

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**AFC MORTGAGE ADMINISTRATION INC. and BREXIT HOLDINGS  
INC.**

**Applicants**

**and**

**SUNRISE ACQUISITION (STAYNER) INC. and 2846862 ONTARIO INC.**

**Respondents**

**APPLICATION RECORD**

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Lawyers for the Applicants

TO: **SUNRISE ACQUISITION (STAYNER) INC.**  
50 West Wilmot Street, 100  
Richmond Hill, Ontario  
L4B 1M5

Defendant

AND **2846862 ONTARIO INC.**  
TO: 50 West Wilmot Street, 100  
Richmond Hill, Ontario  
L4B 1M5

Defendant

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**1**



Court File No.

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

B E T W E E N:

*(Court Seal)*

**AFC MORTGAGE ADMINISTRATION INC. and BREXIT HOLDINGS  
INC.**

Applicants

and

**SUNRISE ACQUISITIONS (STAYNER) INC. and 2846862 ONTARIO INC.**

Respondents

**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 *(choose one of the following)*

- In writing  
 In person  
 By telephone conference  
 By video conference

at the following location:

330 University Avenue, Toronto ON, M5G 1R7

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

on ..February.14, 2024....., at .10:00 a.m. ., *(or on a day to be set by the registrar)*.

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 \_\_\_\_\_ Issued by \_\_\_\_\_  
Local Registrar

Address of court office: Superior Court of Justice  
330 University Avenue  
Toronto ON  
M5G 1R7

TO: SUNRISE ACQUISITION (STAYNER) INC.  
50 West Wilmot Street, 100  
Richmond Hill, Ontario  
L4B 1M5

AND TO: 2846862 ONTARIO INC.  
50 West Wilmot Street, 100  
Richmond Hill, Ontario  
L4B 1M5

## APPLICATION

1. The Applicants AFC Mortgage Administration Inc. (“**AFC**”) and Brexit Holdings Inc. (“**Brexit**”) hereinafter collectively referred to as the “**Mortgagees**” makes application for:
  - (a) If necessary, an Order abridging and validating the time for service and filing of this Notice of Application and the Application Record and dispensing with further service thereof;
  - (b) An order, in the form attached hereto as Schedule A, 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**”), appointing RSM Canada Limited. as receiver and manager (in such capacities, the “**Receiver**”) of all of the assets, undertakings and properties of the Respondents Sunrise Acquisitions (Stayner) Inc., (“**Sunrise**”), and 2846862 Ontario Inc. (“**284 Inc.**”) (Collectively, hereinafter referred to as the “**Debtors**”), acquired for, or used in relation to a business carried on by the Debtors, including and without in any way limiting the generality of the foregoing, the properties which are cross-collateralized as follows:
    - (i) 1192 Simcoe County Road 7, Stayner, Ontario (“**Sunrise Property**”)
    - (ii) 299 Mowat Street North, Stayner Ontario (“**Mowat Property**”)Hereinafter collectively referred to as “**Properties.**”
  - (c) The costs of this proceeding, plus all applicable taxes; and



(d) Such further and other Relief as to this Honourable Court may seem just.

2. The grounds for the application are:

- (a) The Debtor Sunrise is an Ontario corporation and is directly indebted to the Mortgagees in connection with a secured loan in the principal sum of \$11,000,000.00 (the “**Loan**”).
- (b) The Loan was originally guaranteed by Muzammil Kodwavi (“**Kodwavi**”) and Sajjad Hussain (“**Hussain**”) (hereinafter Kodwavi and Hussain collectively referred to as “**Guarantors**”) pursuant to the terms of a Commitment Letter dated April 12, 2022 and amended May 10, 2022 (the “**Commitment Letter**”).
- (c) The Debtor 284 Inc. is an Ontario corporation wholly owned, either directly or indirectly and controlled by Kodwavi and Hussain, and which is the registered and beneficial owner of the Mowat Property.
- (d) A first mortgage/charge of land was registered on the Sunrise Property as Instrument No. SC1895340 with an associated assignment of rents registered as Instrument No. SC1895341 (the “**Mortgage**”).
- (e) The obligations under the Loan and the Commitment Letter were secured, *inter alia*, by:
- (i) The Mortgage;
- (ii) A Guarantee and Postponement of Claim delivered by the Guarantors.

(iii) A financing statement registered under the *Personal Property Security Act* (Ontario) bearing reference number 782892342, pursuant to a general security agreement dated May 5, 2022;

(iv) Other related documentation and letters (“**Ancillary Documents**”) as were agreed to by the parties.

(the foregoing items hereinafter referred to as the “**Existing Security**”)

(f) Sunrise and the Guarantors were unable to repay the amounts due and owing on the maturity date being June 1, 2023 (the “**Maturity Date**”) and accordingly, are and continue to be in default thereunder (the “**Existing Default**”).

(g) The parties entered into a Forbearance Agreement on or about July 6, 2023 (“**Forbearance Agreement**”) wherein 284 Inc., being the corporation controlled by the Guarantors, provided additional security in the form of a second charge (“**Mowat Charge**”) on the Mowat Property in favour of the Mortgagees which was registered as Instrument No. SC1993387 on July 13, 2023, on the same terms and conditions as the Mortgage (hereinafter “Mortgage” and “Mowat Charge” collectively referred to as “**Mortgages**”):

(i) Pursuant to the terms of the Forbearance Agreement, Sunrise, the Guarantors, and 284 Inc. (hereinafter collectively referred to as the “**Borrowing Parties**”) agreed, *inter alia*:

(1) The total amount of the Loan owing to the Mortgagees;

- (2) That the amount owing is not in dispute and that the Borrowing Parties will make payment in full of the Loan together with all accrued interest and fees, without defence, counterclaim, offset, cross complaint, claim or demand of any kind or nature whatsoever;
- (3) That they, together with their successors and assigns, release, waive and forever discharge the Mortgagees, and all of its officers, directors, employees, etc. from any actions and causes of action, debts or claims whatsoever; and
- (4) Generally, that all of the security documents including but not limited to the Existing Security and the Forbearance Agreement (hereinafter collectively referred to as “Security Documents”) are in full force and effect; and
- (5) That if the Mortgages and the amounts due and owing are not paid in full before the expiry of the Forbearance Period (as defined in the Forbearance Agreement), each of the Borrowing Parties consent to a judgment against them in the full amount of the amounts due and owing together with a writ of possession.
- (h) The Forbearance Period under the Forbearance Agreement ends the earlier of: (i) any further default under the Security Documents; (ii) any default under the Forbearance Agreement at any time; or (iii) June 1, 2024.

- (i) A further default occurred with, *inter alia*, the non-payment of the monthly interest payment which was due and owing as of October 1, 2023.
- (j) There are subsequent encumbrances registered on title to the Sunrise Property being a second mortgage in favour of Clearview Park Inc. in the amount of \$9,031,700.00.
- (k) As it relates to the Mowat Property, there is a mortgage registered in first priority as Instrument No. SC1792765 in favour of Louis Harvey Bellwood having a principal balance owing of \$2,865,625.00.
- (l) The obligations of the Borrowing Parties under the Loan and related Loan Documents, are due and payable at the option of the Mortgagee upon the occurrence of an event of default. There have been one or more defaults by the Borrowing Parties.
- (m) On October 31, 2023, the Mortgagees issued a Notice of Intention to Enforce Security under Section 244 (1) of the *Bankruptcy and Insolvency Act* (“**BIA Notice**”).
- (n) Since the issuance of the BIA Notice, the Debtors have failed and/or refused to (a) repay the Loan in full or (b) enter into any arrangements acceptable to the Mortgagees for the full repayment of the Loan.
- (o) The ten day statutory period under subsection 244(1) of the BIA has now expired.

- (p) The Borrowing Parties are in default of their obligations and at this stage, the Mortgagees consider the only reasonable and prudent path forward is to take any and all steps necessary to protect the Properties and it is within the Mortgagees' rights under the Loan and related Loan Documents to do so.
- (q) The Mortgagees have lost faith in the ability of the Borrowing Parties.
- (r) It is just and convenient that a receiver be appointed. A court appointed receiver will ensure that the interest of all debtors and stakeholders are considered and facilitate a fair and transparent marketing and sales process of achieving a definitive disposition of the Properties.
- (s) Section 243(1) of the *Bankruptcy and Insolvency Act*, Section 101 of the *Courts of Justice Act*, Rules 3.02(1), 16.08 and 14.04(3)(d), (e), (f), (g), (h) of the *Rules of Civil Procedure*.
- (t) Such further and other grounds as counsel may advise and this Honourable Court may permit.
- (u) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.
- (v) The following documentary evidence will be used at the hearing of the application:
- (i) The Affidavit of Matthew Castelli and exhibits thereto.
  - (ii) The consent of RSM Canada Limited.

- / -

- (iii) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

*(Date of issue)*

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Lawyers for the Plaintiffs

**SCHEDULE A**

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

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

THE HONOURABLE ) ..... THE .....  
JUSTICE )  
DAY OF OCTOBER, 2023

**AFC MORTGAGE ADMINISTRATION INC. and BREXIT HOLDINGS INC.**

**Applicants**

**and**

**SUNRISE ACQUISITIONS (STAYNER) INC. and 2846862 ONTARIO INC.**

**Respondents**

**ORDER  
(appointing Receiver)**

THIS MOTION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing RSM Canada Limited as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondents, Sunrise Acquisitions (Stayner) Inc., ("Sunrise"), and 2846862 Ontario Inc. ("284 Inc.") (Collectively hereinafter referred to as the

“Debtors”), acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Matthew Castelli sworn November ....., 2023 and the Exhibits thereto and on hearing the submissions of counsel for AFC Mortgage Administration Inc. and Brexit Holdings Inc., no one appearing for the Respondents, although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of RSM Canada Limited to act as the Receiver,

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, RSM Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

### **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security



personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed

shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the

Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

### **NO PROCEEDINGS AGAINST THE RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

### **NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

### **LIMITATION ON THE RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

### **RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

21. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed



\$250,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

### **SERVICE AND NOTICE**

25. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further

orders that a Case Website shall be established in accordance with the Protocol with the following URL ‘<@>’.

26. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtors’ creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

#### **GENERAL**

27. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

31. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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**SCHEDULE "A"****RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that RSM Canada Limited, the receiver (the "Receiver") of the assets, undertakings and properties of CBJ - Clearview, CBJ – II and CBJ acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

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5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of November 2023

RSM Canada Limited solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

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

Name:

Title:

AFC MORTGAGE ADMINISTRATION INC. et al.  
Applicants

-and- SUNRISE ACQUISITIONS (STAYNER) INC. et al.  
Respondents

Court File No.

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
(COMMERCIAL LIST)  
**PROCEEDING COMMENCED AT**  
**TORONTO**

**NOTICE OF APPLICATION**

**TEPLITSKY LLP**

Barristers  
70 Bond Street  
Suite 200  
Toronto ON M5B 1X3

Jonathan Kulathungam (42049N)  
jkulathungam@teplitskyllp.com

Nipuni Panamaldeniya (77106A)  
npanama@teplitskyllp.com

Tel: (416) 365-9320

Lawyers for the Applicants

2

Court File No.

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

B E T W E E N:

**AFC MORTGAGE ADMINISTRATION INC. and BREXIT HOLDINGS  
INC.**

**Applicants**

**and**

**SUNRISE ACQUISITION (STAYNER) INC. and 2846862 ONTARIO INC.**

**Respondents**

**AFFIDAVIT**

I, Matthew Castelli, of King City, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President of the Applicant, Brexit Holdings Inc. ("**Brexit**"), and, as such, have knowledge of the matters contained in this Affidavit.
2. I am swearing this affidavit in support of an application to appoint RSM Canada Limited ("**RSM**") as a Receiver/Manager of all of the assets, undertakings and properties of the Respondents, Sunrise Acquisition (Stayner Inc.) ("**Sunrise**"), and 2846862 Ontario Inc. ("**284 Inc.**") (hereinafter Sunrise and 284 Inc. collectively referred to as the "**Debtors**").



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3. Brexit and the Applicant AFC Mortgage Administration Inc. (“**AFC**”) (collectively “Lenders”) provided mortgage financing to the Debtors who are indebted to the Lenders in connection with a secured loan in the principal sum of \$11,000,000.00 which is registered:
  - (a) In first position on the property municipally known as 1192 Simcoe Road 7, Stayner, Ontario (“**Sunrise Property**”) and having a legal description, Part Lot 26, Concession 1 Nottawasaga as in RO291428 except RO968975, RO232405 and PTS 1 to 40 & PT A, R744; Township of Clearview;
  - (b) In second position on the property municipally known as 299 Mowat Street North, Stayner, Ontario (“**Mowat Property**”).
4. On or about October 23, 2023, the Lenders through counsel made a demand (“**Demand**”). Attached hereto and marked as **Exhibit "A"** to this my affidavit is a true copy of the said Demand.
5. A Notice of Intention to Enforce Security pursuant to Section 244 (“**Section 244 Notice**”) of the *Bankruptcy and Insolvency Act* (“**BIA**”) was served on October 31, 2023. Attached hereto and marked as **Exhibit "B"** to this my affidavit is a true copy of the Notice which was sent out to all parties listed on the service list (attached to the Notice).
6. Attached hereto and marked as **Exhibit "C"** to this my affidavit are true copies of the Canada Post Registered Mail Slips wherein the BIA Notices were sent to amongst others, the Debtors.

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7. Notwithstanding the Demand and the expiry of the statutory ten-day notice period under the BIA, the Debtors have failed to repay the Loan.
8. A Notice of Sale Under Mortgage has been issued by Louis Harvey Bellwood who holds the first mortgage as it relates to the Mowat Property. Attached hereto and marked as **Exhibit "D"** to this my affidavit is a true copy of the Notice of Sale Under Mortgage dated November 16, 2023.

### **Loan and Security**

9. Pursuant to the terms of a Commitment Letter dated April 12, 2022 ("**Commitment Letter**"), and an amended Commitment Letter ("**Amended Commitment Letter**") dated May 10, 2022, Brexit, AFC, and Firm Capital Mortgage Fund Inc. ("**Firm Capital**") agreed to loan the sum of \$11 million dollars, with interest at the rate of the greater of 10.99% or TD Prime Rate + 8.29% ("**Loan**") to Sunrise as the borrower. The original guarantors of the Loan were Muzammi Kodwavi and Sajid Hussain ("**Original Guarantors**"). Attached hereto and marked as **Exhibit "E"** is a true copy of the Commitment Letter and Amended Commitment Letter.
10. Pursuant to the Commitment Letter, Brexit, AFC, and Firm Capital agreed to the Loan for a term of 12 months, with the maturity date of June 1, 2023 ("**Maturity Date**").
11. The Loan was secured by, *inter alia*:
  - (a) A first mortgage charge ("**Sunrise Mortgage**") on a property with the municipal address of 1192 Simcoe County Road 7, Staynor, ON ("**Sunrise Property**"). In

-4-

this regard, pursuant to a Subordination and Standstill Agreement dated May 11, 2022, the existing first mortgage in favour of Clearview Park Inc (“**Clearview**”) that was registered on title to the Sunrise Property was postponed in favour of the Charge. A true copy of the Subordination and Standstill Agreement is attached hereto as **Exhibit “F”**

- (b) A Guarantee and Postponement of Claim dated May 5, 2023, delivered by the Guarantors. Attached hereto and marked as **Exhibit “G”** is a true copy of the same;
- (c) An Assignment of Rents and Leases dated May 5, 2023, with respect to the Sunrise Property was also entered into and provided to the Lenders. Attached hereto and marked as **Exhibit “H”** is a true copy of the same;
- (d) An Assignment of Agreements of Purchase and Sale dated May 5, 2022, granting a security interest over certain purchase agreements. Attached hereto and marked as **Exhibit “I”** is a true copy of the same;
- (e) A financing statement registered under the *Personal Property Security Act* (Ontario) bearing reference number 782892342, pursuant to a general security agreement dated May 5, 2022. Attached hereto and marked as **Exhibit “J”** is a true copy of the same;
- (f) Other related documentation and letters (“**Ancillary Documents**”) as agreed to by the parties.

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(the foregoing items hereinafter collectively referred to as the “**Existing Security**”)

12. On or around June 1, 2023, Firm Capital transferred its interest in the Existing Security to Brexit, pursuant to an Assignment of Security Agreement dated June 1, 2023.  
Accordingly, Brexit and AFC are now the only Lenders.

### **Forbearance Agreement**

13. In April of 2023, Sunrise indicated that it was unable to repay the Loan on the Maturity Date. The Loan accordingly went into default (“**Existing Default**”). Sunrise requested that the Lender forbear from exercising its rights under the Existing Security.
14. The parties entered into a Forbearance Agreement dated July 6, 2023 (“**Forbearance Agreement**”). Attached hereto and marked as **Exhibit “K”** is a true copy of the Forbearance Agreement.
15. Under the Forbearance Agreement:
  - (a) 2846862 Ontario Inc. (“**284 Inc.**”) agreed with the Lenders to guarantee Sunrise’s debt obligations under the Existing Security. 284 Inc. is a company wholly owned and controlled by the Original Guarantors. Attached hereto and marked as **Exhibit “L”** to this my affidavit is a true copy of the Guarantee and Postponement of Claim dated July 6, 2023 provided by 284 Inc.
  - (b) 284 Inc. also granted to the Lenders, as additional security a charge (“**Mowat Charge**”) on a property with the municipal address of 299 Mowat Street North,

-6-

Stayner Ontario (“**Mowat Property**”). 284 Inc. is the registered and beneficial owner of the Mowat Property. The Mowat Charge was subject to the same terms and conditions as the Loan. Pursuant to the Forbearance Agreement, default under the Mowat Charge is deemed a default under the Loan and vice versa. As such, the Sunrise Property and the Mowat Property were cross-collateralized. The Mowat Charge is in second position behind the Bellwood Charge (defined below).

