Witness

  
\_\_\_\_\_  
FERNAND VARTANIAN

\_\_\_\_\_  
Witness

\_\_\_\_\_  
RONG ZHAO

**WATFORD RICHMOND HILL  
HOLDINGS INC.**

Per: \_\_\_\_\_  
Harshal Dave, President  
I have the authority to bind the Corporation.

**GOLDEN MAPLE RICHMOND HILL LTD.**

Per: \_\_\_\_\_  
Qing Li, President  
I have the authority to bind the Corporation.

**RICHMOND HILL RE-DEV CORPORATION**

Per:   
Harshal Dave, President

I have the authority to bind the Corporation.

**EMPIRICAL CAPITAL CORP.**

Per: \_\_\_\_\_  
Abraham (Abby) Strahl, President

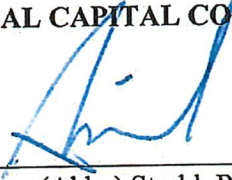
Per: \_\_\_\_\_  
David Strahl, Vice President

We have the authority to bind the Corporation.

**RICHMOND HILL RE-DEV CORPORATION**

Per: \_\_\_\_\_  
Harshal Dave, President  
I have the authority to bind the Corporation.

**EMPIRICAL CAPITAL CORP.**

Per:  \_\_\_\_\_  
Abraham (Abby) Strahl, President  
I have the authority to bind the Corporation.

## **SCHEDULE "A"**

### **SECURITY DOCUMENTS**

- (a) Mortgage registered as instrument number YR3045080;
- (b) General Assignment of Rents registered as instrument number YR3045080;
- (c) General Security Agreement; and
- (d) The personal guarantees of the Guarantors.



## SCHEDULE "B"

CBRE opinion of value	-	\$1,695.00
Title Search	-	\$80.62
Default Letter	-	\$930.00
Chaitons LLP	-	\$10,500.31
<b>TOTAL</b>	<b>=</b>	<b>\$13,205.93</b>

**THIS IS EXHIBIT "N" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

**EXTENSION AGREEMENT**  
**(the “Agreement”)**

**THIS AGREEMENT** made this 23<sup>rd</sup> day of June, 2021.

**AMONG:**

**EMPIRICAL CAPITAL CORP.**

(hereinafter called the “**Lender**” or “**Empirical**”)

OF THE FIRST PART

- and -

**RICHMOND HILL RE-DEV CORPORATION**

(hereinafter collectively called the “**Borrower**”)

OF THE SECOND PART

- and -

**HARSHAL DAVE (“Harshal”),**  
**WATFORD RICHMOND HILL HOLDINGS INC. (“Watford”)**

(hereinafter individually called a “**Guarantor**” and collectively called the “**Guarantors**”)

OF THE THIRD PART

**WHEREAS:**

- A. The Borrower, the Lender and the Guarantors are parties to a loan proposal dated October 21, 2019 and commitment letter dated November 13, 2019 as amended (collectively the “**Commitment**”) whereby the Lender made a loan to the Borrower in the principal amount of \$5,500,000.00 (the “**Loan**”).
- B. The Guarantors guaranteed the obligations of the Borrower to the Lender.
- C. Pursuant to a Forbearance Agreement dated January 5, 2021 (the “**Forbearance Agreement**”), the Lender agreed to extend the term of the Loan to July 2, 2021.
- D. Maturity date (“**Maturity**”) of the Loan is therefore now July 2, 2021.
- E. The Borrower has requested a Six (6) months extension of the Loan for the period July 2, 2021 to January 1, 2022 and the Lender has agreed to provide the extension in accordance with the terms and conditions of this Agreement.
- F. 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:

- (1) Address: 115 Church Street South, Richmond Hill  
 PIN: 03172 - 0294 LT  
 Description: LT 145 PL 1883 RICHMOND HILL; LT 146 PL 1883 RICHMOND HILL ; RICHMOND HILL
- (2) Address: 119 Church Street South, Richmond Hill  
 PIN: 03172 - 0759 LT  
 Description: LT 147, PL 1883; RICHMOND HILL
- (3) Address: 64 Major Mackenzie Drive East, Richmond Hill  
 PIN: 03172 - 0761 LT  
 Description: LT 149, PL 1883; TOWN OF RICHMOND HILL
- (4) Address: 72 Major Mackenzie Drive East, Richmond Hill  
 PIN: 03172 - 0760 LT  
 Description: LT 148, PL 1883; RICHMOND HILL

(collectively referred to as the “**Property**”)

- G. 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;
- H. The Guarantors are guaranteeing the indebtedness of the Borrower under the Mortgage.
- I. The parties hereto acknowledge that the indebtedness (the “**Indebtedness**”) as set out in Schedule “**B**” attached hereto is accurate as of the date hereof;

**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 Guarantors specifically acknowledge the existence, quantum and accuracy of the Indebtedness and specifically acknowledge that the Mortgage and Loan and their guarantees comprise a duly granted, valid and enforceable obligation of the Borrower and the Guarantors to the Lender.

**ARTICLE 2  
EXTENSION**

- 2.1 The Lender agrees to extend the term (the “**Extension Term**”) of the Loan for a period of six (6) months commencing on July 2, 2021 and ending on January 1, 2022.
- 2.2 The parties agree that the interest rate for the Extension Term shall be at the rate of 10.25% subject to the overholding rate set forth in the Commitment to the extent the same becomes applicable as specified in the Commitment if the Loan is not repaid on the new maturity date. Interest shall be paid monthly by preauthorized debit on the 2<sup>nd</sup> day of each month commencing on August 2, 2021.
- 2.3 The Borrower shall pay an extension fee (the “**Fee**”) of \$55,000 or 1% on or before June 30, 2021. The Fee shall be deemed earned and non-refundable upon receipt.
- 2.4 The Borrower shall provide the Lender as soon as possible after the date hereof the following:
- (a) realty tax certificate for the Property showing no arrears;
  - (b) updated insurance certificate (Received).
- 2.5 The Loan shall be fully open during the Extension Term and may be payable at any time without notice, bonus or penalty.

**ARTICLE 3  
REPRESENTATIONS BY THE BORROWER AND THE GUARANTORS**

- 3.1 The Borrower and the Guarantors 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 providing the extension:
- (a) This Agreement has been duly executed and delivered by the Borrower and the Guarantors and is binding and enforceable against them in accordance with its terms.
  - (b) The Borrower and the Guarantors acknowledge and agree that the Loan remains due and owing to the Lender free and clear of all rights of set-off or offset whatsoever.
  - (c) The Borrower and the Guarantors 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 Guarantors hereby confirm that all other mortgages registered on title to the Property are in good standing.
  - (e) The Borrower and the Guarantors hereby acknowledge and agree that the Commitment remains in full force and effect notwithstanding the extension of this Agreement and that the Lender may rely thereon in connection with this Agreement and the extension.
  - (f) Fernand shall execute a replacement guarantee in favour of the Lender.

**ARTICLE 4  
GENERAL PROVISIONS**

**4.1 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 Corp.  
4950 Yonge Street, Suite 1706  
Toronto, Ontario M2N 6K1
- Attention:**  
Abraham (Abby) Strahl, President  
Email: astrahl@empiricalcapital.ca
- David Strahl, Vice President  
Email: dstrahl@empiricalcapital.ca
- (b) If to the **Borrower**           157 Main Street, Suite 202  
or the **Guarantors:**           Unionville, Ontario L3R 2G8
- Attention:** Harshal Dave, President  
Email: harshal@watfordgroup.com

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.

**4.2 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.

**4.3 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.

#### 4.4 **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.

#### 4.5 **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.

#### 4.6 **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.

#### 4.7 **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.

#### 4.8 **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.

#### 4.9 **Acknowledgment**

The parties hereto acknowledge that Friedman Law Professional Corporation has prepared this Agreement at the request of all of the parties hereto and is counsel only to the Borrower and the Guarantors in connection with the Loan and is not acting for the Lender which is represented by Chaitons LLP. Friedman Law Professional Corporation has recommended that the Lender review this Agreement with Chaitons LLP before executing the same.

*[Signature Page to follow]*

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:

**RICHMOND HILL RE-DEV  
CORPORATION**

Per: Harshal Dave  
Harshal Dave, President  
I have the authority to bind the Corporation.

**EMPIRICAL CAPITAL CORP.**

Per: Abraham (Abby) Strahl  
Abraham (Abby) Strahl, President  
I have the authority to bind the Corporation.

**WATFORD RICHMOND HILL  
HOLDINGS INC.**

Per: Harshal Dave  
Harshal Dave, President  
I have the authority to bind the Corporation.

PK  
WITNESS

Harshal Dave  
HARSHAL DAVE



**SCHEDULE "A"**

**SECURITY DOCUMENTS**

- (a) Mortgage in the principal amount of \$5,500,000 registered as instrument No. YR3045080;
- (b) General Assignment of Rents registered as instrument No. YR3045080;
- (c) General Security Agreement; and
- (d) The guarantees of the Guarantors.

**SCHEDULE "B"**

**PRINCIPAL AMOUNT**

As of June 23, 2021      -                      \$5,500,000.00

**THIS IS EXHIBIT "O" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

AMENDMENT OF COMMITMENT LETTER

THIS AGREEMENT made effective as of the 21<sup>st</sup> day of October, 2021.

AMONG:

EMPIRICAL CAPITAL CORP.  
(the "Lender")

- and -

RICHMOND HILL RE-DEV CORPORATION  
(the "Borrower")

- and -

WATFORD RICHMOND HILL HOLDINGS INC.  
(the "Corporate Guarantor")

- and -

HARSHAL DAVE  
(the "Personal Guarantor")

WHEREAS:

- A. The Lender, the Borrower and, *inter alios*, the Corporate Guarantor and the Personal Guarantor (collectively, the "Guarantors") entered into a commitment letter dated as of November 13, 2019 (the "Original Commitment Letter");
- B. The Original Commitment Letter was amended by (i) an Amending Agreement dated December 10, 2019 (the "First Amendment to the Commitment Letter") (ii) a Forbearance Agreement dated January 5, 2021 (the "Forbearance Agreement") and (iii) an Extension Agreement dated June 23, 2021 (the "Extension Agreement");
- C. The Extension Agreement, *inter alia*, extended the Maturity Date of the Loan and amended the Interest Rate subject to and in accordance with the provisions set out therein, including, without limitation the provisions relating to the overholding rate set out in Section 2 thereof;
- D. For the purposes of this agreement (this "Further Amendment to the Commitment Letter"), the Original Commitment Letter, the First Amendment to the Commitment Letter, the Forbearance Agreement and the Extension Agreement shall hereinafter be referred to as the Commitment Letter. Notwithstanding the foregoing, the parties acknowledge that the Borrower is not in forbearance and this Agreement is not a forbearance agreement;
- E. The Lender, the Borrower and the Guarantors (collectively, the "Parties") have each agreed to further amend the Commitment Letter in accordance with and subject to the terms and conditions hereof; and

F. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Original Commitment Letter.

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

1. As of the date hereof, the Parties hereby acknowledge and agree as follows:
  - (a) the Loan Amount is hereby amended by deleting reference to "\$5,500,000" and replacing it with reference to "\$6,500,000";
  - (b) an advance of One Million (\$1,000,000) Dollars (the "Advance") shall occur on or prior to November 2, 2021 (the "Amendment Advance Date"), or such other date as may be extended by the Lender, in its sole discretion;
  - (c) notwithstanding the provisions set out in the Extension Agreement, the term of the Loan shall be amended by a period of thirteen (13) months (the "Amendment Term"), commencing on the Amendment IAD (as hereinafter defined) and maturing thirteen (13) months immediately thereafter;
  - (d) subject to and in accordance with the provisions of Section 2 hereof, during the first twelve (12) months of the Amendment Term, the Interest Rate shall be payable at a rate equal to the greater of:
    - (i) 9.00% per annum; and
    - (ii) the RBC Posted Bank Prime Rate plus 6.05% per annum;
  - (e) commencing on the first day of the thirteenth (13<sup>th</sup>) month of the Amendment Term, the Interest Rate shall be payable at a rate equal to the greater of:
    - (i) 14.00% per annum; and
    - (ii) the RBC Posted Bank Prime Rate plus 11.55% per annum; and
  - (f) the Loan, as amended hereby, shall be closed for prepayment for the first six (6) months of the Amendment Term and open thereafter on sixty (60) days prior written notice by the Borrower to the Lender.
2. Notwithstanding the foregoing and/or anything contained herein to the contrary, the Parties acknowledge and agree that up to and including the Amendment Advance Date, the Interest Rate payable by the Borrower to the Lender under the Loan shall be at the rate of 10.25% per annum (the "Present Interest Rate") as further set out in the Extension Agreement.
3. This Further Amendment to the Commitment Letter is subject to and conditional upon satisfaction of the following conditions on or before the Amendment Advance Date:



- (a) a duly executed copy of this Further Amendment to the Commitment Letter by each of the Parties;
- (b) duly executed copies of the Amending Documents (as hereinafter defined) by each of the Parties;
- (c) receipt and satisfactory review by the Lender of the following:
  - (i) externally prepared financial statements for the fiscal year ended December 31, 2020, for the Borrower and the Corporate Guarantor in at least a Notice to Reader format;
  - (ii) an up-to-date personal net worth statement of the Personal Guarantor detailing the source of all information contained therein;
  - (iii) an up-to-date appraisal report for the Property, prepared by Janterra Real Estate Advisors Inc., indicating a value of not less than Nine Million Eight Hundred Thousand (\$9,800,000) Dollars for the Property on an as-is basis, satisfactory to the Lender, in its absolute discretion. The foregoing report shall be accompanied by a reliance letter addressed to the Lender and prepared by a consultant acceptable to the Lender, in its absolute discretion;
  - (iv) an up-to-date planning report for the Property, satisfactory to the Lender, in its absolute discretion, stating, *inter alia*, that the Project (as hereinafter defined) can be developed in accordance with the Borrower's plans and is permitted under current zoning by-laws together with a detailed plan outlining the status of the Borrower's application for site plan approval for the Property and the anticipated date that the City of Richmond Hill is expected to grant site plan approval for the development of the proposed six (6) storey mid-rise condominium building known as "The Watford". The foregoing report shall be accompanied by a reliance letter addressed to the Lender and prepared by a consultant acceptable to the Lender, in its absolute discretion; (*received*)
  - (v) an e-mail communication from the environmental consultant preparing the Phase 2 ESA (as hereinafter defined) (i) providing an estimate of all costs relating to the work required for the remediation of the environmental condition of the Property and (ii) confirming that there are no material contamination issues, which could prevent or hinder development of the Property, the form and content of which shall be satisfactory to the Lender, in its absolute discretion;
  - (vi) an amendment to the existing title insurance policy in favour of the Lender, which amendment shall increase the principal amount of the Loan as contemplated hereby; and
  - (vii) any other documents that the Lender may so require acting reasonably;

- (d) subject to and in accordance with the provisions of Section 6 hereof, receipt by the Lender or its solicitors of a Commitment Fee in the amount of One Hundred and Thirteen Thousand Seven Hundred and Fifty (\$113,750) Dollars (the "Amendment Commitment Fee"), which shall be accounted for and paid as follows:
- (i) Twenty Thousand (\$20,000) Dollars (the "Earnest Fee Deposit") shall have been previously received by the Lender from the Borrower as of the date hereof; (received)
  - ~~(ii) Thirty Thousand (\$30,000) Dollars ("Earnest Fee Balance") payable upon acceptance by the Borrower of this Further Amendment to the Commitment Letter; and~~
  - (iii) the balance of the Amendment Commitment Fee by the Borrower to the Lender payable on the Amendment Advance Date.
4. The Borrower and the Guarantors hereby acknowledge and agree that the Amendment Commitment Fee is non-refundable and deemed to be earned by the Lender as compensation for the time, effort and expense incurred by the Lender in performing the due diligence required to prepare and approve this Further Amendment to the Commitment Letter. Provided that notwithstanding the foregoing and/or anything contained herein to the contrary, in the event that upon the Lender's initial review of the information submitted by the Borrower to the Lender (the "Initial Deliveries") in connection with this Further Amendment to the Commitment Letter, the Lender determines, in its sole discretion, that the Initial Deliveries are materially different than that was originally represented to the Lender by the Borrower, the Lender shall return the Earnest Fee Deposit and the Earnest Fee Balance, to the extent applicable, to the Borrower less any disbursements incurred by the Lender in connection with such review aforesaid and: (i) the Borrower shall have no obligation to pay the balance of the Amendment Commitment Fee to the Lender; and (ii) this Further Amendment to the Commitment Letter shall be deemed to be terminated and of no further force or effect on the Parties.
5. The Loan and this Further Amendment to the Commitment Letter shall be further secured by the following documents (collectively, the "Amending Documents"):
- (a) an agreement amending the charge/mortgage of land granted by the Borrower in favour of the Lender registered on title to the Property to, *inter alia*, increase the principal amount secured thereby;
  - (b) an amended and restated unlimited joint and several guarantee of each of the Guarantors;
  - (c) a general security agreement granted by the Corporate Guarantor in favour of the Lender providing a security interest registered under the *Personal Property Security Act* (Ontario) against each such Guarantor's present and future assets, property and undertaking;
  - (d) an assignment by the Borrower and/or any affiliate thereof in favour of the Lender in respect of all municipal approvals, letters of credit and material contracts relating to the Property and the Project;



- (e) an assignment by the Borrower in favour of the Lender of all plans and reports pertaining to municipal zoning and approvals for the Property in respect of the final site plan approval, all municipal agreements and any other third party reports or documents of any kind relating to the Property but specifically excluding the design, marketing and sales plans and other intellectual property, including the name Watford which are owned by Watford Development Inc.;
- (f) an acknowledgement from Watford Developments Inc. ("Watford") in favour of the Lender in respect of the development agreement between the Borrower and Watford dated March 29, 2027 (the "Development Agreement") whereby Watford acknowledges and confirms that (i) in the event of a default by the Borrower under the Loan, (A) Watford shall not be entitled to payment of any fees or compensation as may be set out in the Development Agreement and (B) the Development Agreement may be terminated at the option of the Lender without notice, bonus or penalty and (ii) Watford shall not register notice of the Development Agreement on title to the Property;
- (g) a joint and several undertaking by the Borrower and the Guarantors to pay all realty taxes and utilities accounts in connection with the Property when same become due and payable and keep the Property free of all liens, executions and work orders;
- (h) an acknowledgement and confirmation by the Borrower and the Guarantors confirming that, *inter alia*, certain existing Security in favour of the Lender as set out in the Commitment Letter shall continue to secure all present and future obligations of the Borrower and Guarantors to the Lender;
- (i) an amended and restated subordination and standstill agreement between the Lender and Jason A. Waxman (the "Subordinate Lender") in connection with his loan to the Borrower (the "Subordinate Loan"), the form and substance of which shall be satisfactory to the Lender but will be the same as the existing agreement except for the new principal amount of the Lender's loan;
- (j) an undertaking by the Borrower to the Lender to deliver within thirty (30) days immediately following the Amendment Advance Date, an up-to-date phase 2 environmental site assessment for the Property (the "Phase 2 ESA") prepared by Soil Engineers Ltd. The foregoing report from Soil Engineers Ltd. shall (i) identify any significant contamination issues and the estimated costs and method of remediation recommended by them and (ii) be accompanied by a reliance letter addressed to the Lender;
- (k) an updated statutory declaration by a senior officer of the Borrower in respect of the status of the Property;
- (l) an updated certified organizational chart of the Borrower and the Property;
- (m) the Borrower's solicitors' corporate and enforceability opinions in respect of the Borrower and the Corporate Covenantor, satisfactory to the Lender and its solicitors;