- (c) Attached hereto and marked as **Exhibit “M”** is a true copy of the registered charge with respect to the Mowat Property.

(The Sunrise Property and the Mowat Property are hereinafter collectively referred to as the “**Properties**”)

### **Secondary Charges – Sunrise Property**

16. There are subsequent encumbrances registered on title to the Sunrise Property being a second mortgage granted in favour of Clearview in the amount of \$9,231,700.00 (“**Subordinate Charge**”). Attached hereto and marked as **Exhibit “N”** is a true copy of the parcel abstract for the Sunrise Property.
17. As it relates to the Mowat Property, there is a first mortgage registered as Instrument No. SC1792765 in favour of Louis Harvey Bellwood (“**Bellwood Charge**”). Attached hereto and marked as **Exhibit “O”** is a true copy of the parcel abstract for the Mowat Property.
18. The Bellwood Charge, as of July 2023, claims that the amount due and owing is \$2,865,625.00. Attached hereto and marked as **Exhibit "P"** to this my affidavit is a true

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copy of a Mortgage Information Statement provided by Louis Harvey Bellwood directed to the Lenders.

### **Forbearance Terms**

19. Under the Forbearance Agreement, the Lenders agreed to forbear from taking any action or exercising any rights or remedies at *inter alia*, law, equity, or under the Existing Security during the Forbearance Period (as defined below).
20. The Forbearance Agreement also provided that each of the Debtors and the Original Guarantors agreed to, *inter alia*:
  - (a) A Forbearance fee of \$220,000.00 (“**Forbearance Fee**”)
  - (b) Late fee of \$412, 225.00 (“**Late Fee**”);
  - (c) Lender’s Broker fee of \$165,000.00 (“**Lender’s Broker Fee**”)
  - (d) Overholding fee of \$27,500.00 monthly (“**Overholding Fee**”); and
  - (e) Payment of the Lender’s legal fees and disbursements of \$18,645.00.
21. It was further acknowledged that as of the date of the Forbearance Agreement, the Lender maintained a development holdback of \$1,500,000.00 (“**Development Holdback**”) in accordance with the Commitment Letter. A portion of the Development Holdback equal to the Forbearance Fee, Late Fee, Broker Fee, and a \$330,000.00 reserve for twelve months of the Overholding Fee was applied to payment of the aforementioned fees. As such, the remaining balance of the Development Holdback was \$372,775.00.

**Forbearance Period and Acknowledgment of Existing Security**

22. According to the Forbearance Agreement, the Forbearance Period began on the date of the Forbearance Agreement and ends “*without further notice required on the part of the Lender to any of the Debtors*” on the earlier of:
- (i) any further default under the Existing Security (including any defaults in the prompt payment of any installments of accrued interest falling due during the Forbearance Period);
  - (ii) any default under the Forbearance Agreement at any time; or
  - (iii) June 1, 2024.

Hereinafter referred to as the “**Forbearance Period**”

23. Once the Forbearance Period has expired or has been terminated, all rights, powers and remedies of the Lenders under the Existing Security are available to the Lenders, including any rights, powers, or remedies it had pursuant to the Existing Security with respect to the Existing Default.
24. Under the Forbearance Agreement, the Debtors and Original Guarantors also acknowledged:
- (a) to be “jointly and severally liable for the fulfillment” of all obligations to the Lenders under the Existing Security and the Forbearance Agreement effective

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both throughout the Forbearance Period and from after its expiration or earlier termination;

- (b) The Existing Security remained in full force and effect both throughout the Forbearance Period and from and after the expiration or termination of same;
- (c) That nothing in the Forbearance Agreement waived the existing defaults under the Existing Security or waived or impaired any rights, powers, or remedies of the Lender under the Existing Security or otherwise at law upon the Forbearance Period being terminated; and
- (d) Consented to the appointment of a receiver under all of the Existing Security in the same manner as provided for in the Existing Security (i.e. Section 20 of the Commitment Letter).

#### **Default under the Forbearance Agreement**

- 25. The Debtors failed to make the monthly Interest Payment due and owing as of October 1, 2023.
- 26. Pursuant to section 4.1 of the Forbearance Agreement, this constituted and is deemed a further default under the Existing Security as well as a default under the Forbearance Agreement. As such, pursuant to section 3.2 of the Forbearance Agreement, the Forbearance Period was terminated, and all rights, powers and remedies of the Lenders under the Existing Security became available to the Lender, including the appointment of a receiver.



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

27. The appointment of the proposed receiver over the assets, undertakings, and property of the Debtors is just and convenient in the circumstances of this case for the following reasons:

- (a) Notwithstanding the issuance of the Demand and the section 244 BIA notice, the Debtors have failed to repay the Loan;
- (b) The statutory notice periods under the BIA and *Mortgages Act* have long expired;
- (c) The Loan matured on June 1, 2023;
- (d) The Existing Security together with the Forbearance Agreement contain contractual entitlements to appoint a receiver upon default;
- (e) The Properties are leveraged with subordinate and prior ranking mortgages. The total liabilities as it relates to the Properties, are as follows (approximation):
  - (i) Mowat Property first held by Bellwood Mortgage, \$2,865,625.00.
  - (ii) Sunrise Property second and third Mortgages, \$9,231,700.00;
  - (iii) Cross-collateralization of Sunrise Mortgage and Mowat Mortgage, \$11,435,000.00;
  - (iv) A construction lien registered on November 3, 2023 in the amount of \$51,277.00.

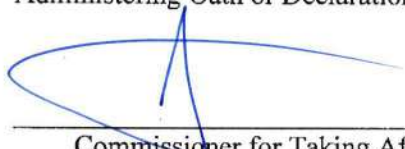
-11-

TOTAL: \$23,583,602.00.

- (f) The Lenders have lost faith in the ability of the Debtors' management to turn the situation around;
- (g) A court-appointed receiver will ensure that the interest of all the Debtors' stakeholders is considered and facilitate a fair and transparent marketing and sale process for achieving a definitive disposition of the Properties.

28. I swear this affidavit for no wrongful or improper purpose.

SWORN by Matthew Castelli of King City, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits  
(or as may be)

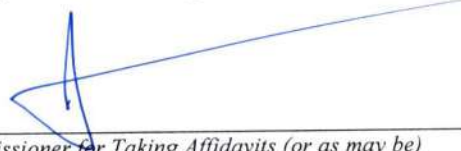
**Jonathan Kulathungam**



(Signature of deponent)

**Mathew Castelli**

This is Exhibit "A" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

## NOTICE OF DEFAULT

**TO:** Sunrise Acquisition (Stayner) Inc. (“Borrower”)

**AND  
TO:** Muzammil Kodwavi (“Kodwavi”)

**AND  
TO:** Sajjad Hussain (“Hussain”)

**AND  
TO:** 2846862 Ontario Inc. (“284 Inc.”)

(Hereinafter Kodwavi, Hussain and 284 Inc. collectively referred to as “Guarantors”)  
(Hereinafter Borrower and Guarantors collectively referred to as “Borrowing Parties”)

**RE:** Brexit Holdings Inc. and AFC Mortgage Administration Inc. (hereinafter collectively referred to as “Lender”) secured loan facility (the “Loan”) provided to the Borrowing Parties and cross-collaterally secured by *inter alia*:

1. Property municipally known as 1192 Simcoe Road 7, Stayner, Ontario (“Sunrise Property”);
2. 299 Mowat Street, Stayner, Ontario (“Collateral Property”)  
(Hereinafter collectively referred to as the “Properties”)

With mortgages registered as:

1. Instrument No. SC1895304 as it relates to the Sunrise Property; and
2. Instrument No. SC1993387 as it relates to the Collateral Property  
(Hereinafter collectively referred to as the “Mortgages”)

The Lender hereby notifies you that an Event of Default has occurred and is continuing under the terms of *inter alia*:

1. Commitment Letter dated March 12, 2022;
2. The said Mortgages as set out above; and
3. Forbearance Agreement dated July 6, 2023

(Hereinafter collectively referred to as the “Secured Documents”)

as a result of the Borrowing Parties failure to make mortgage payment to the Lender due on October 1, 2023.

-2-

Unless payment of the October 1, 2023 mortgage payment together with accrued interest thereon, is received within two (2) business days of the date hereof, the Lender reserves the right to take such actions as it considers necessary and desirable to preserve and protect its interests and to exercise all available rights and remedies that it has at law, under this Notice of Default, and the Security Documents.

Nothing in this Notice of Default shall constitute or be deemed to be waiver by the Lender of any of Default, Event of Default or Default that has occurred to the date hereof and the Lender specifically reserves all of its rights and remedies at law, under this Notice of Default, and the Security Documents. No failure on the part of the Lender to exercise, and no delay in exercising, any right or remedy at law, set out in this Notice of Default, or the Security Documents as a result of the aforementioned Event of Default shall operate as a waiver thereof. Time will, in all respects, be of the essence with respect to the matters set out in this Notice of Default.

Capitalized terms not defined herein shall have the same respective meanings as set out in the Security Documents.

DATED AT TORONTO, ONTARIO this 23<sup>rd</sup> day of October, 2023

**AFC MORTGAGE ADMINISTRATION  
INC.**

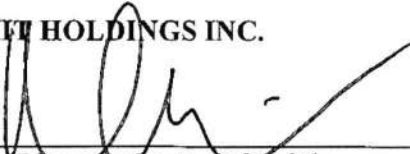
Per:



(I have authority to bind the  
corporation)

**BREXIT HOLDINGS INC.**

Per:



(I have authority to bind the  
corporation)

This is Exhibit "B" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**Notice of Intention to Enforce Security**  
*(Subsection 244(1) of the Bankruptcy and Insolvency Act)*

DELIVERED BY REGISTERED MAIL

To: **Service List as set out in Schedule A attached hereto**

Take notice that:

1. Brexit Holdings Inc. and AFC Mortgage Administration Inc. (“Secured Lenders”), as secured lenders’ intend to enforce its security on the property, assets and undertakings of Sunrise Acquisitions (Stayner) Inc. (“Sunrise”) and 2846862 Ontario Inc. (“284 Inc.”) (hereinafter Sunrise and 284 Inc. collectively referred to as the “Debtors”), including, without limiting the generality of the foregoing, all of the equipment, accounts, proceeds, books and records, inventory, lease holds and all other personal real property of the Debtors including but not limited to 118’s security on the properties listed below:

**a. Sunrise Acquisitions (Stayner) Inc.**

PT LT 26, CON 1 NOTTAWASAGA AS IN RO291428, EXCEPT RO968975, RO232405 AND PTS 1240 AND PTA, R744, TOWNSHIP OF CLEARVIEW

Municipally known as: 1192 Simcoe Road 7, Stayner, Ontario

**b. 2846862 Ontario Inc.**

PART LOT 26, CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED ROAD (KNOWN AS BLIND LINE ROAD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWN OF CLEARVIEW

Municipally know as: 299 Mowat Street North, Stayner, Ontario

2. The security that is to be enforced are the mortgages referred to in section 1 herein.
3. The total amount of indebtedness as of **October 17, 2023** in principal and interest is as follows
  - a) Principal including interest and fees **\$11,432,297.65**
  - b) With per diem interest rate as of October 17, 2023 of \$4,851.68
4. The secured credit 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.

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Dated at Toronto, Ontario this 31<sup>st</sup> day of October, 2023.

by its lawyers,  
**Teplitsky, LLP**  
70 Bond Street  
Suite 200  
Toronto, Ontario  
M5B 1X3

Per: *Jonathan Kulathungam*  
**Jonathan Kulathungam**

Phone: (416) 365-9320

Fax: (416) 365-0695

Email: [jkulathungam@teplitskyllp.com](mailto:jkulathungam@teplitskyllp.com)



**SCHEDULE A****HIS MAJESTY THE KING IN RIGHT OF THE  
PROVINCE OF ONTARIO SERVED UPON HIS  
AGENT, THE MINISTRY OF FINANCE**

Attn: Insolvency Unit  
33 King Street West, 6<sup>th</sup> Floor  
Oshawa, Ontario L1H 8H5

**Sunrise Acquisitions (Stayner) Inc.**

50 West Wilmot Street  
Suite 100  
Richmond Hill, Ontario  
L4B 1M5

**Clearview Park Inc.**

c/o TBG Canada Management Inc.  
77 City Centre Drive  
Suite 602  
Mississauga, Ontario L5B 1M5

**2846862 Ontario Inc.**

50 West Wilmot Street  
Suite 100  
Richmond Hill, Ontario  
L4B 1M5

**Muzammil Kodwavi**

72 Grand Vellore Crescent  
Woodbridge, Ontario  
L4H ON8

**Sajjad Hussain**

24 Sutherland Drive  
East York, Ontario  
M4G 1G8

This is Exhibit "C" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**



REGISTERED DOMESTIC

RECOMMANDÉ RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

To KP Destinataire 33599  
Name SAWAD HUSSAIN  
Address 24 SUTHERLAND DRIVE  
City / Prov. / Postal Code EAST YORK, ON

FOR DELIVERY CONFIRMATION  
canadapost.ca or/ou postescanada.ca  
1 888 550-6333

Declared Value \$ M46 1G8  
CPC Tracking Number RN 558 480 573 CA

33-086-584 (17-12)



REGISTERED DOMESTIC

RECOMMANDÉ RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

To KP Destinataire 33599  
Name MUZAMIL KODWANI  
Address 72 GRAND VICTORIA CRES.  
City / Prov. / Postal Code WOODBRIDGE, ON

FOR DELIVERY CONFIRMATION  
canadapost.ca or/ou postescanada.ca  
1 888 550-6333

Declared Value \$ L4H 0n8  
CPC Tracking Number RN 558 480 785 CA

33-086-584 (17-12)



REGISTERED DOMESTIC

RECOMMANDÉ RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

To KP Destinataire 33599  
Name Sunrise Acquisitions Inc.  
Address 50 WEST WILMOT ST. SUITE 100  
City / Prov. / Postal Code RICHMOND HILL, ON

FOR DELIVERY CONFIRMATION  
canadapost.ca or/ou postescanada.ca  
1 888 550-6333

Declared Value \$ L4B 1MS  
CPC Tracking Number RN 558 480 539 CA

33-086-584 (17-12)



REGISTERED DOMESTIC

RECOMMANDÉ RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

To KP Destinataire 33599  
Name MINISTRY OF FINANCE  
Address 33 KING WEST 4TH FLOOR  
City / Prov. / Postal Code OSHAWA, ON L1H 8H5

FOR DELIVERY CONFIRMATION  
canadapost.ca or/ou postescanada.ca  
1 888 550-6333

Declared Value \$  
CPC Tracking Number RN 558 480 556 CA

33-086-584 (17-12)



REGISTERED DOMESTIC

RECOMMANDÉ RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

To KP Destinataire 33599  
Name CLEARVIEW PARK INC.  
Address 77 CITY CENTER DR. SUITE 602  
City / Prov. / Postal Code MISSISSAUGA, ON

FOR DELIVERY CONFIRMATION  
canadapost.ca or/ou postescanada.ca  
1 888 550-6333

Declared Value \$ L5B 1MS  
CPC Tracking Number RN 558 480 511 CA

33-086-584 (17-12)



REGISTERED DOMESTIC

RECOMMANDÉ RÉGIME INTÉRIEUR



CUSTOMER RECEIPT

REÇU DU CLIENT

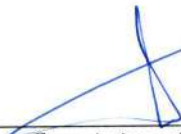
To KP Destinataire 33599  
Name 2846862 ONTARIO INC.  
Address 50 WEST WILMOT ST. SUITE 100  
City / Prov. / Postal Code RICHMOND HILL, ON

FOR DELIVERY CONFIRMATION  
canadapost.ca or/ou postescanada.ca  
1 888 550-6333

Declared Value \$ L4B 1MS  
CPC Tracking Number RN 558 480 499 CA

33-086-584 (17-12)

This is Exhibit "D" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**NOTICE OF SALE UNDER MORTGAGE**

**TO: 2846862 Ontario Inc.**  
50 Wilmot Street  
Richmond Hill, Ontario L4B 1M5

**AND TO: Brexit Holdings Inc.**  
105B Wings Road  
Woodbridge, Ontario L4L 6C2

**AND TO: AFC Mortgage Administration Inc.**  
2010 Winston Park Drive, 2<sup>nd</sup> Floor  
Oakville, Ontario L4H 6P5

**AND TO: Louis Harvey Bellwood**  
44 Parr Boulevard  
Utopia, Ontario L0M 1T2

**TAKE NOTICE** that default has been made in payment of the monies due under a certain mortgage dated the 15<sup>th</sup> day of June, 2023, made between **2846862 ONTARIO INC.**, as mortgagor, and **LOUIS HARVEY BELLWOOD**, on the security of the following property, namely: 299 Mowat Street North, Municipality of Clearview, Ontario and legally described as: PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW; Property Identification Number 58238-0006 (LT) which charge was registered on the 15<sup>th</sup> day of June, 2021 in the Land Registry Office of Simcoe (#51) as instrument number SC1792765.

**AND WE HEREBY** give you notice that the amount now due on the mortgage for principal money and costs, respectively is **\$3,006,598.50**, made up as follows:

Principal	\$2,965,625.00
Interest from June 15, 2023 to November 16, 2023	\$37,781.25
Legal expenses for issuing demand letter (inclusive of HST)	\$536.75
Legal fees for issuing Notice of Intention to Enforce Security (inclusive of HST)	\$960.50

Legal fees, disbursements and costs in connection with the service of this notice only (and thereafter such further legal fees, disbursements and costs will be charged as may be incurred) (inclusive of HST) \$1,695.00

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**Total** **\$3,006,598.50**

(such amount being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper) together with interest at a rate of 3.00% per annum, calculated half-yearly not in advance on the principal and interest hereinbefore mentioned, from the date of November 16, 2023 to the date of payment.

**AND UNLESS** the said sums are paid before the 1st day of January, 2024 it shall sell the property covered by the said mortgage under the provisions contained in it.

**THIS NOTICE** is given to you as you appear to have an interest in the charged property and may be entitled to redeem the same.

DATED the 16<sup>th</sup> day of November, 2023.

**LOUIS HARVEY BELLWOOD** by his solicitors, **BAULKE STAHR McNABB LLP**

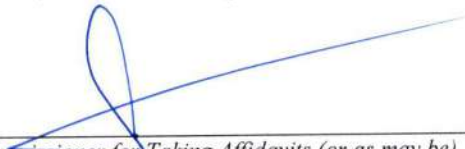
Per:   
Name: Ryan Baulke

Baulke Stahr McNabb HST No.: 872143961R

Please direct inquiries to:

Baulke Stahr McNabb LLP  
150 Hurontario Street  
Box 100  
Collingwood, Ontario L9Y 3Z4  
Attention: Ryan Baulke  
[ryan@collingwoodlaw.com](mailto:ryan@collingwoodlaw.com) / 705-445-4930 x 108

This is Exhibit "E" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**



# **ANBROS FINANCIAL CORPORATION**

2010 Winston Park Drive, 2<sup>nd</sup> Floor  
Oakville, Ontario, L6H 6P5  
FSRA Brokerage Lic. #12611  
FSRA Mortgage Administration Lic. #13269

Main Office Line: (647) 931 -1738  
Facsimile: (647) 931 -1738  
[www.anbrosfinancial.com](http://www.anbrosfinancial.com)

## COMMITMENT LETTER

**April 12<sup>th</sup>, 2022**

The Lender is pleased to provide a conditional mortgage commitment loan offer, subject to, but not limited to conditions contained herein. This document is a conditional Mortgage Commitment Letter, conditional on areas of concern to the Lender/Mortgagee arising during the finalization of this loan, being resolved to the satisfaction of the Lender/Mortgagee at its unfettered discretion. The Lender/Mortgagee has the absolute discretion to withdraw from this conditional commitment at any time prior to funding with no penalty or recourse by the Borrower(s) / Guarantor(s) against the Lender/Mortgagee.

<b>LENDER</b>	Anbros Financial Corporation on behalf of its Lender(s)/Investor(s); AFC Mortgage Administration Inc.
<b>BORROWER(S)</b>	Sunrise Acquisitions (Stayner) Inc
<b>GUARANTOR(S)</b>	Muzammil Kodwavi; Sajjad Hussain.
<b>PROPERTY</b>	1192 Simcoe County Road 7, Stayner, ON  A 66.27-acre development site, located at 1192 Simcoe County Road 7, Stayner, Ontario. The Property is vacant and unimproved land. The Borrower intends on improving the lands with a 394-unit residential subdivision comprised of 291 single detached homes, 100 future row town homes, and 3 future lots.
<b>LOAN / MORTGAGE</b>	\$ 11,000,000 to be funded at closing as follows: <ul style="list-style-type: none"> <li>• <u>\$2,000,000</u> – used paydown current \$9,250,000 VTB.</li> <li>• <u>\$1,500,000</u> - to be advanced and held back by the Lender, to be released to the relevant authority, provided that the Lender is satisfied with the application of such funds at its sole discretion.</li> <li>• <u>\$2,000,000</u> - to fund interest reserve of \$1,500,000 + loan closing costs.</li> <li>• <u>\$4,500,000</u> – Used to retire the existing 2<sup>nd</sup> mortgage.</li> <li>• <u>\$1,000,000</u> - Used to and provide working capital to the Borrower to advance the project.</li> </ul>
<b>MORTGAGE PRIORITY</b>	1 <sup>st</sup> Mortgage
<b>CLOSING DATE</b>	Tentatively set for April 29 <sup>th</sup> , 2022
<b>TERM</b>	12 months, open for prepayment after 6 months on 30 days notice and payment of one (1) months interest as bonus.  In the event that repayment is not made after giving notice, the entire Loan indebtedness shall become due and payable forthwith at the option of and upon demand by the Lender.
<b>INTEREST RATES</b>	Higher of 10.99%, or TD Prime Rate + 8.29%
<b>AMORTIZATION</b>	Interest Only.

<b>LENDER FEE:</b>	\$250,000
<b>ANBROS FINANCIAL FEE</b>	2.0% of the loan authorization
<b>COMMITMENT DEPOSIT</b>	\$40,000

**LEGALS** The Lender shall appoint a solicitor of its choosing. Any and all legal fees plus disbursement associated with the loan closing, ongoing monitoring, and repayment and discharge of this loan shall be borne by the Borrower.

#### SECURITY

- 1<sup>st</sup> mortgage for \$15,000,000 on the Property. Lender's solicitor to confirm legal description.
- First position General Assignment of Rents pledging the rental income of the Real Property as additional security for the repayment of the mortgage indebtedness (as applicable).
- General Security Agreement in favour of the Lender registered under the Personal Property Security Act providing a first position floating charge over the assets of the Borrower (if applicable).
- Assignment of all construction and servicing contracts, and any other material contracts deemed necessary by the Lender's lawyer relating to the Project.
- Cost overrun guarantees from the Borrower(s)/Guarantor(s).
- Full Joint and Several Guarantees from the Guarantor(s) supported by a GSA.
- Assignment of Interest Reserve.
- Environmental Indemnity Agreement from the Borrower and Guarantor(s).
- Assignment of Insurance with Loss Payable to the Lender.
- Any additional security as deemed necessary by the Lender and/or its solicitor at their unfettered discretion.

#### OTHER FEES

- Lender's Mortgage Discharge Fee (per unit): \$1,000
- Fund Advance Fee: \$500
- Lender's Site Visit Fee: \$150.
- NSF Charge: \$500 on the 1st occurrence, and \$1,000 on all subsequent occurrences.
- Any and all legal fees associated with closing, ongoing monitoring, repayment and discharging of subject mortgage.
- Any and all Lender out of pocket expenses associated with closing, ongoing monitoring, repayment and discharging of subject mortgage.

The Mortgagee reserves the right to charge reasonable fees for other administrative services and to amend its fees from time to time. The above fees are payable by the Mortgagor(s) and Guarantor(s) jointly and severally.

#### PREFUNDING CONDITIONS

The obligation of the Lender to permit any drawdown is subject to the conditions contained in Schedule "A", and, the following additional Prefunding conditions:

1. Receipt of Executed Anbros Financial application form.

2. Confirmation by the Lender that the Environmental and Geotechnical report have been reviewed and are satisfactory. Reliance letter to be provided addressed to the Lender.
3. Confirmation by the Lender that the Appraisal report has been reviewed and is satisfactory. Reliance letter to be provided addressed to the Lender.
4. Planning review to the satisfaction of the Lender at its unfettered discretion by the Lender's approved planning consultant.

It is understood that the site is currently draft plan approved as follows:

- 244 single family detached lots;
- 60 semi-detached lots;
- Medium density block with 100 proposed townhome lots.

It further understood that the Borrower is amending the draft plan to yield the following unit:

- 291 single family detached lots;
- 3 future single family lots;
- Medium density block with 100 proposed townhome lots.

5. Confirmation, by a Lender approved engineer, that the site has received allocation for municipal sewer.
6. Confirmation that the existing VTB balance does not exceed \$9,250,000.
7. Confirmation by the Lender's solicitor that all realty taxes are paid and up to date as of the funding date.
8. Confirmation by the Lender's solicitor that the Lender has been added as 1<sup>st</sup> Loss Payee for the full loan amount.
9. Lender has to provide confirmation that the negotiated subordination agreement with the 2<sup>nd</sup> position VTB lender is acceptable to it at its unfettered discretion.
10. Confirmation by the Lender's solicitor that title is held by the Borrower.
11. Confirmation by the Lender's solicitor that Title insurance is in place as per Schedule A.
12. Lender has walked through the property and has provided confirmation that the property is to their satisfaction.
13. Confirmation by the Lender's solicitor that the security package is complete and in good order.
14. The Lender has either i) received post-dated cheques for the anticipated term of the loan made out to the Lender, or ii) received the completed and executed Lender Pre-authorized Debit form ('PAD') with a void cheque from the account where the interest is to be debited.
15. Any additional documents and/or items deemed necessary by the Lender during the underwriting process at its unfettered discretion.
16. The Lender has confirmed in writing to the Borrower that the above Prefunding Condition have been satisfied to the Lender's and its solicitor's unfettered discretion.

#### ONGOING CONDITIONS

So long as any amounts remain outstanding and unpaid under this Commitment, the Borrower will observe the conditions as set out in Schedule "A", as applicable, and in addition will abide by the following:

1. The Borrower will ensure that title to the subject property remains satisfactory to the Lender and its Solicitor. All zoning by-laws and restrictive covenants must be complied with.
2. The Borrower will pay any and all out of pocket expenses incurred by the Lender. The Lender shall be entitled to conduct subsearches and verify payment of realty taxes in respect of the property, obtain Sheriff's Certificates as to executions on record in respect of Borrower and Guarantors, inspect and/or audit the financial records of the Borrower, and conduct PPSA registry searches, all as applicable at the discretion of the Lender.
3. The Borrower will keep realty taxes current and provide evidence that realty taxes have been paid.
4. The Borrower shall not further encumber the property without the prior written consent of the Lender.
5. The Borrower shall not create, incur, assume or suffer to exist any lease or easement that would restrict use of the property without the prior approval of the Lender and its Solicitor.
6. The Borrower shall not sell or transfer the property herein secured, or amend the ownership of the property without the prior written consent of the Lender
7. The Borrower shall maintain adequate insurance coverage against the Real Property including but not limited to insurance for the renovation work to be performed. Lender at all times to be list as 1<sup>st</sup> Loss Payee.

#### **ADVERTISING**

The Borrower(s) agrees to permit Ambros Financial or a related entity to advertise this financing transaction. Ambros Financial shall have the irrevocable right to erect a sign not exceeding 4 foot by 8 foot in size at the Subject, at its own expense, indicating it has arranged the financing on the Property during the period for which the financing or any portion thereof remains outstanding. Ambros Financial may also refer to the Loan in its advertising at any time after the first advance under the Loan facility.

#### **ASSIGNMENT AND SYNDICATION**

The Mortgage Commitment and the Security may not be assigned, transferred or otherwise disposed of by the Borrower(s) without the Lender's prior written consent. The Mortgage Commitment and the Security or any interest therein may be assigned or participated or syndicated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower(s) or the Guarantor(s). Except as hereinafter provided, the Borrower(s) and the Guarantor(s) consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Property, the Collateral, the Project, the Borrower(s) or the Guarantor(s) within the possession or control of the Lender. If any such prospective assignee or participant wishes to engage the services of its own legal counsel or other advisors in connection with the Loan or the Security, the cost of such additional advice shall be at the cost of the Borrower(s).

#### **COST OF BORROWING AND DISCLOSURE TO BORROWERS**

The Borrower acknowledges that as per Ontario Regulations 191/08 ("This Regulation applies to every mortgage other than a mortgage entered into with a borrower who is not a natural person, or a mortgage that a borrower enters into for business purposes. O. Reg. 191/08, s. 1 (1)."), that the Borrower is not a natural person or that the Borrower is entering into this mortgage for business purposes. Therefore the Borrower acknowledges that disclosure to Borrower is not applicable.

#### **COLLECTION AND RELEASE OF PERSONAL INFORMATION:**

The Borrower and Guarantors expressly consents and authorizes the Lender to collect, use, or disclose to third parties its personal information as required and as permitted pursuant to the Personal Information Protection and Electronic Documents Act (Canada) ("PIPEDA") or other laws. Such third parties may include mortgage loan investors, mortgage loan trustees, law firms, insurance companies, credit bureaus or other third parties involved in the mortgage loan industry. You further authorize the release of your personal information to the Lender from any lender in priority to or subsequent to the Loan contemplated herein, for the purpose of assessing credit risks associated with the Loan and in connection with the collection of a debt or the fulfilment of another obligation owed by you to the Lender. The

Borrower hereby irrevocably nominates, constitutes, and appoints the Lender as its true and lawful attorney as shall be required and as said attorney shall see fit for all of the purposes aforesaid.

**WAIVER**

The waiver by the Lender of any breach or default by the Borrower(s) or any Guarantor(s) of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower(s) or the Guarantor(s). In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

**JURISDICTION:**

Unless otherwise explicitly noted, this document shall be interpreted in accordance with the laws of the Province of Ontario.

**CONFIDENTIALITY:**

The Borrower and Guarantors acknowledges and agrees that the terms and conditions recited herein are confidential between the applicant and the Lender. The applicant agrees not to disclose the information contained herein to a third party without the express, written consent of the Lender.

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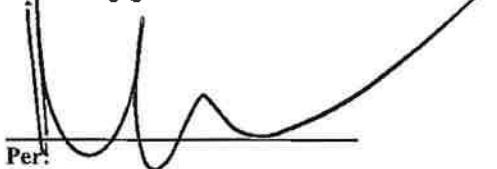


The Borrower acknowledges and agrees that in consideration of the Lender and Ambros Financial arranging this Loan, the Borrower agrees to pay both the Lender Fee and Ambros Financial Fee as per this Commitment Letter. The Borrower acknowledges that this fee is a reasonable estimate of costs incurred in sourcing, investigating, underwriting, and preparing the Loan and that these fees are still earned by the Lender and Ambros Financial and payable by the Borrower.

The Lender Fee and Ambros Financial Fee and are deemed to be fully earned upon acceptance by the Borrower of this Commitment Letter, whether or not this Loan is advanced for any reason. The Borrower hereby irrevocably directs the Lender and the Lender's solicitor to pay the Lender Fee and Ambros Financial Fee from the proceeds of the initial advance. Should the Borrower fail to close this transaction for any reason whatsoever, the Lender Fee and Ambros Financial Fee shall be forthwith due and payable.

**LENDER**

Ambros Financial Corporation on behalf of its Lender(s)/Investor(s)  
AFC Mortgage Administration Inc.