- (n) a certificate of a senior officer of the Borrower and the Corporate Covenantor certifying certain factual matters and attaching certified copies of the constating documents, by-laws and the resolutions of the Borrower and the Corporate Covenantor authorizing this Further Amendment to the Commitment Letter and the Amending Documents to which the Borrower and the Corporate Covenantor are each a party; and
  - (o) such other documentation as the Lender or its solicitors may deem necessary, acting reasonably, which is contemplated by this Further Amendment to the Commitment Letter or which more fully gives effect to the Amending Documents.
6. Subject to the earlier satisfaction of the conditions set out in Section 3 herein, the Advance will be advanced by the Lender to the Borrower on the Amendment Advance Date as follows:
- (a) an amount equal to Five Hundred and Eighty Five Thousand (\$585,000) Dollars shall be retained by the Lender as an Interest Reserve for a period of twelve (12) months during the Amendment Term;
  - (b) an amount equal to the accrued interest payable at the Present Interest Rate from the date of the last monthly payment made by the Borrower to the Lender, up to and including the Amendment Advance Date shall be paid to the Lender;
  - (c) an amount equal to Nine Thousand Three Hundred and Thirty Three (\$9,333) Dollars shall be paid to the Subordinate Lender in respect of interest due under the Subordinate Loan;
  - (d) the balance of the Amendment Commitment Fee shall be paid to the Lender;
  - (e) the Lender's legal fees shall be paid to the Lender's solicitors;
  - (f) the Lender's due diligence expenses shall be paid to the Lender; and
  - (g) the balance shall be paid to the Borrower into a dedicated Project bank account and utilized solely by the Borrower in connection with the payment of Soft Costs.
7. For the purposes of this Further Amendment to the Commitment Letter, the following terms shall have the following meanings:
- (a) "Amendment IAD" shall mean the second (2<sup>nd</sup>) day of the month immediately following the Amendment Advance Date. For clarity, in the event that the Advance is advanced by the Lender to the Borrower (i) on or prior to November 2, 2021, then the Amendment IAD shall be November 2, 2021 and (ii) following November 2, 2021, then the Amendment IAD shall be the second (2<sup>nd</sup>) day of the month immediately following such date;
  - (b) "Project" shall mean the proposed development and construction of a six story condominium building containing a gross floor area of approximately sixty five thousand (65,000) square feet and a separate preliminary application for a three and a half story condominium building containing approximately thirty thousand (30,000) square feet; and

- (c) "Soft Costs" shall mean all amounts expended or to be expended in respect of the development of the Project for consultants, architects, taxes, surveys, construction insurance, bonding costs, legal fees, promotions, financing costs, pre-operating costs and all other costs related thereto and shall not include costs relating to leasing, salaries and office administration.
8. The Parties confirm that in all other respects, the terms, covenants and conditions of the Commitment Letter remain unchanged and in full force and effect, except as modified by this Further Amendment to the Commitment Letter, and time shall remain of the essence.
9. This Further Amendment to the Commitment Letter is supplemental to and shall be read with and be deemed to be part of the Commitment Letter, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Commitment Letter in any agreements or documents entered into in connection therewith shall mean the Commitment Letter as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Further Amendment to the Commitment Letter.
10. All the terms and conditions of the Commitment Letter, except insofar as the same are amended by the express provisions of this Further Amendment to the Commitment Letter, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Further Amendment to the Commitment Letter and shall hereafter continue in full force and effect, as amended.
11. This Further Amendment to the Commitment Letter shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.
12. The Parties acknowledge that this Further Amendment to the Commitment Letter may be signed in counterparts and by electronic transmission, each of which shall for all purposes be deemed to be an original, and all such separate counterparts shall together constitute one and the same instrument.

*[remainder of this page intentionally left blank]*

DATED as of the date first written above.


EMPIRICAL CAPITAL CORP.

Per:   
Name: Abraham Strahl  
Title: President

I have authority to bind the Corporation.


Accepted by the undersigned as of the date first written above.

RICHMOND HILL RE-DEV CORPORATION

Per:   
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

WATFORD RICHMOND HILL HOLDINGS INC.


Per:   
Name: Harshal Dave  
Title: President

I have authority to bind the Corporation.

Witness:

Name:   


)  
)  
)  
)  
)  
)

  
Harshal Dave

**THIS IS EXHIBIT "P" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



January 11, 2023

**VIA REGULAR MAIL, REGISTERED MAIL AND EMAIL**

Richmond Hill Re-Dev Corporation  
157 Main Street, Suite 202  
Unionville, Ontario  
L3R 2G8

Attention: Harshal Dave – [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)

**RE: Empirical Capital Corp. (the “Lender”) loan (the “Loan”) to Richmond Hill Re-Dev Corporation (the “Borrower”), secured over the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario and legally described in PINs 03172-0294 (LT), 03172- 0759 (LT), 03172-0760 (LT) and 03172-0761 (LT) (collectively, the “Property”), as guaranteed by Watford Richmond Hill Holdings Inc. and Harshal Dave, pursuant to a commitment letter dated as of November 13, 2019, as amended by *inter alia* an amendment thereto dated October 21, 2021 (the “Amended Commitment Letter”)**

**AND RE: Charge/Mortgage of Land (the “Charge”) granted by the Borrower in favour of the Lender, registered against title to the Property on December 11, 2019, as subsequently amended from time to time, as security for the Loan**

---

Dear Mr. Dave,

We act as counsel to the Lender in connection with the Loan. The Loan matured on January 2, 2023 (the “**Maturity Date**”). The Loan is in default due to the Borrower’s failure to repay, in part or in full, the outstanding balance of the Loan on the Maturity Date. The Lender’s verbal offer to extend the Maturity Date to February 2, 2023 was conditional upon receipt by the Lender from the Borrower of the monthly interest payment due to the Lender on or prior to January 2, 2023. We are advised that such interest payment has not been received by the Lender and remains outstanding. Accordingly, such offer aforesaid is hereby revoked on behalf of the Lender.

We are advised by the Lender that, to and including the Outside Date (as hereinafter defined), the Borrower is indebted to the Lender under the Loan in the aggregate amount of Six Million Six Hundred Fifty Seven Thousand Three Hundred Seven (\$6,657,307.80) Dollars and Eighty Cents (the “**Indebtedness**”), as set out in the discharge statement attached hereto as Schedule “A”.

On behalf of the Lender, we hereby demand payment made payable to Chaitons LLP, in trust, in the total amount of the Indebtedness, together with applicable per diems thereon, and our legal fees of Three Thousand Eight Hundred and Seventy Five (\$3,875) Dollars (collectively, the “**Discharge Amount**”). Our client requires delivery of the Discharge Amount to our trust account on or prior to 5:00 P.M. on January 13, 2023 (the “**Outside Date**”) by certified cheque, bank draft or wire, in accordance with the payment instructions attached hereto as Schedule “B”.

In accordance with the provisions contained in Section 1(e) of the Amended Commitment Letter, interest shall accrue as of December 2, 2022 at a rate equal to the greater of (i) 14% per annum and (ii) the RBC Posted Prime Rate of Interest plus 11.55% per annum.

In the event that the Discharge Amount is not delivered to us on or prior to the Outside Date, the Lender has instructed us to proceed immediately thereafter with all remedies available to it under the Charge (and all other security related thereto) and at law, without further notice to you, and seeking payment of all additional legal fees, costs and interest on a substantial indemnity basis.

Yours truly,  
CHAITONS LLP

A handwritten signature in blue ink, appearing to read 'AK', with a stylized flourish extending to the right.

Alex Krancevic  
LAWYER

Encls.