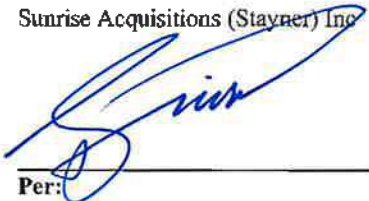


Per:

I have the authority to bind this corporation

**BORROWER(S)**

Sunrise Acquisitions (Stayner) Inc

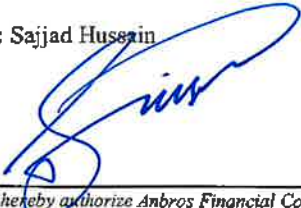


Per:

I have the authority to bind this corporation

**GUARANTOR(S)****Per: Muzammil Kodwari**

*I/We hereby authorize Andros Financial Corporation and its Investors to obtain any information concerning the Borrower and/or Guarantor from any credit reporting agency or credit grantor as required at any time and consent to the disclosure of such information at any time to any credit reporting agency or credit grantor.*

**Per: Sajjad Hussain**

*I/We hereby authorize Andros Financial Corporation and its Investors to obtain any information concerning the Borrower and/or Guarantor from any credit reporting agency or credit grantor as required at any time and consent to the disclosure of such information at any time to any credit reporting agency or credit grantor.*

SCHEDULE A

1. The terms Chargee, Mortgagee and Lender will be used interchangeably throughout this schedule to refer to the Lender, as defined in the Commitment Letter. The terms Chargor, Mortgagor and Borrower will be used interchangeably throughout this schedule to refer to the Borrower, as defined in the Commitment Letter.
2. **Identification:** Borrower shall provide to the Lender's solicitor valid identification to enable the solicitor to verify the identity of all Borrower(s) and Guarantor(s).
3. **Rental Assignment:** The mortgage shall contain a clause that provides the Lender with an assignment of any and all rental income presently or in the future, for the subject property, as set out above. In addition, should the subject property currently have or be contemplated to have rental income or be known as "a rental property", the Borrower will provide a PPSA assignment of rents to be registered against the Borrower and the subject property(s).
4. **Condominiums:** If this property is a condominium, the Lender will require additional information to satisfy itself as to the status and state of the condominium corporation. Such information may include, but will not necessarily be limited to, reports on the reserve fund and engineering audits on the corporation's assets such as building's infrastructure.
5. **House and Property Insurance:** Insurance satisfactory to the Lender, in a form satisfactory to the Lender, with a company satisfactory to the Lender must be provided PRIOR to any advance under the mortgage. Coverage must include full replacement cost of the building and improvements with loss payable to the Lender.
6. **Condominium Insurance:** Where applicable, proof of condominium insurance package and premiums are all up to date.
7. **Title Insurance:** Title insurance with a company satisfactory to the Lender and or the Lender's solicitor is required on this mortgage transaction. The title insurance product selected will be the highest-grade product available from the insurer. All costs in regard to this title insurance are the responsibility of the mortgagor.
8. **Property Taxes:** The Borrower(s) will provide the Lender with proof of payment in full of the annual tax bill by December 31st of each year, failing which the Borrower shall pay to the Lender the sum of ONE THOUSAND DOLLARS (\$1,000.00) as a liquidated amount and not as a penalty.
9. **Water Potability Test:** If the property is not on municipal water supply, a water potability test is required, the results of which must meet the satisfaction of the Lender and its solicitor
10. **Authorization:** This shall constitute written authorization from the Borrower allowing the Lender to communicate directly with any other previous, current or future lenders of the property, along with any taxing authority, and previous, current and future insurers so long as this mortgage is in place. This clause further directs these parties to release any and all information requested to the Lender.
11. **Farm Debt Mediation Act:** Provided further that the Chargor/Mortgagor represents and warrants that he is not a "farmer" as defined in the Farm Debt Mediation Act and the Chargor/Mortgagor further covenants and agrees that during the currency of the within charge he will not engage in any activity which would have the effect of deeming him a "farmer" within the meaning of the Farm Debt Mediation Act. In the event that the Chargor/Mortgagor fails to comply with the within provision, the within charge shall, at the Chargee's/Mortgagee's option, immediately become due and payable in full, together with (3) months interest as a liquidated amount and not as a penalty.
12. **Alterations:** The Borrower will not make or permit any structural alterations or additions to the land or to any building or structure thereon or change or permit to be changed the use of the premises without the written consent of the Lender.
13. **Insulation:** The subject property is not and has never been insulated with urea formaldehyde foam insulation, and the Chargor/Mortgagor will not permit such insulation to be used in the construction of any future improvement to the property. In the event that the Chargee/Mortgagee determines that any portion of the subject property is, or has been so insulated, then all amounts whether principal, interest or otherwise that may be owing hereunder, including Management Fee, together with (3) months interest thereon as a liquidated amount and not as a penalty, shall be immediately due and payable at the sole option of the Chargee/Mortgagee.
14. **Bankruptcy & Insolvency Act:** The Chargor/Mortgagor represents and warrants that she/he is not an "undischarged bankrupt" as defined in the Bankruptcy and Insolvency Act. In the event that the Chargor/Mortgagor is an "undischarged bankrupt" then all amounts, whether principal interest or otherwise that may be owing hereunder including Management Fee together with a three





month's interest payment, as a liquidated amount and not as a penalty, shall be immediately due and payable at the sole option of the Chargee/Mortgagee.

15. **Closing Costs:** Any and all costs including the Lender's legal fees, disbursement and independent legal advice obtained by the Borrower are the Borrower's responsibility.
16. **Power of Attorney:** The Lender will not accept documentation executed by Power of Attorney unless express written permission is given by the Lender to the Borrower.
17. **Sale of Property:** In event of the sale of the subject property, as set out above, the mortgage becomes due and payable. The mortgage may not be assumed.
18. **Mortgage Transfer:** The mortgage may not be transferred to a new property.
19. **Management Fee:** The Lender or its agent will be entitled to a management fee based on 6% of the Loan at the time of an Event of Default plus HST, which amount is deemed not to be a penalty but rather a reasonable estimate of the Lender's administrative and management costs, as a result of the occurrence of an Event of Default. Further, if, as a result of the occurrence of an Event of Default, if the Lender repays any prior indebtedness then Lender will be entitled to an additional Management Fee based on 6% of the outstanding amount of the prior indebtedness at the time of repayment plus HST, which amount is deemed not to be a penalty but rather a reasonable estimate of the Lender's administrative and management costs. This proviso shall be attached to and registered along with the other additional terms set out in a schedule to the Charge/Mortgage to be executed by the Mortgagee/Borrower.

**"Event of Default" means any of the following:**

- Failure by the Borrower(s) to pay any instalment of principal, interest and/or taxes hereunder or under any other charge or other encumbrance of the Property or Collateral, on the date upon which any of the payments for same become due;
- Failure by any of the Borrower(s) or Guarantor(s) to strictly and fully observe and perform any condition, agreement, covenant or term set out in this Commitment Letter, any Security, or any other document creating a contractual relationship as between any of them and the Lender;
- If any information, condition, security, documentation or representation to the Lender with respect to the loan or in any way related thereto, including under this Commitment Letter and the Security, is or becomes incorrect or misleading, is or has been omitted, or is or has been unfulfilled, as determined at the discretion of the Lender;
- Default by any of the Borrower(s) or Guarantor(s) in the observance or performance of any of the covenants, provisos, agreements or conditions contained in any charge or other encumbrance affecting the Property or Collateral, whether or not it has priority over the Security;
- Upon the registration of any construction lien against the Property or Collateral which are not discharged or vacated within a period of ten (10) days after the date of registration thereof;
- In the event that the Property or Collateral are abandoned or there is any cessation of the business activities or any material part thereof now being conducted, or proposed to be conducted with respect to the Property or Collateral, thereupon by the Borrower(s) or any beneficial owner thereof or any of their respective officers, agents, employees, tenants or invitees;
- If any of the Borrower(s) or the Guarantor(s) commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property, the Collateral, or any part thereof or if any compromise or arrangement with creditors is made by any of them;
- If any Borrower(s) or Guarantor(s) shall be deceased or if any of the Borrower(s) or Guarantor(s) shall be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material proceedings, material litigation or continuation under the laws of any other jurisdiction, including without limitation the Bankruptcy and Insolvency Act (Canada) and the Companies' Creditors Arrangement Act (Canada), whether initiated or commenced by them or not;
- If, in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower(s) or the Guarantor(s), the Property, the Collateral, the Project, or the risk associated with the Loan;
- If the Right of First Opportunity and Right of First Refusal condition is breached in opinion of the Lender;
- If any default occurs under any other mortgage registered against title to the Property or Collateral, or under any other encumbrance or lien registered against title to the Property or Collateral;
- If any default occurs under any other loan made by the Lender or an affiliate of the Lender to the Borrower(s) or any Guarantor(s), or any person or entity controlled by the Borrower(s) or any Guarantor(s); and
- If any Event of Default as defined in the Security occurs or any other event provided for herein or therein that results in the Loan becoming due and payable occurs.

20. **Receiver:** In the event due to default, beyond the applicable cure period, then the Lender in addition to any other rights which it may have, shall be entitled to appoint a receiver manager or receiver, either privately or court appointed to manage the Property and to do all things necessary as an owner would be entitled to do to sell the Property, subject to the terms of the Mortgage and all applicable governmental legislation.
21. **PPSA:** If a PPSA is required, it will be registered for five years, irrespective of the term of the mortgage.
22. **Repayment:** The Borrower(s) /Guarantor(s) agree to repay the Mortgagee as per the terms outlined above, in monthly installments, on the 1<sup>st</sup> of each month and to do so without interruption until all obligations set forth in this Commitment or Renewal Agreements related to this mortgage are fulfilled in full.
23. **Late Repayment:** If the loan or any part thereof is not paid within 10 days of the maturity date, then the Mortgagee may at its sole unfettered option, automatically renew this mortgage for a period of one month from the maturity date, at an interest rate equal to Eighteen (18%) per cent per annum, calculated monthly and payable monthly. In the event that loan is not repaid in full within this one month period, in addition to any Management Fees, the Mortgagor(s) shall pay an amount equal to three (3) months' interest as a liquidated amount and not as a penalty.
24. **Default in Encumbrances:** Further in the case of default on any indebtedness, or the presence of a property tax lien, that ranks in priority to this charge, the Mortgagee shall have the absolute discretion to either bring the indebtedness into good standing or pay out the defaulted indebtedness in its entirety. In either scenario, the indebtedness paid on behalf of the Mortgagor by the Mortgagee shall be added onto the capital amount of the current indebtedness on this charge and the rate of interest shall be the same as it is in this charge for the new accumulated indebtedness assumed by the Mortgagee.
25. **Renewal at Option of Mortgagee:** In the event that the Mortgagor fails to repay the principal and interest outstanding on the maturity date or fails to accept a renewal offer tendered by the Mortgagee (for any reason) within 10 business days of the maturity date, then the Mortgagee may at its sole unfettered option, automatically renew this mortgage for a period of one month from the maturity date, at an interest rate equal to Eighteen (18%) per cent per annum, calculated monthly and payable monthly. In the event that the renewal has not been finalized within this one month period, then there will be no further extensions, and the Mortgagee may exercise its remedies under this Charge. The Mortgagee shall not be obligated to offer any renewal. All other terms and covenants under the existing Charge shall continue to apply.
26. **Over Holding Fee:** If the Charge is not repaid in full on or before the maturity date, the Borrower (Mortgagor) shall be required to pay to the Lender (Mortgagee) an Over Holding Fee, in addition to any and all other rates, fees and costs to be paid to the Lender (Mortgagee) by the Borrower (Mortgagor) pursuant to the Commitment Letter or the Mortgage. More particularly, this fee shall be earned by and be payable to the Lender (Mortgagee) monthly, in advance, on the first business day of each month, including the month in which the maturity date occurs and shall be payable at the rate of 0.25% per month, whether a partial month or whole month, multiple by the then outstanding amount secured by this mortgage (the "Over Holding Fee"). The Borrower (Mortgagor) hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the maturity date of the mortgage. If the Mortgage is not repaid in full by the maturity date, the same shall constitute a default by the Borrower (Mortgagor) under the Commitment Letter and this mortgage notwithstanding payment of the Over Holding Fee. The Borrower (Mortgagor) further acknowledges that the Lender (Mortgagee), at its option, may add the Over Holding Fee to the outstanding principal amount secured by this mortgage and that this mortgage also secures any Over Holding Fee outstanding.
- The Borrower (Mortgagor) acknowledges and agrees that the Over Holding Fee is 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 this mortgage.
27. **Renewal:** The Borrower (Mortgagor) has no option to renew this mortgage upon maturity. In the event that the Lender (Mortgagee) provides a Renewal Offer to the Borrower (Mortgagor), or offers to extend or modify the terms of this mortgage, such renewal or extension, including but not limited to any changes the interest rate, term, installment payment and other stipulations of such renewal or extension, will be binding upon the Mortgagor (Borrower) and any Guarantor (s) and all subsequent mortgages, encumbrances and other interests in or of the land.
28. **Funding:** The Mortgagee shall be provided a written request by the Mortgagor or his / her Solicitor to fund this transaction by 10:00 A.M. two business days prior to the intended closing date.
29. **Commencement of Interest Obligations:** Once the Mortgagee has provided the funds to its lawyer to complete this transaction the Mortgagor shall be responsible for paying interest on those funds. The calculation shall commence as of the date the funds are delivered to the lawyer, regardless of whether there is a delay in the closing or not.

30. **Interest Adjustment:** All mortgage payments under this mortgage are due and payable on the FIRST of each month, beginning the first month closest to the advance date, but not less than 30 days from the mortgage advance date. Interest from calculated from the date of the mortgage advance date to the first of the following month is called the Interest Adjustment. If the mortgage requires an interest adjustment to be made in order to meet the required payment date, this amount will be deducted by the mortgagee from the mortgage funds advanced to the solicitor.
31. The Borrower and Guarantors acknowledges and agrees that in consideration of arranging this Loan, the Borrower agrees to pay both the Lender Fee and the Broker Fee as per this Commitment Letter. The Borrower acknowledges that this fee is a reasonable estimate of costs incurred in sourcing, investigating, underwriting, and preparing the Loan and that these fees are still earned by the Lender and Broker and are payable by the Borrower and Guarantors. The Lender and Broker Fee and are deemed to be fully earned upon acceptance by the Borrower of this Commitment Letter, whether this Loan is advanced or not for any reason. The Lender shall have an interest in the Property for pending fees and if not paid, and if litigation proceedings are commenced, the Lender shall be entitled to a Certificate of Pending Litigation against the Property.
32. **Payments:** The Mortgagor will provide the Mortgagee, with a pre-authorized cheque banking form, in a form satisfactory to the mortgagee, plus a valid, imprinted void cheque and or a bank authorization form satisfactory to the Mortgagee.
33. **Reasonableness of Fees and Charges:** The Mortgagor acknowledges having received and had explained to it all of the possible fees and charges as set forth in this Commitment Letter which would be in addition to principal and interest due hereunder. The Mortgagor acknowledged and agrees that the fees and charges are reasonable and reflect a pre-estimate of Lender's actual costs with respect to each of such charges and fees.

#### **OTHER TERMS / CONDITIONS AND INFORMATION:**

34. **Additional Documentation:** The Lender reserves the right at any time to require additional documentation at the lender's sole and absolute discretion.
35. **Lender's Right to Assign:** The Mortgage Commitment and the Security or any interest therein may be assigned or participated or syndicated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower(s) or the Guarantor(s). Except as hereinafter provided, the Borrower(s) and the Guarantor(s) consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Property, the Collateral, the Project, the Borrower(s) or the Guarantor(s) within the possession or control of the Lender. If any such prospective assignee or participant wishes to engage the services of its own legal counsel or other advisors in connection with the Loan or the Security, the cost of such additional advice shall be at the cost of the Borrower(s).
36. The Borrower shall grant Anbros Financial a right of first opportunity (the "Right of First Opportunity") and a right of first refusal ("Right of First Refusal") (collectively, the "Further Financing Rights") with respect to providing any further financing required for the Property, including without limitation arranging replacement or additional financing for the Property, and financing for any further development of the Property or any improvements thereon (any such financing being referred to herein as "Further Financing").

With respect to the Right of First Opportunity: prior to consulting with any lender with respect to any Further Financing, the Borrower shall provide to Anbros Financial in writing a request for such Further Financing with all information necessary for Anbros Financial to process the request and Anbros Financial shall have a period of thirty (30) days after receipt of same (the "Opportunity Period") to provide the Borrower a mortgage commitment letter to provide the Further Financing. The Borrower hereby undertakes not to communicate to any other lender with respect to provision of the Further Financing during the Opportunity Period, and to fully cooperate with Anbros Financial in good faith during the Opportunity Period to provide such further information as Anbros Financial may require in pursuit of its Right of First Opportunity.

With respect to the Right of First Refusal: upon receipt by the Borrower of any written offer of financing received from any other party, including but not limited to term sheets, mortgage commitments, and funding agreements (the "Third-Party Funding Offer"), the terms of which the Borrower is prepared to accept, the Borrower shall provide to Anbros Financial a copy of the Third-Party Funding Offer and all information relative to it. Upon receipt of same, Anbros Financial shall have a period of Twenty (20) days (the "Matching Period") to provide a mortgage commitment letter to the Borrower containing financing terms that are substantially the same or better as the Third-Party Funding Offer (the "Matching Offer"). The Borrower hereby undertakes, in the event that Anbros Financial submits to the Borrower a Matching Offer within the Matching Period, to accept the Matching Offer and forthwith provide to Anbros Financial such information and execute such documentation as is reasonably required by it in connection with that acceptance. In the event that Anbros Financial fails to deliver to the Borrower a Matching Offer within the Matching Period, the Borrower shall be at liberty to accept the Third-Party Funding Offer. The Borrower hereby undertakes to fully cooperate with

Anbros Financial in good faith during the Matching Period to provide such information as the Lender may require in pursuit of its Right of First Refusal.

37. The Borrower(s) agrees to permit Anbros Financial or a related entity to advertise this financing transaction. Anbros Financial shall have the irrevocable right to erect a sign not exceeding 4 foot by 8 foot in size at the Subject, at its own expense, indicating it has arranged the financing on the Property during the period for which the financing or any portion thereof remains outstanding. Anbros Financial may also refer to the Loan in its advertising at any time after the first advance under the Loan facility.
38. **Authorization to Advance Funds:** The undersigned authorizes the Lender (Mortgagee) to pay the net proceeds from the mortgage loan to the solicitor in trust.
39. The terms of this approval cannot be altered unless confirmed in writing by the Lender (Mortgagee). The applicant(s) certify that the information given is true and correct and that any subsequent changes to the applicant(s) financial or employment information provided in the application may result in cancellation of the mortgage commitment.
40. **Severability of Any Invalid Provisions:** If in the event that any covenant, term or provision contained in the Charge/Mortgage 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.
41. **Inconsistency of Terms:** THE PROVISIONS herein shall be in addition to and not in substitution for those found in the Standard Charge Terms and in the event of any inconsistency between the provisions herein and/or the Commitment and those contained in the said Standard Charge Terms, the Chargee, shall decide, in its sole discretion and at its option, which shall prevail.
42. The Mortgagor(s)/Guarantor(s) agree to fully compensate any appraisal firm that was asked to provide a valuation of the subject property(s) regardless of the status of the transaction.
43. The Lender reserves the right to cancel this transaction should closing not occur within 10 days of funding.

Lender must receive your signed acceptance of this commitment no later than 7 business days from the date of this commitment; otherwise the commitment shall be null and void.

**The Borrower/Mortgagor acknowledges having read and fully understood the terms of this mortgage commitment. In addition, the Borrower/Mortgagor acknowledges that he/she/they were given the opportunity to obtain independent legal advice which, if they so decline, results in an irrevocable admission that they fully understood and willingly agreed to all the terms.**



**ANBROS FINANCIAL CORPORATION**

2010 Winston Park Drive, 2<sup>nd</sup> Floor  
Oakville, Ontario, L6H 6P5  
FSRA Brokerage Lic. #12611  
FSRA Mortgage Administration Lic. #13269

Main Office Line: (647) 931 -1738  
Facsimile: (647) 931 -1738  
[www.anbrosfinancial.com](http://www.anbrosfinancial.com)

**AMENDMENT LETTER**

May 10<sup>th</sup>, 2022

Subject to the discovery of undisclosed information relevant to this mortgage loan, the Lender is agreeable to amend its Commitment Letter dated April 12<sup>th</sup>, 2022 as per the below.

**DELETE:**

**SECURITY**

- 1<sup>st</sup> mortgage for \$15,000,000 on the Property. Lender's solicitor to confirm legal description.

**INSERT:**

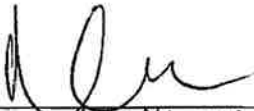
**SECURITY**

- 1<sup>st</sup> mortgage for \$11,000,000 on the Property. Lender's solicitor to confirm legal description.

\*\*\*\*\*

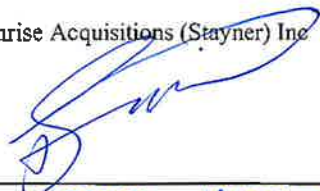
**LENDER**

Anbros Financial Corporation on behalf of its Lender(s)/Investor(s)  
AFC Mortgage Administration Inc.

  
Per: Matthew Costello, ASO  
I have the authority to bind this corporation

**BORROWER(S)**

Sunrise Acquisitions (Stayner) Inc

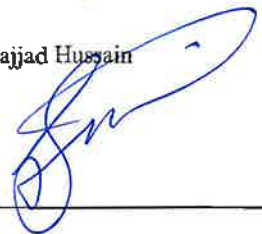
  
Per: SAJJAD HUSSAIN  
I have the authority to bind this corporation

**GUARANTOR(S)**

Per: Muzammil Kodwavi

  
\_\_\_\_\_

Per: Sajjad Hussain

  
\_\_\_\_\_

This is Exhibit "F" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

## SUBORDINATION AND STANDSTILL AGREEMENT

**THIS AGREEMENT** made as of the 11th day of May, 2022 between Brexit Holdings Inc., Firm Capital Mortgage Fund Inc. & AFC Mortgage Administration Inc. (collectively the "**Senior Lender**"), Clearview Park Inc. (the "**Subordinate Lender**") and Sunrise Acquisitions (Stayner) Inc. (the "**Borrower**").

**WHEREAS** the Senior Lender has made available a \$11,000,000.00 Mortgage Financing Facility (the "**Facility**") to the Borrower, secured, *inter alia*, by a first mortgage (the "**Mortgage**") in the principal amount of \$11,000,000.00 (the "**Senior Loan**") of the lands and premises municipally known as 1192 Simcoe County Road 7, Stayner, Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW, PIN 58238-0008 (LT) (the "**Property**"), pursuant to a commitment letter dated the 12<sup>th</sup> day of April, 2022, as amended from time to time (the "**Commitment Letter**").

**AND WHEREAS** the Senior Loan includes all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Senior Lender under the Mortgage, from time to time pursuant to the Commitment Letter, including the principal sum of the Senior Loan, all interest thereon, and all other amounts owing to the Senior Lender thereunder from time to time, and including all reserves payable to the Senior Lender relating to the Senior Loan, including any costs or protective disbursements, as defined herein called the "**Senior Indebtedness**".

**AND WHEREAS** the Mortgage and all other additional or collateral security now or hereafter securing the Senior Indebtedness, including without limitation a general security agreement with respect to all equipment and other personal property of the Borrower located on, arising from, comprising or used in connection with the operation of the Property, are herein collectively called the "**Senior Security**".

**AND WHEREAS** the Subordinate Lender has made a loan (the "**Subordinate Loan**") available to the Borrower in the original principal sum of \$9,231,700.00 (the Subordinate Loan and all existing and future indebtedness and other obligations and liabilities owing by the Borrower to the Subordinate Lender thereunder from time to time are herein called the "**Subordinate Indebtedness**"), which is secured by a subsequent mortgage on, *inter alia*, the Property in the amount of \$9,231,700.00 (the "**Subordinate Mortgage**") (the Subordinate Mortgage and such additional or collateral security now or hereafter securing the Subordinate Indebtedness, is herein called the "**Subordinate Security**");

**AND WHEREAS**, as May 12, 2022, following the partial paydown of Subordinate Indebtedness being completed in connection with the funding of the Senior Loan, the principal outstanding balance of the Subordinate Loan is **\$7,973,236.15**.

**AND WHEREAS** it is a condition of the Senior Lender making any advance to the Borrower that the Subordinate Lender and Borrower execute and deliver this Subordination and Standstill Agreement pursuant to which the Subordinate Security will at all times be postponed and subordinate to the Senior Security;



**AND WHEREAS** the Subordinate Lender has agreed to subordinate and postpone the Subordinate Loan and the Subordinate Security to and in favour of the Senior Indebtedness and the Senior Security. Reference herein to the Subordinate Indebtedness, Subordinate Security, Senior Indebtedness and Senior Security includes all renewals, extensions, amendments, modifications, and restatements thereof or thereto from time to time.

**NOW THEREFORE** for good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows:

1. **Covenants, Representations and Warranties of Subordinate Lender.** The Subordinate Lender consents to the Senior Indebtedness and the Senior Security and covenants, represents and warrants to the Senior Lender that (i) the Subordinate Indebtedness and the Subordinate Security are in good standing and the Borrower is not in default thereunder, (ii) it holds no security of any kind against the Property other than the Subordinate Security, (iii) it is the sole owner of the Subordinate Indebtedness and the Subordinate Security and has full power, authority and legal right to enter into this agreement, (iv) the total amount owing to the Subordinate Lender under the Subordinate Indebtedness is **\$7,973,236.15** as May 12, 2022, and (v) the Subordinate Indebtedness bears interest as set out in the Subordinate Mortgage. Upon request by the Senior Lender from time to time, the Subordinate Lender shall provide to the Senior Lender copies of the Subordinate Security or a statement of the Subordinate Indebtedness then outstanding.
2. **Subordination and Postponement.** The Subordinate Lender hereby subordinates and postpones the Subordinate Security and the Subordinate Indebtedness, which shall be, *inter alia*, a second priority lien and charge against the Property, to the Senior Security and the Senior Indebtedness and agrees with the Senior Lender that the Senior Security shall be a first priority lien and charge against the Property for the full amount of the Senior Loan plus interest and costs. No discharge, release or waiver by the Senior Lender of any of the Senior Security against or in respect of the Property or any person or any amendment, renewal, extension, replacement, modification, supplement or restatement of any Senior Indebtedness and/or the Senior Security shall require notice to or the consent of Subordinate Lender or otherwise affect the subordination and postponement of the Subordinate Security and the Subordinate Indebtedness hereby granted by the Subordinate Lender. The Subordinate Lender agrees to execute and deliver, upon request by the Senior Lender, such further instruments and agreements as may be reasonably required by the Senior Lender to confirm and give effect to the provisions of this agreement and to register and record or file notice of this agreement and/or this subordination and postponement of the Subordinate Security in any office of public record as the Senior Lender may consider necessary or desirable from time to time.

For clarity, notwithstanding anything to the contrary herein, and notwithstanding the indebtedness of the Borrower to the Senior Lender under the Facility, the parties acknowledge that the principal sum of the Senior Security and Senior Indebtedness, to which the Subordinate Security and the Subordinate Indebtedness are subordinate, shall be \$11,000,000.00, together with all interest now or hereafter accruing thereon at the rate provided for or contemplated under the Senior Security, as well as all reasonable costs and expenses of the Senior Lender arising from or in connection with the Senior Security, and/or incurred by or on behalf of the Senior Lender in enforcing the Senior Security or any portion thereof.

3. **Amendment.** Nothing in this Agreement nor in the Subordinate Security or in any other arrangements or agreements between the Borrower, the Subordinate Lender or any other person shall restrict, limit or otherwise prevent the Senior Lender from taking any such action or making any other amendment, renewal, extension, replacement, modification, supplement or restatement of the Senior Indebtedness or the Senior Security without the consent of the Subordinate Lender and without otherwise affecting the subordination and postponement of the Subordinate Security and Subordinate Indebtedness hereby granted, provided, however, the principal amount secured by the Senior Security shall not be increased above the amount of the Senior Loan (other than by reason of any protective advances made under the Senior Security in consequence of any default thereunder). The Subordinate Lender shall not amend, extend, renew, modify, replace, supplement or restate the Subordinate Indebtedness or the Subordinate Security without the prior written consent of the Senior Lender, which consent may be given or withheld by the Senior Lender in its sole and arbitrary discretion.

4. **Notices from Subordinate Lender.** The Subordinate Lender shall give to the Senior Lender, contemporaneously with the giving thereof to the Borrower, copies of any notices given by it to the Borrower under the Subordinate Loan, including without limitation any notices of defaults, breaches or events of default or of events that with the giving of notice or the passage of time and failure to cure, would result in a default, breach or event of default under the Subordinate Loan.

5. **Payments.**

Until the Senior Indebtedness is paid in full, (i) all rents, revenue, income, cash flow and other proceeds arising from or relating to the Property shall not be applied to any payment on account of the Subordinate Indebtedness and (ii) , it shall not accept any payment on account of the Subordinate Indebtedness whether of principal, interest, fees, costs, expenses or any other amounts, and if any such payments are received, such monies shall be received and held by the Subordinate Lender in trust for the Senior Lender and the Subordinate Lender shall immediately pay all such monies to the Senior Lender. The Senior Lender and the Subordinate Lender shall provide reasonable cooperation to each other to ensure the provisions of this section are complied with.

Notwithstanding the foregoing, provided the Senior Security remains in good standing, and there is no default in payment or repayment of the Senior Indebtedness at that time of the scheduled payment by the Borrower, the Subordinate Lender shall be permitted to receive and retain scheduled repayment of the Subordinate Indebtedness pursuant to the terms and conditions of the Subordinate Security.

6. **Free Partial Discharges and Postponements.** The Subordinate Lender covenants and agrees that it will, at no expense to the Senior Lender and regardless of default under or maturity of the Subordinate Security:

- (a) execute such postponements and partial discharges of its security as may be required to convey and/or grant easements over the project to any relevant governmental authority for walkways, utilities or for any other purposes as such governmental authorities may require, as part of the development process heretofore disclosed to the Senior Lender in respect of the project as well as for any easements or rights-of-way in favour of abutting lands to provide access, egress and/or services to said abutting lands, provided however, that any monies received by the Borrower from such governmental authorities or other entities in connection therewith shall be remitted to the Senior Lender until the Senior Indebtedness is discharged; and
- (b) execute any and all plans and documents required to facilitate development of the project and to re-zone the project, if necessary, and to co-operate in all respects (but without requirement to expend funds) to facilitate such registration and re-zoning including, without limitation, the execution of agreements with any relevant governmental authorities or utilities which may be required for such registration or rezoning.

7. **Insurance Proceeds.** All insurance and expropriation proceeds received by the Subordinate Lender with respect to the Property shall be received and held by the Subordinate Senior Lender in trust for the Senior Lender and forthwith paid and delivered by the Subordinate Lender to the Senior Lender, notwithstanding any provision to the contrary in the Subordinate Security or under applicable laws. All rights and entitlement of the Subordinate Lender to such proceeds are hereby postponed and subordinated to the rights of the Senior Lender.

8. **Standstill.** The Subordinate Lender shall not take any Enforcement Action under or in respect of the Subordinate Security or the Subordinate Indebtedness with respect to all or any part of the Property or against the Borrower without first providing not less than fifteen (15) days' prior written notice to the Senior Lender. The Subordinate Lender shall not challenge, contest or bring into question the validity, priority or perfection of the Senior Security or any Enforcement Action taken by the Senior Lender under or in respect of the Senior Security or Senior Indebtedness against the Borrower or against all or any part of the Property. In this Section, "**Enforcement Action**" means the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or obtaining the appointment of a receiver, a manager or a receiver and manager or other person having similar powers in respect of any person or property, attornment of rents, taking possession or control of any property or undertaking, commencing, giving or making any demand for payment, any notice of intention to enforce security or any action or proceeding seeking payment or recovery of all or any part of any indebtedness or damages in lieu thereof, accelerating the principal payable under the Subordinate Security, or accepting a transfer of any property in lieu of foreclosure, 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.

9. **Assignment by Subordinate Lender.** The Subordinate Lender agrees that it shall not sell, transfer, assign or otherwise dispose of any interest in the Subordinate Loan or the Subordinate Security to any person or persons (the "**Assignee**") except with the prior written consent of the Senior Lender, which consent may be given or withheld by the Senior Lender in its sole and arbitrary discretion. If the Senior Lender consents to any such sale, transfer, assignment or other disposition, such consent shall be conditional upon, among any other conditions that the Senior Lender may impose, the Subordinate Lender causing each Assignee to enter into, concurrently with any such sale, transfer, assignment or other disposition, a subordination and standstill agreement with the Senior Lender on the same terms and conditions as this agreement. The Senior Lender may transfer or assign its interest in the Loan and this agreement without restriction and without prior notice to or the consent of the Subordinate Lender.

10. **Subordination Effective notwithstanding Registration Dates, etc.** The Senior Security shall have and be entitled to priority over the Subordinate Security in all respects and any mortgage, pledge, charge, assignment and any other security interest created by or pursuant to or granted for the obligations secured by the Subordinate Security to the full extent of the Senior Indebtedness from time to time, and the Subordinate Security shall in all respects rank subordinate and junior to the Senior Security. This priority shall be effective in all events and in all circumstances. Without limiting the generality of the foregoing, this priority shall be effective notwithstanding:

- (a) the respective dates of execution, delivery, attachment, registration, filing, perfection or enforcement of the Senior Security and the Subordinate Security;
- (b) the respective dates of any advances secured by the Senior Security or the Subordinate Security;
- (c) the respective dates of default under the Senior Security or the Subordinate Security;
- (d) any priority to which the Subordinate Security may otherwise be entitled by reason of the giving or failure to give any notice of the acquisition of any charge, lien or security interest, by reason of the failure to register or to register any renewal or by reason of any defect in any item constituting the Senior Security;
- (e) the provisions of the instruments creating the Senior Security and the Subordinate Security; and
- (f) any modification, extension, renewal, replacement, supplement or restatement of the Senior Security or the Senior Indebtedness.

11. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province in which the Property is located and the laws of Canada applicable therein.

12. **Successors.** The acknowledgements and agreements contained in this agreement shall extend to, be binding upon and enure to the benefit of the parties hereto and their respective successors and assigns.

13. **Counterpart.** This agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.
14. **Electronic Execution of Agreement and Certain Other Documents.** The words “execution,” “execute,” “signed,” “signature,” and words of like import in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and the *Electronic Commerce Act, 2000* (Ontario), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada.
15. **Further Assurances by the Borrower.** The Borrower hereby acknowledges this Agreement and the subordination of the priority of the Subordinate Security to the Senior Security to the same effect as if all monies secured or intended to be secured by the Senior Security were events prior to the creation and registration of the Subordinate Security and the advance of any monies secured by the Subordinate Security as have been or will be advanced, and the Borrower expressly agrees to perform its obligations to the Senior Lender and the Subordinate Lender and hold and deal with the Property in accordance with the priorities set out in this Agreement and to execute any instruments giving effect to such subordination and postponement as may be required by the Senior Lender from time to time for such purpose.
16. **No Rights Conferred on Borrower.** Nothing in this Agreement will be construed as conferring any rights upon the Borrower or any other third party. The terms and conditions hereof are and will be for the sole and exclusive benefit of the Senior Lender and the Subordinate Lender.
17. **Paramountcy.** This Agreement constitutes the entire Agreement between the parties and supersedes all prior proposals and agreements, whether oral or written. In the event of any conflict, omission, inconsistency, ambiguity or difference between the provisions of this Agreement and the provisions of any of the Subordinate Security, the provisions of this Agreement shall govern and be paramount to the extent necessary to resolve such conflict or inconsistency so long as this Agreement is in force.
18. **Amendment of Agreement.** No supplement, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the Senior Lender and the Subordinate Lender. The parties agree that the consent of the Borrower shall not be required for any such supplement, modification, waiver or termination.

*Signatures appear on following page*

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date and year first written above.