- c. Empirical Capital Corp.  
Jason A. Waxman

**Schedule "A" – Discharge Statement**

See attached.



## Statement of Balance Owing January 13, 2023

Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation  
with respect to 115 and 119 Church Street and 64 and 72 Major Mackenzie Drive, Richmond  
Hill, Ontario

Loan Principal	\$	6,500,000.00
Interest Due from December 02, 2020 to December 07, 2023 @ 17.50% per annum (P+11.55%)		18,698.63
Interest Due from December 08, 2022 to January 01, 2023 @ 18% per annum (P+11.55%)		80,136.99
Interest Due from January 02, 2023 to January 13, 2023 @ 18% per annum (P+11.55%)		39,050.64
Title search fees		221.54
Mortgage statement fee		350.00
Default letter fee		750.00
Default/NSF occurrence		350.00
Annual review fee x 3 years		1,500.00
Overholding fee 0.25% per month from December 02, 2022 to January 01, 2023		16,250.00
<b>TOTAL *</b>	<b>\$</b>	<b><u>6,657,307.80</u></b>
Per diem after January 13, 2023 @ 18.00%		<b>3,273.48</b>

\* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS, I.E. LEGAL FEES, ETC.



## Schedule "B" – Payment Instructions to Chaitons LLP

### Canadian Trust Account Instructions

Beneficiary Name:	Chaitons LLP 5000 Yonge Street, 10th Floor Toronto, Ontario M2N 7E9 Canada
Pay Through:	Bank of Montreal
Swift Code:	BOFMCAM2
Receiving Bank:	International Banking, Head Office, Montreal
Account with Institution:	Bank of Montreal
Beneficiary's Bank:	4841 Yonge Street Toronto, Ontario M2N 5X2 Canada
CDN Trust Account No.:	1029-662
Transit No.:	24892
Bank No.:	001

January 11, 2023

**VIA REGULAR MAIL, REGISTERED MAIL AND EMAIL**

Harshal Dave  
62 Hepburn Street  
Markham, Ontario L3S 3Z9  
harshal@watfordgroup.com

**RE: Empirical Capital Corp. (the “Lender”) loan (the “Loan”) to Richmond Hill Re-Dev Corporation (the “Borrower”), secured over the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario and legally described in PINs 03172-0294 (LT), 03172- 0759 (LT), 03172-0760 (LT) and 03172-0761 (LT) (collectively, the “Property”), as guaranteed by Watford Richmond Hill Holdings Inc. and Harshal Dave, pursuant to a commitment letter dated as of November 13, 2019, as amended by *inter alia* an amendment thereto dated October 21, 2021 (collectively, the “Commitment Letter”)**

**AND RE: Charge/Mortgage of Land (the “Charge”) granted by the Borrower in favour of the Lender, registered against title to the Property on December 11, 2019, as subsequently amended from time to time, as security for the Loan**

---

Dear Mr. Dave,

We act as counsel to the Lender in connection with the Loan.

Please find enclosed a copy of our letter to the Borrower dated as of today’s date (the “**Demand Letter**”) demanding payment of the Discharge Amount (as hereinafter defined) on or before the Outside Date (as hereinafter defined).

We refer you to a written guarantee dated November 4, 2021 granted by *inter alios* Harshal Dave (the “**Guarantor**”) in favour of the Lender (the “**Guarantee**”). Pursuant to the Guarantee, the Guarantor has guaranteed payment of all of the indebtedness and liabilities of the Borrower to the Lender under the Commitment Letter, including, without limitation, the Discharge Amount. The Guarantor’s indebtedness and liabilities to the Lender under the Guarantee are payable on demand.

As set out in the Demand Letter, we are advised by the Lender that, to and including the Outside Date, the Borrower is indebted to the Lender under the Loan in the aggregate amount of Six Million Six Hundred Fifty Seven Thousand Three Hundred Seven (\$6,657,307.80) Dollars and Eighty Cents (the “**Indebtedness**”), as set out in the discharge statement attached hereto as Schedule “A”.

On behalf of the Lender and pursuant to the Guarantee, we hereby demand payment made payable to Chaitons LLP, in trust, in the total amount of the Indebtedness, together with applicable per diems thereon, and our legal fees of Three Thousand Eight Hundred and Seventy Five (\$3,875) Dollars (collectively, the “**Discharge Amount**”). Our client requires delivery of the Discharge Amount to our trust account on or prior to 5:00 P.M. on January 13, 2023 (the “**Outside Date**”) by certified cheque, bank draft or wire, in accordance with the payment instructions attached hereto as Schedule “B”.

In the event that the Discharge Amount is not delivered to us on or prior to the Outside Date, the Lender has instructed us to proceed immediately thereafter with all remedies available to it under the Charge (and all other security related thereto) and at law, without further notice to you, and seeking payment of all additional legal fees, costs and interest on a substantial indemnity basis.

Yours truly,  
CHAITONS LLP

A handwritten signature in blue ink, appearing to read 'AK', with a flourish extending to the right.

Alex Krancevic  
LAWYER

Encls.

- c. Empirical Capital Corp.  
Jason A. Waxman

**Schedule “A” – Discharge Statement**

See attached.



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Interest Due from January 02, 2023 to January 13, 2023 @ 18% per annum (P+11.55%)		39,050.64
	Title search fees	221.54
	Mortgage statement fee	350.00
	Default letter fee	750.00
	Default/NSF occurrence	350.00
	Annual review fee x 3 years	1,500.00
Overholding fee 0.25% per month from December 02, 2022 to January 01, 2023		16,250.00
	<b>TOTAL * \$</b>	<b><u>6,657,307.80</u></b>
	Per diem after January 13, 2023 @ 18.00%	<b>3,273.48</b>

\* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS, I.E. LEGAL FEES, ETC.

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Account with Institution:	Bank of Montreal
Beneficiary's Bank:	4841 Yonge Street Toronto, Ontario M2N 5X2 Canada
CDN Trust Account No.:	1029-662
Transit No.:	24892
Bank No.:	001

January 11, 2023

**VIA REGULAR MAIL, REGISTERED MAIL AND EMAIL**

Watford Richmond Hill Holdings Inc.  
62 Hepburn Street  
Markham, Ontario L3S 3Z9

Attention: Harshal Dave – [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)

**RE: Empirical Capital Corp. (the “Lender”) loan (the “Loan”) to Richmond Hill Re-Dev Corporation (the “Borrower”), secured over the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario and legally described in PINs 03172-0294 (LT), 03172- 0759 (LT), 03172-0760 (LT) and 03172-0761 (LT) (collectively, the “Property”), as guaranteed by Watford Richmond Hill Holdings Inc. and Harshal Dave, pursuant to a commitment letter dated as of November 13, 2019, as amended by *inter alia* an amendment thereto dated October 21, 2021 (collectively, the “Commitment Letter”)**

**AND RE: Charge/Mortgage of Land (the “Charge”) granted by the Borrower in favour of the Lender, registered against title to the Property on December 11, 2019, as subsequently amended from time to time, as security for the Loan**

---

Dear Mr. Dave,

We act as counsel to the Lender in connection with the Loan.