**BREXIT HOLDINGS INC.**

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

Name: Matthew Castelli

Title: President

I have authority to bind the Corporation

**FIRM CAPITAL MORTGAGE FUND INC.**

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

Name: Jonathan Mair

Title: Executive Vice President &  
Chief Operating Officer

I have authority to bind the Corporation

**AFC MORTGAGE ADMINISTRATION INC.**

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

Name: Adit Kumar

Title: President

I have authority to bind the Corporation

**SUNRISE ACQUISITIONS (STAYNER) INC.**

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

Name: Sajjad Hussain

Title: President

I have authority to bind the Corporation

**CLEARVIEW PARK INC.**

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

Name: Randy Hoffner

Title: President


I have authority to bind the Corporation

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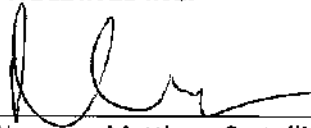
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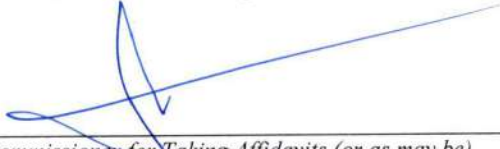
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 Title: President  
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**CLEARVIEW PARK INC.**

Per:  \_\_\_\_\_  
 Name: Randy Hoffner  
 Title: President  
 I have authority to bind the Corporation

This is Exhibit "G" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**GUARANTEE AND POSTPONEMENT OF CLAIM**

**TO:** Brexit Holdings Inc., Firm Capital Mortgage Fund Inc. & AFC Mortgage Administration Inc. (Collectively the "Lender")

**AND TO:** Singer Law, Barristers and Solicitors  
The Lender's Solicitors Herein

**RE:** Brexit Holdings Inc., Firm Capital Mortgage Fund Inc. & AFC Mortgage Administration Inc. (Collectively, the "Lender"), \$11,000,000.00 Mortgage Loan (the "Loan") to Sunrise Acquisitions (Stayner) Inc. (the "Chargor"), guaranteed by Muzammil Kodwavi & Sajjad Hussain (each a "Guarantor" and collectively, the "Guarantors") (each of the Chargor and Guarantors a "Borrower" and collectively the "Borrowers" as context provides) secured, *inter-alia*, by a ~~\$15,000,000.00~~ <sup>\$11,000,000.00</sup> 1<sup>st</sup> mortgage/charge on the property municipally known as 1192 Simcoe County Road 7, Stayner, Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW, PIN 58238-0008 (LT) (the "Property"), pursuant to a Commitment Letter, dated April 12, 2022, as amended from time to time (the "Commitment")

WHEREAS, pursuant to the Commitment, the Lender has agreed to extend the Loan;

AND WHEREAS, the undersigned Guarantor(s) have agreed to guarantee, the Loan on the terms and subject to the conditions hereinafter set out.

NOW THEREFORE, IN CONSIDERATION of the Lender making the Loan and for other good and valuable consideration, the Guarantor's guarantee, as if the Guarantor was a principal debtor and not merely a surety, the due and punctual payment to the Lender of the Loan including, without limitation, all present and future indebtedness and liability owing by the Borrower to the Lender on account of the Loan whether direct or indirect, absolute or contingent, matured or not including, without limitation:

- a. all amounts expressed to be owing to the Lender pursuant to the Agreement and pursuant to all promissory notes, if any, and all agreements, instruments and other documents, whether referred to in the Agreement or otherwise, that are now or may hereafter be delivered or assigned to the Lender in connection with or as security for the Loan (the Agreement and any such promissory note, instrument and other documents are sometimes (hereinafter collectively called the "Loan Document(s)");
- b. the principal amount of any letters of credit issued by or on behalf of the Lender at the request of or for the benefit of the Borrower in connection with the Loan, whether or not such letters of credit have been called upon for payment; and
- c. all commissions, costs, charges, fees and other expenses (including legal fees and disbursements on a full indemnity basis) arising out of or incurred by the Lender in connection with any one or more of the following:

- i. the collection of the amounts owing by the Borrower to the Lender on account of the Loan;
  - ii. the enforcement of this Guarantee; and
  - iii. any action or other proceeding instituted by the Lender, the Borrower, the Guarantor or any other person in any way relating to this Guarantee, the Loan, the Loan Documents or any part thereof.
2. This Guarantee is a specific guarantee of the Loan and shall only apply to and secure the amounts referred to herein (hereinafter collectively called the "Liabilities") and any ultimate balance due or remaining unpaid to the Lender thereunder. This Guarantee is irrevocable, absolute and unconditional and the obligations of the Guarantor hereunder are not cancellable or terminable by the Guarantor (whether or not the entire Loan has been advanced).
3. The liability of the Guarantor under this Guarantee is unlimited.
4. The Guarantor acknowledges and agrees that this Guarantee continues in full force and effect notwithstanding any future variation of the terms of the charge, as therein provided.
5. In addition to the Guarantor's promises and agreements contained in any of the Loan Documents, the Guarantor also agrees that the extension of time for payment may be by way of a renewal agreement and any renewal of the Loan Documents binds the Guarantor, whether or not a renewal agreement has been signed by the Guarantor.
6. The Guarantor shall make payment under this Guarantee forthwith after demand for payment has been given to any of the Guarantor. Such demand may be given by personal delivery to the Guarantor (and if the Guarantor is a corporation, by personal delivery to any director, officer or employee thereof) or by sending such demand to any of the Guarantor by telefax or by prepaid registered mail to the last address of such Guarantor known to the Lender. If mailed, such demand shall be deemed to have been effectually made on the fourth day after an envelope containing such demand addressed to such Guarantor is mailed.
7. The Guarantor expressly waives notice of the acceptance of this Guarantee and notice of non-performance, non-payment or non-observance on the part of the Borrower under the Loan or under the Loan Documents or any part thereof.
8. This Guarantee and the rights of the Lender hereunder shall not be released, discharged, mitigated, impaired or affected by:
  - a. any grant of time, renewals, extensions, compromises, indulgences or modifications to; extending or failing to extend credit to; making or failing to make loans to advances to; taking or failing to take securities from; releasing or discharging any securities to; failing to perfect or keep perfected or otherwise taking advantage of any securities received from accepting compositions from; and releasing, discharging or otherwise dealing with; the Borrower, any one or more of the Guarantor or any other person whatsoever;
  - b. any failure of the Lender to prove a claim against the estate of the Borrower or any waiver or failure to enforce any of the terms, conditions or the provision of, or any loss, diminution of value or unenforceability of any of the Loan Documents;

- c. the application by the Lender of any monies received from the Borrower, the Guarantor or any other person or from securities on account of such part or parts of the liabilities in such manner as the Lender deems best and the changing of such application in whole or in part at any time or from time to time;
  - d. the death, incapacity, receivership, bankruptcy, insolvency, winding-up, dissolution or the loss of corporate existence of the Borrower or the Guarantor, the release or discharge of the Borrower or any of the Guarantor by operation of law or otherwise, any change in the name, objects, capital structure or constitution of the Borrower (and if the Borrower is a partnership, any change in the membership of the Borrower whether through the death or retirement of any of the partners, the introduction of one or more new partners or otherwise) or any transfer of the assets or businesses of the Borrower to a partnership or to a corporation or any incorporation, amalgamation, continuance, arrangement or reorganization of the Borrower or the Guarantor;
  - e. the distribution of the assets of the Borrower (whether voluntary or compulsory) or upon the occurrence of a bulk sale of any of the Borrower's assets or any composition with Lenders or any scheme of arrangement; and in any such event the Lender shall have the right to rank in all respects in priority to the Guarantor for its full claim against the Borrower and to receive all dividends or other payments in respect thereof until the Lender's claim and all Liabilities have been paid in full; and the retention by the Lender of all or any part or parts of the Loan Documents shall not, as between the Lender and the Guarantor, be considered a purchase of such securities, or payment, satisfaction or reduction of the Liabilities or any part thereof; and
  - f. the Guarantor not consenting to nor receiving notice of (a) - (e) above, nor any other right or remedy of the Lender being enforced, whether stated herein or in any other Loan Document.
9. Without prejudice to any of the rights or recourse which the Lender may have against the Borrower, the Guarantor expressly waives any right to require the Lender to initiate or exhaust any rights, remedies or recourses against the Borrower, the Guarantor or any other person, value, realize upon or dispose of any of the Loan Documents; or initiate or exhaust any other remedy which the Lender may have at law or in equity before requiring or becoming entitled to demand and enforce payment from the Guarantor under this Guarantee; and the Guarantor renounces all benefits of discussion and division.
10. If for any reason the Borrower has no legal existence, or if the Borrower is or becomes under no legal obligations to discharge the Liabilities or if any of the Liabilities becomes statute barred or otherwise irrevocable from the Borrower whether by operation of law or for any reason whatsoever including, without limitation, as a result of any lack or limitation of power, capacity or disability of the Borrower or its directors, partners, capacity or disability of the Borrower or its directors, partners, officers or agents or as a result of any irregularity, fraud, defect or informality in the obtaining of any advances, credits or renewals from the Lender (whether or not the Lender should have any knowledge thereof), this Guarantee and the covenants, agreements and obligations of the Guarantor set out herein shall nevertheless be binding upon the Guarantor as principal debtor until such time as such monies have been paid in full to the Lender and all Liabilities have been discharged and the Guarantor shall be responsible for the payment thereof to the Lender upon demand.

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

12. All compositions and payments received by the Lender from the Borrower or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the Liabilities. The Guarantor shall not have any right to be subrogated to any rights of the Lender until all Liabilities have been discharged to the satisfaction of the Lender.

13. Upon this Guarantee bearing the signature of the Guarantor and being received by the Lender or any officer, agent or employee thereof, this Guarantee shall be deemed to be a deed signed and delivered by the Guarantor under seal and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor' liability hereunder except as may be expressly provided for herein. No statement, representation, warranty, agreement or promise on the part of any officer, employee or agent of the Lender,

Unless expressly set out herein, forms any part of this Guarantee or has induced the entering into or execution of this Guarantee or shall be deemed in any way to affect the Guarantor' liability hereunder.

14. So long as there is any Indebtedness outstanding, the Guarantor shall not directly or indirectly withdraw funds or receive payment from the Chargor or project on the Property, whether by way of dividend, loan, management fees (other than management fees taken out in the ordinary course consistent with the practice of the Chargor in the prior six months, as disclosed to the Lender), profit participation or other bills of exchange, devices or means.

15. The Lender may, without notice of any kind, sell, assign or transfer all or any part of the Liabilities and, in such event, each and every immediate and successive assignee, transferee or holder of all or any part of the Liabilities shall have the right to enforce this Guarantee as fully and effectively as if such assignee, transferee or holder were specifically named herein inn place of or together with the Lender.

16. This guarantee shall continue and be enforceable notwithstanding any amalgamation of the Lender with any other entities, and any further amalgamation, in which event this guarantee shall also extend to all debts and liabilities then or thereafter owed by the Chargor to the amalgamated Lender entity.

17. No action or proceeding brought or instituted under this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults under this Guarantee or in the payment of the Liabilities.

18. No failure to exercise and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other rights, powers or privileges. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided at law or in equity.

19. This Guarantee shall be in addition to and not in substitution for the Loan Documents and any other guarantee which the Lender may now or hereafter hold in respect of the liabilities including any guarantee found in the Charge/Mortgage of Land and the Standard Charge Terms and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any monies or other assets which the Lender may be entitled to receive or may have a claim upon. If another Guarantee shall exist, the Lender, in its sole discretion, shall decide which to enforce upon.

20. Any term, condition or provision of this Guarantee which is held or deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions and provision hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.

21. The Guarantor acknowledges receipt of a copy of this Guarantee.

22. This Guarantee shall be exclusively governed by and construed in accordance with the laws of the Province of Ontario.

23. No modification of this Guarantee shall be effective unless it is in writing and signed by the Guarantor and the Lender.

24. The Lender shall not be concerned to see or inquire into the existence, powers or capacities of the Chargor, the Guarantor or their respective officers, directors or agents, acting or purporting to act on their respective behalf.

25. All terms, agreements and conditions of this Guarantee shall extend to and be binding upon the Guarantor and the Chargor and their respective successors and permitted assigns and shall enure to the benefit of and may be enforced by the Lender and its successors and assigns.

26. All nouns and personal pronouns herein including the defined terms "Guarantor" and "Borrower" shall be read and construed as the number and gender may require in each case and the verb shall be read and construed as agreeing with such noun or pronoun. If there are two or more Guarantor, all obligations hereunder of all such Guarantor shall be joint and several.

27. The words "herein", "hereof", "hereunder", "therefrom", "the guarantee" and "this guarantee" refer to this entire agreement and not to any particular paragraph or subparagraph unless the context so requires.



28. As security for all amounts owing under this Guarantee to the Lender by the Guarantor, Guarantor assigns and transfers to the Lender, and postpones in favour of the Lender, all present and future debts and liabilities of whatever nature or kind due or accruing due to such Guarantor from the Borrower and all choses- in-action and other claims of whatsoever nature or kind, present and future, which such Guarantor may now or hereafter have against the Borrower (all of the foregoing being hereafter collectively referred to as the "Assigned Debts"). All monies received by or on behalf of any of the Guarantor on account of any of the Assigned Debts shall be received and held by such Guarantor(s) in trust for the Lender and forthwith remitted by such Guarantor(s) to the Lender.

29. This assignment and postponement is independent of this Guarantee and shall remain in full effect until repayment in full to the Lender of all liabilities and the payment of any amounts owing to the Lender hereunder, notwithstanding that the liabilities of the Guarantor under this Guarantee may have been discharged or terminated. The Guarantor acknowledge that this assignment to the Lender shall not impose upon the Lender any obligation to do anything to perfect, keep perfected, take advantage of, collect, enforce or realize upon the Assigned Debts or to ensure that the Assigned Debts do not decrease in value, become unenforceable or become statute barred by the operation of law relating to limitations of action or otherwise.

30. This guarantee may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document. A signed copy of this guarantee or a counterpart of it delivered by email, facsimile or other means of electronic or digital transmission or signature is deemed to have the same legal effect as delivery of an original signed copy of this guarantee.

IN WITNESS WHEREOF each Guarantor has executed this guarantee as of the 5 day of May, 2022.

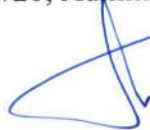
Witness

*To all personal signatures*

  
 \_\_\_\_\_  
**MUZAMMIL KODWAVI**

  
 \_\_\_\_\_  
**SAJJAD HUSSAIN**

This is Exhibit "H" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**GENERAL ASSIGNMENT OF RENTS AND LEASES**

*In respect of the property municipally known as:*

**1192 SIMCOE COUNTY ROAD 7, STAYNER, ONTARIO**

(the "**Property**")

This Assignment is made as of the <sup>5</sup> day of May, 2022 (the "**Agreement**") from SUNRISE ACQUISITIONS (STAYNER) INC. (the "**Assignor**") to BREXIT HOLDINGS INC., FIRM CAPITAL MORTGAGE FUND INC. & AFC MORTGAGE ADMINISTRATION INC. (collectively, the "**Lender**").

WHEREAS the Lender has agreed to make a loan to the Assignor (the "**Loan**"), pursuant to a letter of commitment dated April 12, 2022 (the "**Commitment**") which is secured, inter alia, by a **First (1<sup>st</sup>)** priority charge/mortgage, in the registered principal amount of ~~FIFTEEN~~ MILLION DOLLARS ~~\$15,000,000.00~~ (the "**Mortgage**") of the Property on or about the date hereof. **ELEVEN** \$11,000,000.00

AND WHEREAS the Assignor has agreed to assign to the Lender all legal and beneficial right, title and interest in and to the Rents and Leases together with all benefits, powers and advantages of the Assignor to be derived therefrom to secure the payment by the Assignor of the indebtedness under the Loan (the "**Loan Indebtedness**") and the observance and performance by the Assignor and any unregistered or beneficial owner of the Property of its other covenants and obligations under this Agreement and the other Loan Documents (the Loan Indebtedness, together with such covenants and obligations, collectively, the "**Obligations**").

NOW THEREFORE in consideration of the premises and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Assignor hereby agrees as follows:

**ARTICLE 1 – INTERPRETATION**

**Section 1.01 Definitions.**

Unless otherwise defined herein, all capitalized terms and expressions used herein shall have the same meaning as set out in the Mortgage. The following terms shall have the following meanings: "**Applicable Laws**" means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statues, regulations, rules, by-laws, policies and guidelines, orders, permits, licenses, authorization, approvals and all applicable common laws or equitable principles whether now or hereafter in force and effect; "**Commercial Lease**" means any lease of tenancy affecting the Property to which the Residential Tenancies Act does not apply; "**Lands**" means the lands and premises described in the document general or notice of assignment of rents - general to which this Agreement is attached (and any schedule thereto); "**Leases**" means, collectively, all present and future leases, agreements to lease, subleases, concessions, licenses and similar agreements by which the use and occupancy of the Property or any part thereof is granted to any Person for any purpose, together with all related credits, rights, options, claims, causes of action, guarantees, indemnities, security deposits and other security relating thereto, and includes all Commercial Leases and Residential Leases; "**Loan Documents**" means all security and other documents delivered by the Borrower and/or Guarantor(s) in connection with the Loan "**Property**" means all legal and beneficial right, title, estate and interest from time to time in and to the Lands in fee simple, including any leasehold interest of the Assignor in the Lands, together with all buildings, structures, fixtures and improvements of any nature or kind now or hereafter located on such Lands, and all equipment, Leases, Rents and all other appurtenances thereto; "**Province**" means the Province of Ontario; "**Rents**" means all revenues, receipts, income, credits, deposits, profits, royalties, rents, additional rents, recoveries, accounts receivable and other receivables of any nature and kind whatsoever arising from or relating to the Property or any part thereof, including all amounts payable under any Lease and all amounts arising from or relating to any parking or recreational facilities and services, vending machines, telephone, television, cable and internet services, guest laundry and the provision or sale of any goods or services, including any payment, consideration, compensation or other benefit of any kind to which any Assignor is or will become entitled relating to or otherwise arising from, directly or indirectly, the full or partial termination, cancellation, amendment, modification or release of any Commercial Lease or any Tenant in respect thereof; "**Residential Lease**" means any lease or tenancy affecting the Property to which the Residential Tenancies Act does

apply; and "Tenant" means any lessee, sublessee, licensee or grantee of a right of occupation under a Lease and each guarantor, indemnitor or other obligor thereunder or in respect thereof.