Please find enclosed a copy of our letter to the Borrower dated as of today’s date (the “**Demand Letter**”) demanding payment of the Discharge Amount (as hereinafter defined) on or before the Outside Date (as hereinafter defined).

We refer you to a written guarantee dated November 4, 2021 granted by *inter alios* Watford Richmond Hill Holdings Inc. (the “**Guarantor**”) in favour of the Lender (the “**Guarantee**”). Pursuant to the Guarantee, the Guarantor has guaranteed payment of all of the indebtedness and liabilities of the Borrower to the Lender under the Commitment Letter, including, without limitation, the Discharge Amount. The Guarantor’s indebtedness and liabilities to the Lender under the Guarantee are (i) payable on demand and (ii) secured by *inter alia* a general security agreement dated November 4, 2021.

As set out in the Demand Letter, we are advised by the Lender that, to and including the Outside Date, the Borrower is indebted to the Lender under the Loan in the aggregate amount of Six Million Six Hundred Fifty Seven Thousand Three Hundred Seven (\$6,657,307.80) Dollars and Eighty Cents (the “**Indebtedness**”), as set out in the discharge statement attached hereto as Schedule “A”.

On behalf of the Lender and pursuant to the Guarantee, we hereby demand payment made payable to Chaitons LLP, in trust, in the total amount of the Indebtedness, together with applicable per diems thereon, and our legal fees of Three Thousand Eight Hundred and Seventy Five (\$3,875) Dollars (collectively, the “**Discharge Amount**”). Our client requires delivery of the Discharge Amount to our trust account on or prior to 5:00 P.M. on January 13, 2023 (the “**Outside Date**”) by certified cheque, bank draft or wire, in accordance with the payment instructions attached hereto as Schedule “B”.

In the event that the Discharge Amount is not delivered to us on or prior to the Outside Date, the Lender has instructed us to proceed immediately thereafter with all remedies available to it under the Charge (and all other security related thereto) and at law, without further notice to you, and seeking payment of all additional legal fees, costs and interest on a substantial indemnity basis.

Yours truly,  
CHAITONS LLP

A handwritten signature in blue ink, appearing to read 'AK', with a flourish extending to the right.

Alex Krancevic  
LAWYER

Encls.

- c. Empirical Capital Corp.  
Jason A. Waxman



**Schedule “A” – Discharge Statement**

See attached.



## Statement of Balance Owing January 13, 2023

Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation  
with respect to 115 and 119 Church Street and 64 and 72 Major Mackenzie Drive, Richmond  
Hill, Ontario

Loan Principal	\$	6,500,000.00
Interest Due from December 02, 2020 to December 07, 2023 @ 17.50% per annum (P+11.55%)		18,698.63
Interest Due from December 08, 2022 to January 01, 2023 @ 18% per annum (P+11.55%)		80,136.99
Interest Due from January 02, 2023 to January 13, 2023 @ 18% per annum (P+11.55%)		39,050.64
Title search fees		221.54
Mortgage statement fee		350.00
Default letter fee		750.00
Default/NSF occurrence		350.00
Annual review fee x 3 years		1,500.00
Overholding fee 0.25% per month from December 02, 2022 to January 01, 2023		16,250.00
<b>TOTAL *</b>	<b>\$</b>	<b><u>6,657,307.80</u></b>
Per diem after January 13, 2023 @ 18.00%		<b>3,273.48</b>

\* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS, I.E. LEGAL FEES, ETC.

**Schedule "B" – Payment Instructions to Chaitons LLP**

**Canadian Trust Account Instructions**

Beneficiary Name: Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9 Canada

Pay Through: Bank of Montreal

Swift Code: BOFMCAM2

Receiving Bank: International Banking, Head Office, Montreal

Account with Institution: Bank of Montreal

Beneficiary's Bank: 4841 Yonge Street  
Toronto, Ontario M2N 5X2 Canada

CDN Trust Account No.: 1029-662

Transit No.: 24892

Bank No.: 001

**THIS IS EXHIBIT "Q" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

**From:** Alex Krancevic <[alexk@chaitons.com](mailto:alexk@chaitons.com)>  
**Sent:** Wednesday, January 25, 2023 11:47 AM  
**To:** [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)  
**Cc:** Robert A. Miller <[Robert@chaitons.com](mailto:Robert@chaitons.com)>  
**Subject:** RE: Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation

Harshal,

Further to the e-mail below, please disregard Schedule "A" included in the letters and refer to the attached instead.

Regards,  
Alex

---

**Alex Krancevic** (she/her/hers) | **Lawyer**  
**Chaitons LLP** | T: 416.218.1168

**From:** Alex Krancevic <[alexk@chaitons.com](mailto:alexk@chaitons.com)>  
**Sent:** Tuesday, January 24, 2023 4:29 PM  
**To:** [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)  
**Cc:** Robert A. Miller <[Robert@chaitons.com](mailto:Robert@chaitons.com)>  
**Subject:** Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation

Harshal,

Please see the attached letters, copies of which are being sent by regular and registered mail.

Please confirm receipt of this e-mail.

Regards,  
Alex

---

**Alex Krancevic** (she/her/hers) | **Lawyer**  
**Chaitons LLP** | T: 416.218.1168



## Statement of Balance Owing January 23, 2023

Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation  
with respect to 115 and 119 Church Street and 64 and 72 Major Mackenzie Drive, Richmond  
Hill, Ontario

Loan Principal	\$	6,500,000.00
Interest Due from December 02, 2022 to December 07, 2022 @ 17.50% per annum (P+11.55%)		18,698.63
Interest Due from December 08, 2022 to January 01, 2023 @ 18% per annum (P+11.55%)		80,367.52
Interest Due from January 02, 2023 to January 13, 2023 @ 18% per annum (P+11.55%)		39,052.01
Credit for \$50k partial deposit made January 13, 2023		(50,000.00)
<b>Subtotal</b>		<b>6,588,118.16</b>
Interest Due from January 14, 2023 to January 23, 2023 @ 18% per annum (P+11.55%)		32,489.35
Title search fees		221.54
Mortgage statement fee		350.00
Default letter fee		750.00
Default/NSF occurrence		350.00
Annual review fee x 3 years		1,500.00
Overholding fee 0.25% per month from December 02, 2022 to January 23, 2023		27,782.26
<b>TOTAL *</b>	<b>\$</b>	<b><u>6,651,561.30</u></b>

Per diem after January 23, 2023 @ 18.00% **3,264.96**

- \* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS, I.E. LEGAL FEES, ETC.  
2) Per diem interest compounded based on both principal and October 2nd interest

January 24, 2023

**VIA REGULAR MAIL, REGISTERED MAIL AND EMAIL**

Richmond Hill Re-Dev Corporation  
157 Main Street, Suite 202  
Unionville, Ontario  
L3R 2G8

Attention: Harshal Dave – [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)

**RE: Empirical Capital Corp. (the “Lender”) loan (the “Loan”) to Richmond Hill Re-Dev Corporation (the “Borrower”), secured over the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario and legally described in PINs 03172-0294 (LT), 03172- 0759 (LT), 03172-0760 (LT) and 03172-0761 (LT) (collectively, the “Property”), as guaranteed by Watford Richmond Hill Holdings Inc. and Harshal Dave, pursuant to a commitment letter dated as of November 13, 2019, as amended by *inter alia* an amendment thereto dated October 21, 2021 (the “Amended Commitment Letter”)**

**AND RE: Charge/Mortgage of Land (the “Charge”) granted by the Borrower in favour of the Lender, registered against title to the Property on December 11, 2019, as subsequently amended from time to time, as security for the Loan**

---

Dear Mr. Dave,

We act as counsel to the Lender in connection with the Loan. The Loan matured on January 2, 2023 (the “**Maturity Date**”). The Loan is in default due to the Borrower’s failure to repay, in part or in full, the outstanding balance of the Loan on the Maturity Date. Notwithstanding the foregoing, the Lender was prepared to extend the Maturity Date subject to and in accordance with a renewal agreement dated January 18, 2023 (the “**Renewal Agreement**”). The Renewal Agreement was conditional upon receipt by the Lender from the Borrower of interest arrears in the amount of Seventeen Thousand Seven Hundred Fifty Three (\$17,753.80) Dollars and Eighty Cents (the “**Interest Arrears**”) on or prior to 4:00 P.M. on January 23, 2023 (the “**Interest Arrears Outside Date**”). We are advised that the Borrower failed to deliver the Interest Arrears to the Lender on or prior to the Interest Arrears Outside Date and that the Interest Arrears remains outstanding. Accordingly, the Renewal Agreement is hereby terminated and of no further force or effect.

We are advised by the Lender that, to and including January 23, 2023, the Borrower is indebted to the Lender under the Loan in the aggregate amount of Six Million Seven Hundred One Thousand Three Hundred Eighty Two (\$6,701,382.26) Dollars and Twenty Six Cents (the “**Indebtedness**”), as set out in the discharge statement attached hereto as Schedule “A”.

On behalf of the Lender, we hereby demand payment made payable to Chaitons LLP, in trust, in the total amount of the Indebtedness, together with applicable per diems thereon, and our legal fees of Seven Thousand Eight Hundred and Fifty (\$7,850.00) Dollars (collectively, the “**Discharge Amount**”). Our client requires delivery of the Discharge Amount to our trust account on or prior to 4:00 P.M. on January 26, 2023 (the “**Outside Date**”) by certified cheque, bank draft or wire, in accordance with the payment instructions attached hereto as Schedule “B”.



In accordance with the provisions contained in Section 1(e) of the Amended Commitment Letter, interest shall accrue as of December 2, 2022 at a rate equal to the greater of (i) 14% per annum and (ii) the RBC Posted Prime Rate of Interest plus 11.55% per annum.

In the event that the Discharge Amount is not delivered to us on or prior to the Outside Date, the Lender has instructed us to proceed immediately thereafter with all remedies available to it under the Charge (and all other security related thereto) and at law, without further notice to you, and seeking payment of all additional legal fees, costs and interest on a substantial indemnity basis.

Yours truly,  
CHAITONS LLP



Alex Krancevic  
LAWYER

Encls.

c. Empirical Capital Corp.  
Jason A. Waxman

**Schedule "A" – Discharge Statement**

See attached.



## Statement of Balance Owing January 23, 2023

Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation  
with respect to 115 and 119 Church Street and 64 and 72 Major Mackenzie Drive, Richmond  
Hill, Ontario

	Loan Principal \$	6,500,000.00
Interest Due from December 02, 2022 to December 07, 2022 @ 17.50% per annum (P+11.55%)		18,698.63
Interest Due from December 08, 2022 to January 01, 2023 @ 18% per annum (P+11.55%)		80,136.99
Interest Due from January 02, 2023 to January 23, 2023 @ 18% per annum (P+11.55%)		71,592.85
	Title search fees	221.54
	Mortgage statement fee	350.00
	Default letter fee	750.00
	Default/NSF occurrence	350.00
	Annual review fee x 3 years	1,500.00
Overholding fee 0.25% per month from December 02, 2022 to January 23, 2023		27,782.26
	<b>TOTAL * \$</b>	<b><u>6,701,382.26</u></b>
	Per diem after January 23, 2023 @ 18.00%	<b>3,289.53</b>

\* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS, I.E. LEGAL FEES, ETC.

**Schedule "B" – Payment Instructions to Chaitons LLP**

**Canadian Trust Account Instructions**

Beneficiary Name: Chaitons LLP  
5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9 Canada

Pay Through: Bank of Montreal

Swift Code: BOFMCAM2

Receiving Bank: International Banking, Head Office, Montreal

Account with Institution: Bank of Montreal

Beneficiary's Bank: 4841 Yonge Street  
Toronto, Ontario M2N 5X2 Canada

CDN Trust Account No.: 1029-662

Transit No.: 24892

Bank No.: 001

**THIS IS EXHIBIT "R" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

**From:** Alex Krancevic <[alexk@chaitons.com](mailto:alexk@chaitons.com)>  
**Sent:** Monday, January 30, 2023 4:28 PM  
**To:** [harshal@watfordgroup.com](mailto:harshal@watfordgroup.com)  
**Cc:** Robert A. Miller <[Robert@chaitons.com](mailto:Robert@chaitons.com)>  
**Subject:** RE: Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation

Harshal,

Further to the e-mail below and the demand letter dated January 24, 2023, attached is Empirical Capital Corp.'s Notice of Intention to Enforce Security in respect of Richmond Hill Re-Dev Corporation and Watford Richmond Hill Holdings Inc.

Regards,  
Alex

---

**Alex Krancevic** (she/her/hers) | **Lawyer**  
**Chaitons LLP** | **T: 416.218.1168**

**NOTICE OF INTENTION TO ENFORCE A SECURITY**  
**(given pursuant to section 244 of the *Bankruptcy and Insolvency Act*)**

To: **Richmond Hill Re-Dev Corporation**, an insolvent person

Take notice that:

1. **Empirical Capital Corp.**, a secured creditor, intends to enforce its security on all of the present and after-acquired property of Richmond Hill Re-Dev Corporation.
2. The security that is to be enforced is, *inter alia* (i) a Charge/Mortgage of Land registered on December 11, 2019 (the "**Charge**") as Instrument No. YR3045080 against title to the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario (collectively, the "**Property**") (ii) an Agreement Amending the Charge registered on November 4, 2021 as Instrument No. YR3336913 against title to the Property, increasing the principal amount secured thereby to \$6,500,000; (iii) a Notice of Assignment of Rents-General registered on December 11, 2019 as Instrument No. YR3045081 against title to the Property; and (iv) a General Security Agreement dated December 10, 2019 (collectively, the "**Security**").
3. The total amount of indebtedness secured by the Security as at the close of business on February 1, 2023 is \$6,685,971.78 inclusive of principal, interest, and fees (excluding costs), as set out in the statement attached hereto as Schedule "A".
4. The secured creditor will not have the right to enforce the Security until after the expiry of the 10-day period following the sending of this notice unless the insolvent person consents to an earlier enforcement.