### **Section 1.02 General Provisions.**

In this Agreement: (a) words denoting the singular include the plural and vice versa and words denoting any gender include all genders; (b) the word "including" shall mean "including, without limitation", (c) any reference to a statute shall mean the statute in force as at the date hereof, together with all regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated and/or replaced from time to time, and any successor statute thereto; (d) any reference to a Lease or any Loan Document, including this Agreement, shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto from time to time; (e) reference to the Lender, Assignor, Tenant and any other Person shall include their respective heirs, executors, administrators, legal representatives, successors and permitted assigns; (f) all dollar amounts are expressed in Canadian dollars; (g) the division of this Agreement into separate Articles, Sections, Subsections and Schedule(s), and the insertion of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement; (h) the Lender' right to give or withhold any consent or approval, make any determination or exercise any discretion provided herein shall be exercised by the Lender acting reasonably unless otherwise expressly provided, except that upon and following the occurrence of an Event of Default, then notwithstanding the foregoing and any other provision hereof requiring the Lender to act reasonably, the Lender shall be entitled to exercise each such right, determination or discretion in its sole discretion; (i) notwithstanding any other provision of this Agreement or any Applicable Laws to the contrary, it is the express intention of the parties that the words "sole discretion" mean the exercise of the applicable right, determination or discretion in a manner that is completely and absolutely subjective in all respects and does not create or imply a duty or obligation of any kind on the part of the Person exercising such right, determination or discretion to act objectively or to apply any objective criteria or to conform to any other standard, it being the intention that the exercise of "sole discretion" by any Person will not be subject to any restriction, limitation, challenge or review of any kind whatsoever at any time by any Assignor, any court or any other Person; (j) the Loan Documents are the result of negotiations between the parties thereto and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation; (k) this Agreement is the result of negotiations between the parties hereto and shall not be construed in favour of or against any party by reason of the extent to which any party or its legal counsel participated in its preparation; (l) if more than one Person is named as or otherwise becomes liable for or assumes the obligations and liabilities of the Assignor, then all such obligations and liabilities of all such Persons so named or who otherwise become liable for the obligations and liabilities of the Assignor hereunder shall be joint and several; (m) time shall be of the essence; (n) all of the obligations of the Assignor will be deemed to be covenants by the Assignor in favour of the Lender; and (o) any reference to the knowledge, belief or awareness of the Assignor shall mean the knowledge, belief or awareness, as applicable, of each Person comprising the Assignor and each Person having an unregistered or beneficial ownership interest in the Property or any part thereof from time to time. Where any reference is made in this Agreement to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, a trust, such reference shall be construed and applied for all purposes as if it referred to an act to be performed by, an appointment to be made by, an obligation or liability of, an asset or right of, a discharge or release to be provided by, a suit or proceeding to be taken by or against or a covenant, representation or warranty (other than relating to the constitution or existence of the trust) by or with respect to, the trustee(s) of the trust. The provisions of this Agreement are intended to supplement and not derogate from the other Loan Documents and the existence of additional terms, conditions or provisions (including any rights, remedies, representations and warranties) contained in this Agreement shall not be construed as being or deemed to be in conflict with the other Loan Documents. The delivery of this Agreement for registration by direct electronic transmission shall have the same effect for all purposes as if this Agreement was in written form signed by the parties hereto and delivered to the Lender.

**Section 1.03 REIT Provision.**

If any Assignor is a real estate investment trust (a "REIT"), notwithstanding any other provision hereof, the obligations of the REIT under the Loan Documents are not personally binding upon, and resort shall not be had to, nor shall recourse or satisfaction be sought from the private property of: (a) the unitholders of the REIT; (b) annuitants under a plan of which a unitholder of the REIT acts as a trustee or carrier; and (c) trustees of the REIT; provided that the property of the REIT (including its entire ownership interest in the Property) shall be bound by such obligations of the REIT and any security granted by the REIT at all times. Any obligation of the REIT set out in this Agreement shall, to the extent necessary to give effect to such obligation, be deemed to constitute, subject to the provisions of the previous sentence, an obligation of the trustees of the REIT in their capacity as trustees of the REIT only. Nothing herein shall (i) constitute a bar to any action against the REIT for specific performance of any of its obligations under this Agreement or any other Loan Document or (ii) limit, restrict or otherwise affect the validity or enforceability of the obligations and liabilities of any Assignor under this Agreement or any other Loan Document.

**ARTICLE 2 – ASSIGNMENT****Section 2.01 Assignment.**

As general and continuing security for payment and performance to the Lender of the Obligations, the Assignor hereby assigns, transfers, grants and sets over to the Lender, as and by way of a fixed and specific first priority assignment and security interest, all legal and beneficial right, title and interest in and to (i) the Rents now or hereafter due and payable with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents in the name of the Assignor or the owner from time to time of the Property or the Lender, as the Lender may determine in its sole discretion, and (ii) the Leases with full benefit and advantage thereof including benefit of all covenants and agreements contained in the Leases on the part of the Tenants therein or any guarantor or indemnitor thereof to be observed, performed or kept, including all proceeds of or from any of the foregoing.

**Section 2.02 Continuing Security.**

This Agreement is given as general and continuing security for payment and performance to the Lender of the Obligations, and not in substitution for or in satisfaction therefor. There is no agreement between the parties hereto, express or implied, to postpone the attachment of the assignment and security interest created hereby. The terms and conditions of this Agreement shall remain binding and effective on the parties hereto and shall not merge in or be extinguished by any other Loan Document or any judgment taken against the Assignor or any other Assignor or Person for breach of its obligations under this Agreement or any other Loan Document.

**ARTICLE 3 – REPRESENTATIONS AND COVENANTS****Section 3.01 Representations.**

The Assignor represents and warrants to the Lender as follows: (i) the Assignor has the full right, power and authority to assign the Rents and Leases to the Lender; (ii) the assignment and security interest created herein shall be in the priority referenced on the first page herein (subject only to Permitted Encumbrances), and has granted no prior assignment, transfer or Lien in, on or of any of the Rents or Leases that remains outstanding from and after the date hereof; (iii) the Leases are in full force and effect and are valid and binding obligations of each of the Tenants; (iv) if required, complete copies of (A) all Commercial Leases, and (B) either all of the Residential Leases, or if otherwise agreed by the Lender in its sole discretion, the standard form used for each Residential Lease, have been delivered to the Lender; (v) except as disclosed to the Lender in writing prior to the initial Loan advance (in separate summary form which identifies current prepaid rent for all of the Leases, and not solely by delivery of copies of the related Leases), no Rents have been prepaid under any Lease (except for security deposits and first and last months' rent paid in accordance with the provisions of the applicable Lease) and no Rents have been discounted, released, waived, compromised or otherwise discharged; (vi) except as expressly disclosed to the Lender in writing prior to the initial Loan advance, there is no default by any Person now existing under any of the Leases, nor circumstances existing which, with the giving of notice or lapse of time or both, would constitute any such default; (vii) except as expressly disclosed to the Lender in writing prior to the initial Loan advance, each Commercial Lease requires the Tenant to attorn and become bound to the Lender as tenant of its premises upon the Lender' request from time to time for the then unexpired residue of

the term of such Commercial Lease and on the terms and conditions of such Commercial Lease; (viii) except as expressly disclosed to the Lender in writing prior to the initial Loan advance, no notice, order or claim has been given or received by or on behalf of the Assignor or any other Assignor alleging or relating to any default, circumstance or other dispute under any Lease or claiming any rebate, reduction, refund, set-off or other impairment of any of the Rents under any Lease, or relating to any dispute under a Lease; and (viii) all Rents previously and hereafter charged and collected in respect of each Lease have complied with and shall comply with the Lease and with all Applicable Laws. The Assignor shall deliver to the Lender, within ten (10) days after the Lender' request from time to time, a true and complete copy of each Lease and a complete list of the Leases, as certified by the Assignor, setting out, in respect of each Lease, the demised premises, the name of the Tenants, the Rents payable and the date to which such Rents have been paid, the key terms of such Lease, the date of occupancy, the dates of expiration, any non-standard concessions and other inducements granted to the Tenants, and any renewal options. The Assignor shall promptly deliver to the Lender any notice, order or claim given or received by any Assignor from time to time in respect of the Rents or any Lease relating to any matter or thing which could reasonably be expected to have or result in a material adverse effect, including without limitation, any notice, order or claim relating to any Commercial Lease made by any Tenant.

### **Section 3.02 Restrictions on Leases and Renewals.**

Unless otherwise agreed by the Lender in writing and in advance, each new Lease and any renewal or extension of an existing Lease shall (i) be a commercially reasonable arm's-length transaction providing for rental rates and other terms and conditions consistent with then prevailing market rates, terms and conditions; (ii) be written on a standard form of lease or renewal or extension agreement with no material amendments thereto; (iii) if it is a Commercial Lease, provide that in the event that any enforcement or realization proceedings are commenced by Lender following the occurrence of an Event of Default, the Tenant shall attorn to the Lender and become bound to it as tenant of its premises for the then unexpired residue of the term of such Commercial Lease and upon the terms and conditions contained in such Commercial Lease; (iv) except for any renewal or extension of an existing Commercial Lease which is exercised pursuant to and governed by the provisions of such existing Commercial Lease, not permit the Tenant under any Commercial Lease to "go dark" or otherwise stop operating its business in the ordinary course within or from its leased premises, and (v) not contain termination rights in favour of the Tenant or any other Person (other than the landlord) except for landlord default. Unless otherwise agreed by the Lender in writing, the Assignor shall require the Tenant under each Commercial Lease to execute and deliver to the Lender an agreement, in the Lender' form, confirming attornment referred to in Subsection (iii) concurrently with the execution and delivery of each new Commercial Lease and any renewal or extension of an existing Commercial Lease.

The Assignor shall obtain the Lender' prior written consent to enter into, modify in any material respect, or renew, extend or terminate any Commercial Lease, which consent shall not be unreasonably withheld or delayed by the Lender provided such Commercial Lease, material modification, renewal or extension is made in the ordinary course of business and is commercially reasonable and consistent with prudent property management and leasing standards and practices. This provision shall not apply to any renewal or extension of an existing Commercial Lease which is exercised pursuant to, and the terms of which are governed by, such existing Commercial Lease.

### **Section 3.03 Covenants.**

The Assignor will not, without the prior written consent of the Lender in its sole discretion: (i) accept or permit payment of the Rents or any part thereof in advance under any Lease (except for security deposits and first and last months' rent paid in accordance with the provisions of the applicable Lease); (ii) amend, modify, cancel or terminate any Lease in whole or in part, or accept the surrender of any Lease, or take or omit to take any action or exercise any right or option which would permit the Tenant under any Lease to cancel, terminate or surrender any Lease; or (iii) discount, release, waive, compromise or otherwise discharge any Rents payable under a Lease or other obligations of any Tenant or other Person under a Lease. No Assignor shall assign, transfer or grant a Lien in, on or of all or any part of the Rents or Leases. Provided no Event of Default shall exist, the Lender' consent for any action referred to Subsections (ii) and (iii) is not required in respect of any Lease or a renewal or extension thereof, provided in each case such action is taken in the ordinary course of business and is commercially reasonable and consistent with prudent property management and leasing standards and practices and provided further that prompt notice thereof is given to the Lender.

**Section 3.04 Performance of Obligations.**

The Assignor shall observe and perform at all times all covenants and agreements contained in the Leases on the part of the landlord to be observed and performed and shall cause the Tenants under the Leases to observe and perform their respective covenants, obligations and undertakings thereunder. Neither the execution and delivery of this Agreement or other Loan Documents, nor the collection of the Rents or the exercise of any right, remedy or other action or omission by the Lender in respect of any of the Rents or Leases shall make any Lender or any other Person for whom the Lender is responsible under Applicable Laws (i) liable for the collection of any of the Rents or for the observance or performance of any of the covenants, terms, conditions or agreements contained in any of the Leases on the part of any party to be observed and performed, (ii) a mortgagee or chargee in possession, or (iii) liable for any action, proceeding, claim, demand, loss, damage, cost, expense of any nature and kind by the Assignor or Person.

**ARTICLE 4 – EVENT OF DEFAULT****Section 4.01 Event of Default.**

Prior to the occurrence of an Event of Default, the Assignor may demand, receive, collect and apply the Rents, but only as the same fall due and payable according to the terms of each of the Leases, provided that nothing herein shall release, discharge, postpone, amend or otherwise affect the present assignment and security interest in and to the Rents and Leases and the immediate attachment thereof and provided further that any payment, consideration, compensation or other benefit of any kind to which any Assignor is or will become entitled relating to or arising from, directly or indirectly, the full or partial termination, cancellation, amendment, modification or release of any Commercial Lease or any Tenant in respect thereof shall be paid by the Tenant (or related payor) or any Assignor (forthwith upon receipt by it) to and held by the Lender and may be applied by the Lender, in its sole discretion, to reduction of the Loan Indebtedness when due or may be held by the Lender as security for the Obligations. In either event, the Assignor shall remain fully liable to pay all remaining Loan Indebtedness (including any deficiency) when due to the Lender when due in accordance with the provisions of the Mortgage and the other Loan Documents. Upon and following the occurrence of an Event of Default, the Lender may deliver a written notice to each Tenant directing it to pay all Rents to the Lender, or as the Lender may direct, and such notice shall be good and sufficient authority for so doing. Any payment of Rent to the Lender, or as the Lender may direct, after such notice is given to any Tenant shall not constitute a default by such Tenant under its Lease.

**Section 4.02 Rights of Lender.**

Upon the occurrence of an Event of Default, the Lender, its agents and employees, shall have the right to enter the Property for the purpose of demanding, collecting, suing for, recovering, receiving or compromising the Rents, giving receipts therefor, enforcing the Leases and inspecting, protecting, operating and maintaining the Property and without being a chargee or mortgagee in possession. The Assignor hereby authorizes the Lender to perform all such acts and do all things in connection with any of the foregoing matters or the exercise of any other rights and remedies in respect of the Rents and Leases available hereunder or under any other Loan Document or Applicable Laws, including making of payments to encumbrancers whether prior to, *pari passu* with or subsequent to the Mortgage, paying any costs and expenses in connection with such acts and things and any acts by way of enforcement of the covenants and exercising of the rights of the Assignor under or in respect of the Leases or otherwise, as, when and in such manner as the Lender may determine in its sole discretion, which acts and things may be performed or done in the name of the Assignor or in the name of the Lender, as the Lender may determine in its sole discretion. Nothing herein shall require the Lender to collect or recover any of the Rents or to take any action or exercise any remedy or serve any notice upon any Tenant under its Lease upon any default or breach by such Tenant thereunder. The Assignor hereby irrevocably appoints the Lender as its attorney and agent coupled with an interest and with full power of substitution to exercise any of the rights, powers, authority and discretion granted to the Assignor under or in respect of each Lease. The Lender shall be liable to account for only such moneys as may actually come into its hands by virtue of this Agreement. Upon the occurrence of an Event of Default, but subject to the provisions of the other Loan Documents, the Lender may, after payment of all costs and expenses incurred by or on behalf of the Lender in exercising any of its rights and remedies hereunder, credit the remainder of the moneys which it may receive in connection with the Property to payment of any amount or amounts due to the Lender on account of Loan Indebtedness and to payment of any reserves and the manner of the application of such remainder and the item or items to which it shall be credited from time to

time by the Lender shall be in the sole discretion of the Lender and until such moneys have been so applied or credited same shall be subject to this Agreement and all other security held by the Lender for the Obligations.

**Section 4.03 Concurrent Remedies.**

The Lender may exercise all rights and remedies provided for in this Agreement, the other Loan Documents or otherwise under Applicable Laws concurrently or in such combination or order and at such times as it may determine in its sole discretion and will not be required to exhaust any other right or remedy before exercising any of its rights and remedies in respect thereof.

**ARTICLE 5 – GENERAL**

**Section 5.01 No Release.**

The assignment and security interest in the Rents and Leases and all other rights and benefits granted to the Lender hereunder shall remain in full force and effect without regard to any of the following matters, and the obligations of the Assignor and other parties under the Leases shall not be released, affected or impaired by: (a) any amendment, modification, renewal or replacement of or addition or supplement to, or release or discharge of any of the Loan Documents or any security held by the Lender as security for any of the Obligations; (b) any exercise or non-exercise of any right, remedy, power or privilege under or in respect of any Loan Document or any security held by the Lender as security for any of the Obligations; (c) any waiver, consent, extension, indulgence or other action, inaction or omission under or in respect of any Loan Document or any security held by the Lender as security for any of the Obligations; (d) any default by the Assignor or any other Person under, or any invalidity or unenforceability of, or any release or other limitation of the liability of the Assignor or any other Person under, any Loan Document or other security held by the Lender as security for any of the Obligations; or (e) any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding involving or affecting the Assignor, any Tenant or any other Person, including any change in the constitution of any partnership.

**Section 5.02 Notices.**

Any notice, demand or other communication required or permitted to be given or made to the Assignor pursuant to this Agreement may be given or made in any manner permitted or provided by the laws applicable thereto, notwithstanding any provision of any other Loan Document to the contrary. Subject to the foregoing, any such notice, demand or communication may be given or made, at the option of the Lender by personal delivery, by prepaid ordinary or registered mail (to the address for service of the Assignor set out in the Mortgage or to that last known address of the Assignor as shown in the Lender' records) or by facsimile transmission to the facsimile number of the Assignor set out in the Mortgage or the last known facsimile number of the Assignor as shown in the Lender' records. Any demand, notice or communication made or given by personal delivery shall be conclusively deemed to have been made or given on the day of actual delivery thereof, and if made or given by registered mail, on the third Business Day following the deposit thereof in the mail, and if made or given by facsimile transmission, on the first Business Day following the transmittal thereof.