DATED at Toronto, this 30<sup>th</sup> day of January, 2023.

**EMPIRICAL CAPITAL CORP.**,  
by its lawyers, Chaitons LLP

Per:   
\_\_\_\_\_  
Alex Krancevic

**Schedule "A"**

See attached.





## Statement of Balance Owing February 1, 2023

Empirical Capital Corp. loan to Richmond Hill Re-Dev Corporation  
with respect to 115 and 119 Church Street and 64 and 72 Major Mackenzie Drive, Richmond  
Hill, Ontario

	Loan Principal \$	6,500,000.00
Interest Due from December 02, 2022 to December 07, 2022 @ 17.50% per annum (P+11.55%)		18,698.63
Interest Due from December 08, 2022 to January 01, 2023 @ 18% per annum (P+11.55%)		80,367.52
Interest Due from January 02, 2023 to January 13, 2023 @ 18% per annum (P+11.55%)		39,052.01
Credit for \$50k partial deposit made January 13, 2023		(50,000.00)
	<b>Subtotal</b>	<b>6,588,118.16</b>
Interest Due from January 14, 2023 to January 25, 2023 @ 18% per annum (P+11.55%)		38,987.22
Interest Due from January 26, 2023 to February 1, 2023 @ 18.25% per annum (P+11.55%)		23,194.87
Title search fees		221.54
Mortgage statement fee		350.00
Default letter fee		750.00
Default/NSF occurrence		350.00
Annual review fee x 3 years		1,500.00
Overholding fee 0.25% per month from December 02, 2022 to February 1, 2023		32,500.00
	<b>TOTAL * \$</b>	<b><u>6,685,971.78</u></b>

Per diem after February 1, 2023 @ 18.25% **3,325.15**

\* NOTE: 1) SUBJECT TO FINAL ADJUSTMENTS, I.E. LEGAL FEES, ETC.

**THIS IS EXHIBIT "S" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*



**FIJ**LawLLP

50 West Pearce St., Suite 10  
 Richmond Hill, ON L4B 1C5  
 Tel: 905-763-3770  
 Fax: 905-763-3772

**Reply to:** Robert A. Izsak  
**Direct** 905-763-3770 x 211  
**Email** rizsak@fijlaw.com

January 25, 2023

Our File No. 22-2636

**DELIVERED BY REGULAR MAIL**  
**AND EMAIL TO:** harshal@watfordgroup.com

**RICHMOND HILL RE-DEV CORPORATION**  
 62 Hepburn Street  
 Markham, ON L3S 3Z9

**Attention: Harshal Dave**

**RE: Jason Waxman (the “Lender”) loan to Richmond Hill Re-Dev Corporation (the “Borrower”), secured over the lands and premises municipally known as 115-119 Church Street and 64-72 Major Mackenzie Drive East, Richmond Hill, Ontario, as guaranteed by Watford Richmond Hill Holdings Inc. and Harshal Dave, pursuant to a commitment letter dated as of March 12, 2021**  
**Balance Due \$2,568,917.21**

---

I am the lawyer for the Mortgagee, JASON WAXMAN, with respect to the above-noted mortgage loan. In this regard, I am advised that your mortgage is in arrears.

Principal	\$ 2,450,000.00
Renewal Fee	\$ 48,000.00
Interest (January 1, 2023 to January 25, 2023)	\$ 29,785.96
Missed Interest Payment: January 1, 2023	\$ 35,218.75
Administration Fees	\$ 4,212.50
Discharge Fee	\$ 350.00
Legal Fees and Disbursements	\$ 1,350.00
<b>TOTAL as of January 25, 2023</b>	<b>\$ 2,568,917.21</b>

Would you kindly forward a certified cheque or bank draft in the amount of \$2,568,917.21, together with accrued interest at the per diem rate of \$1,225.27 per day to the date of payment, at your earliest convenience or, in any event, within TEN days from the date hereof. In the event I am not in receipt of funds within the time allotted, legal action will be taken against you to recover

the said sum. You will then be responsible for payment of further accrued interest and substantially greater legal costs.

Please note that this demand letter is not a discharge statement. The figures noted above cannot be relied upon for payout purposes. If it is your intention to pay the outstanding balance in full and to obtain a full and final release, you must contact the undersigned to advise of the date that you seek to remit payment and we will provide you with an accurate balance due and owing as of the date of payment and we will provide you with specific directions as to how you can make the payment.

If you wish to discuss or clarify this matter, please contact the undersigned.

Yours very truly,

**FIJ Law LLP**

**Per:**

A handwritten signature in blue ink, appearing to read 'R. Izsak', with a long horizontal flourish extending to the right.

**ROBERT A. IZSAK**

RAI/sd

**THIS IS EXHIBIT "T" TO  
THE AFFIDAVIT OF ABRAHAM STRAHL  
SWORN BEFORE ME THIS 24<sup>TH</sup>  
DAY OF FEBRUARY, 2023**



---

*A Commissioner etc.*

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

B E T W E E N:

**EMPIRICAL CAPITAL CORP.**

Applicant

- and -

**RICHMOND HILL RE-DEV CORPORATION**

Respondent

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

**CONSENT**

**RSM CANADA LIMITED** (“RSM”) hereby consents to act as Court-appointed receiver, without security, of all of the assets, undertakings and properties of the Respondent pursuant to subsection 243(1) of *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, in accordance with an order substantially in the form requested by the Applicant, or as such order may be amended in a manner satisfactory to RSM.

DATED this 24<sup>th</sup> day of February, 2023

**RSM CANADA LIMITED**

By: \_\_\_\_\_

Name: Daniel Weisz

Position: Senior Vice-President

I have authority to bind the corporation

EMPIRICAL CAPITAL CORP.  
Applicant

-and-

RICHMOND HILL RE-DEV CORPORATION  
Respondent

Court File No. CV-23-00695238-00CL

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

PROCEEDING COMMENCED AT  
TORONTO

**APPLICATION RECORD  
(APPOINTMENT OF RECEIVER  
MARCH 8, 2023)**

**CHAITONS LLP**

5000 Yonge Street, 10th Floor  
Toronto, Ontario M2N 7E9

Harvey Chaiton (**LSO No. 21592F**)

Tel: (416) 218-1129

E-mail: harvey@chaitons.com

Sam Rappos (**LSO No. 51399S**)

Tel: (416) 218-1137

E-mail: samr@chaitons.com

**Lawyers for the Applicant**