**Section 5.03 Severability.**

If any term, covenant, obligation or agreement contained in this Agreement, or the application thereof to any person or circumstance, shall be invalid or unenforceable to any extent, the remaining provisions of this Agreement or the application of such term, covenant, obligation or agreement to such other persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term, covenant, obligation or agreement contained herein shall be separately valid and enforceable to the fullest extent permitted by law.

**Section 5.04 Waiver and Release.**

The Lender may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Lender will extend to, or affect, any subsequent Event of Default or the rights of the Lender arising from such Event of Default. Any such waiver must be in writing and signed by the Lender. No failure on the part of the Lender or the Assignor to exercise, and no delay by the Lender or the Assignor in exercising, any right pursuant to this Agreement will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right or the exercise of any other right. The registration of a complete and final discharge of



the Mortgage against all of the Lands subject thereto duly executed by the Lender shall constitute a release of this Agreement and a re-assignment of the Lender' interest in the Rents and Leases to the Assignor without the need for the execution or registration of any further document or instrument.

**Section 5.05 Further Assurances.**

The Assignor shall from time to time forthwith on the Lender's request do, make and execute all such financing statements, further assignments, documents, assurances, acts, matters and things as may be reasonably required by the Lender of or with respect to the Rents or Leases or any part thereof or as may be reasonably required to give effect to this Agreement, and the Assignor hereby constitutes and irrevocably appoints the Lender as the true and lawful attorney of the Assignor, coupled with an interest and with full power of substitution to do, make and execute all such statements, assignments, documents, assurances, acts, matters or things with the right to use the name of the Assignor whenever and wherever it may be deemed necessary or expedient.

**Section 5.06 Governing Law.**

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

**Section 5.07 Successors and Assigns.**

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors, successors in title and assigns.

**Section 5.08 Counterparts.**

This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original and which counterparts together shall constitute one and the same instrument.

**IN WITNESS WHEREOF** the Assignor has executed this Assignment under seal as of the date set out above.

**SUNRISE ACQUISITIONS (STAYNER) INC.**

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

Name: Sajjad Hussain

Title: President

I have authority to bind the Corporation

This is Exhibit "I" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**ASSIGNMENT OF  
AGREEMENTS OF PURCHASE AND SALE**

THIS ASSIGNMENT effective as of May 5, 2022 made by SUNRISE ACQUISITIONS (STAYNER) INC., a corporation incorporated under the laws of Ontario (together with its successors and assigns, the "Grantor") in favour of Brexit Holdings Inc., Firm Capital Mortgage Fund Inc. & AFC Mortgage Administration Inc. (collectively, the "Lender") (together with its successors and assigns).

WHEREAS to secure the payment and performance of the Obligations, the Grantor has agreed to grant to the Lender, for its own benefit and for the benefit of the Lender, a security interest over the Purchase Agreements (as hereinafter defined) in accordance with the terms of this Assignment.

NOW THEREFORE, in consideration of each of the Lender, as applicable, agreeing to make available its commitments in the Credit Facilities in favour of the Grantor and in order to induce the Lender, as applicable, to make the extension of credit under the Commitment, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Grantor, the Grantor agrees and covenants with the Lender as follows:

Section 1. Defined Terms. Unless otherwise defined in this Assignment, terms defined in the Commitment and used herein shall have the meaning given to them in the Commitment. The following terms shall have the following meanings:

- (a) "Commitment" means a commitment letter dated April 12 2022, between, *inter alia*, Anbros Financial Corporation & AFC Mortgage Administration Inc., as lender and the Grantor, as borrower, as such commitment may be amended, modified, supplemented, extended, renewed, restated or replaced from time to time;
- (b) "Obligations" means all indebtedness, liabilities and obligations of the Grantor to the Lender or any of them under the Commitment, the Security and any other Loan Document to which the Grantor is a party and the payment of all reasonable costs and expenses incurred by the Lender or any of them in enforcing any rights under this Agreement;
- (c) "Project Lands" means those lands and premises in the City of Toronto, Province of Ontario, legally described as follows:

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PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW

or any portion of the Project Lands charged by any charge/mortgage from time to time pursuant to the Commitment, and any and all improvements constructed or in the future constructed thereon;

- (d) "Purchase Agreements" means each and present and future agreements of purchase and sale between the Grantor (or on its behalf) and any third party in respect to the Project Lands or any part of the Project Lands including the Units pertaining thereto, and including Purchaser Deposits, occupancy fees, Tarion recoveries if any, and condominium voting rights pertaining thereto, (subject only to the priority of the Insurer with respect to the Purchaser Deposits), heretofore and hereafter entered into by or on behalf of the Grantor;
- (e) "Purchaser Deposits" means all monies paid by the purchasers pursuant to a Purchase Agreements, including without limitation amounts designated as deposits, and payments for extras or upgrades, and interest thereon; and
- (f) "Release Date" means the date on which all the Obligations have been indefeasibly paid and discharged in full and the Grantor has no further obligations to the Lender under the Loan Documents pursuant to which further Obligations might arise;

Section 2. Grant of Security. As general and continuing collateral security for the prompt and complete payment and performance of the Obligations (including the payment of any such Obligations that would become due but for any automatic stay under the provisions of the Bankruptcy and Insolvency Act (Canada) or any analogous provisions of any other Applicable Law in Canada or any other jurisdiction), the Grantor hereby grants, assigns, conveys, transfers, pledges, hypothecates, charges and grants a

security interest to and in favour of the Lender, for and on behalf of and for the benefit of itself and the Lender, in and to the Purchase Agreements.

**Section 3. Representations and Warranties.** The Grantor represents and warrants that any and all Purchase Agreements are, with respect to the Grantor, are, or will be, valid and enforceable in accordance with their 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; and (ii) it has the right, power and authority to assign its right, title and interest in and to any and all of the Purchase Agreements to the Lender upon the terms and conditions hereof (except for any Purchase Agreements which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless such consent has been obtained); and the Grantor has not heretofore assigned, mortgaged, pledged, encumbered or otherwise hypothecated its right, title and interest in and to any or all of the Purchase Agreements to which it is a party in any manner, nor will the Grantor do so at any time hereafter without the Lender's prior written consent in each instance, except to the extent permitted by the Commitment. Any such assignment, mortgage, pledge, encumbrance or hypothecation in violation of the foregoing shall be void and of no force and effect.

**Section 4. No Assumption of Obligations.**

- (a) The Grantor specifically acknowledges and agrees that by virtue of the execution and delivery of this Assignment, the Lender does not assume, and the Grantor hereby releases the Lender from responsibility for, the payment of any sums due or to become due under any of the Purchase Agreements or the performance of any obligations to be performed under or with respect to any of the Purchase Agreements by the Grantor, and the Grantor hereby agrees to indemnify and hold the Lender harmless with respect to any and all claims by any person relating thereto.
- (b) The Lender may, however, at its option, upon the occurrence and during the continuance of an Event of Default, assume or perform any such obligations which the Lender considers necessary or desirable to obtain the benefit of any Purchase Agreements free of any set-off, deduction or abatement, and any money so expended by the Lender shall form part of the Obligations and bear interest at the rate from time to time applicable to the outstanding balance of the Obligations.

**Section 5. Default under the Purchase Agreements.** If there shall be a default under any of the Purchase Agreements on the part of the Grantor, for any reason, the Lender may, upon the occurrence and during the continuance of such default, at its option, without assuming any of the obligations of the Grantor under the relevant Purchase Agreements and without waiving or releasing the Grantor from any of the terms hereof or any of the Obligations, cure the default.

**Section 6. Separate Assignments.** Each of the rights, privileges, benefits, contracts, permits, policies or other documents or interests comprised in the Purchase Agreements shall be deemed to be the subject of a separate and individual assignment by the provisions hereof. The Lender may exercise all rights hereunder in respect of each Purchase Agreements separately and whether or not the Lender in its discretion exercises its rights in respect of all or any of the other Purchase Agreements.

**Section 7. Consents.**

- (a) Nothing herein shall constitute an assignment or attempted assignment of any Purchase Agreements which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless such consent has been obtained. In each such case, the Grantor shall, upon the request of the Lender, use its reasonable best efforts to obtain the consent of any necessary third party to its assignment hereby and to its further assignment by the Lender to any third party who may acquire same as a result of the exercise by the Lender of remedies after default, provided however, that the Grantor in satisfying such reasonable best efforts shall not be required to make any third party expenditures (other than its own legal counsel) or to assume any additional material liability to the third party. Upon such consent being obtained or waived, this Assignment shall apply to the applicable Purchase Agreements without regard to this section and without the necessity of any further assurance to effect the assignment thereof.
- (b) Unless and until consent to assignment is obtained as provided above, the Grantor shall, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived from the applicable Purchase Agreements in trust for the Lender, (including, without limitation, the Grantor's beneficial interest in any Purchase Agreements which may be held in trust for the Grantor by a third party) as additional security for

- 3 -

payment of the Obligations and shall deliver up all such benefit to the Lender, forthwith upon demand by the Lender.

- (c) The consent to assignment in respect of any Purchase Agreements shall be in the form as may be approved by the Lender and the other party to the Purchase Agreements, each acting reasonably.

**Section 8. Default.** Upon the occurrence and during the continuance of an Event of Default, at the option of the Lender, the security interest shall be enforceable against the Grantor, and in addition to all other rights and remedies of the Lender pursuant to any agreements of the Grantor in favour of or assigned to and held by the Lender pursuant to Applicable Law or otherwise, the Lender or its respective successors or assignees shall have all of the rights, title and interest in and to the Purchase Agreements, including, without limitation, any and all rights to indemnification and guarantee, without modifying or discharging any of the Grantor's obligations to the Lender.

**Section 9. Appointment of Attorney.** The Grantor hereby appoints any officer of the Lender, or any receiver appointed by the Lender, as attorney of the Grantor (with full power of substitution) to, from and after the occurrence and during the continuance of an Event of Default:

- (a) execute and deliver for and on behalf of the Grantor any and all instruments, documents, agreements and other writings necessary or advisable for the exercise on behalf of the Grantor of any rights, benefits or options created or existing under or pursuant to the Purchase Agreements;
- (b) endorse the name of the Grantor on its behalf on any and all notes, acceptances, cheques, drafts, money orders, instruments or other evidences of collateral, that may come into the Lender's possession;
- (c) execute proofs of claim and loss;
- (d) execute endorsements, assignments or other instruments of conveyance and transfer;
- (e) adjust and compromise any claims under insurance policies or otherwise;
- (f) execute releases; and
- (g) do all other acts and things necessary and advisable in the discretion of the Lender to carry out and enforce this Assignment.

All acts of any such attorney are hereby ratified and approved, and such attorney shall not be liable for any act, failure to act or any other matter or thing in connection therewith, except as a result of its own gross negligence, criminal acts or omissions or wilful misconduct. Such appointment and power of substitution, being coupled with an interest, are irrevocable until all of the Obligations are paid in full.

**Section 10. Dealings by the Lender.** The Lender will not be obliged to exhaust its recourse against the Grantor or any other Person or against any other security they may hold in respect of the Obligations before realizing upon or otherwise dealing with the Purchase Agreements in such manner as the Lender may consider desirable. The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, grant releases and discharges and otherwise deal with the Grantor and any other Person, and with any or all of the Purchase Agreements, and with other security and sureties, as the Lender may see fit, all without prejudice to the Obligations or to the rights and remedies of the Lender under this Assignment. The powers conferred on the Lender under this Assignment are solely to protect the interests of the Lender in the Purchase Agreements and will not impose any duty upon the Lender to exercise any such powers.

**Section 11. No Merger.** No judgment recovered by the Lender shall operate by way of merger of or in any way affect the security interest, which is in addition to and not in substitution for any other security now or hereafter held by the Lender in respect of the Obligations.

**Section 12. Waivers.** No consent or waiver by the Lender shall be effective unless made in writing and signed by an authorized officer of the Lender.

**Section 13. Further Assurances.** The Grantor shall from time to time, whether before or after the occurrence and during the continuance of an Event of Default, do all such acts and things and execute and deliver all such deeds, transfers, assignments and instruments as the Lender may reasonably require for perfecting the security interest constituted hereby and for exercising all powers, authorities and discretions hereby conferred upon the Lender, and the Grantor shall, from time to time after the occurrence and during the continuance of an Event of Default, do all such acts and things and execute and

deliver all such deeds, transfers, assignments and instruments as the Lender may require for facilitating the sale of the Purchase Agreements in connection with any realization thereof.

Section 14. Successors and Assigns. This Assignment will enure to the benefit of, and be binding on, the Grantor and its successors and permitted assigns, and will enure to the benefit of, and be binding on the Lender and its respective successors and assigns. The Grantor may not assign this Assignment, or any of its rights or obligations under this Assignment, without the prior written consent of the Lender. The Lender may assign this Assignment and any and all benefits hereunder in accordance with the assignment provisions applicable to the Commitment.

Section 15. Amalgamation, Reorganization, etc. with a Person. The Grantor acknowledges and agrees that if it merges, amalgamates, continues, reorganizes or consolidates with any other Person, it is the intention of the parties hereto that the security interest granted hereunder (i) shall extend to Purchase Agreements owned by such Person(s) and the resultant Person at the time of merger, amalgamation, reorganization or consolidation and to any Purchase Agreements thereafter owned or acquired by the resultant Person, such that the term the "Grantor" when used herein will apply to each of the amalgamating, merging, reorganizing or consolidating Persons and the resultant Person, and (ii) shall secure the Obligations of each of the merging, amalgamating, reorganizing or consolidating Persons and the resultant Person to the Lender, at the time of merger, amalgamation or reorganization and any of the Obligations of the resultant Person to the Lender, thereafter arising. The security interest granted hereunder shall attach to the additional Purchase Agreements at the time of amalgamation, merger or reorganization and to any Purchase Agreements thereafter owned or acquired by the resultant Person when such Purchase Agreements is acquired by such Person.

Section 16. Governing Law. This Assignment will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, and will be treated, in all respects, as a Ontario contract. The Grantor submits and attorns to the non-exclusive jurisdiction of the courts of Ontario. To the extent permitted by Applicable Law, the Grantor 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 Assignment in courts of such Province.

Section 17. Termination. Upon payment and satisfaction in full of the Obligations, the cancellation of all credit facilities and the termination of all obligations of the Grantor under the Commitment and the Loan Documents, the Grantor may request in writing that this Assignment be released, discharged and terminated, and if this occurs the Lender will, at the expense of the Grantor, execute and deliver to the Grantor a release and discharge of this Assignment.

Section 18. Additional Security. The security interest created by this Assignment is in addition and without prejudice to any other security interest now or later held by the Lender. No security interest held by the Lender will be exclusive of or dependent upon or merge in any other security interest, and the Lender may exercise its rights under such security interest or in combination.

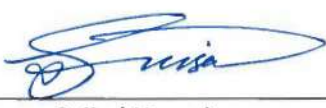
Section 19. Counterparts, Electronic Signature. This Assignment may be executed in multiple counterparts, each of which shall be deemed to be an original agreement and all of which shall constitute one agreement. All counterparts shall be construed together and shall constitute one and the same agreement. This Assignment, to the extent signed and delivered by means of electronic transmission (including, without limitation, facsimile and Internet transmissions), shall be treated in all manner and respects as an original agreement and should be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

Section 20. Release of Grantor. Upon the written request of the Grantor given at any time on or after the Release Date, the Lender will release the Grantor and the Purchase Agreements from the security interest created or arising under this Assignment. Upon such release, and at the request and expense of the Grantor, the Lender will execute and deliver to the Grantor such releases and discharges as the Grantor may reasonably request.

*[remainder of this page left blank – signatures follow]*

IN WITNESS WHEREOF the Grantor has caused this Assignment to be executed as of the day set forth above.

**SUNRISE ACQUISITIONS (STAYNER) INC.**

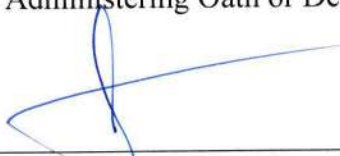
Per:  \_\_\_\_\_

Name: Sajjad Hussain

Title: President

I have authority to bind the Corporation

This is Exhibit "J" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**



PROVINCE OF ON - PERSONAL PROPERTY REGISTRY  
REPORT ON REGISTRATION  
----- REGISTRATION VERIFICATION -----

Order Number: 19770152  
Client Reference: 22-6237  
Registration Type: Lien  
Registration #: 20220511 1626 1902 9462  
ON File #: 782892342  
Registration Date: 11 May 2022  
Service Province: ON  
Term (years): 5  
Amount of Lien: N/A  
Expiry Date: 2027-05-11  
Maturity Date: No fixed Maturity Date  
Requester: Jonathan Rajzman

**Debtors:**

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Sunrise Acquisitions  
(Stayner) Inc.  
50 West Wilmot  
Street, Suite 100  
Richmond Hill, ON,  
L4B1M5 CA

Muzammil Kodwavi  
(1981-06-16)  
72 Grand Vellore  
Crescent  
Woodbridge, ON,  
L4H0N8 CA

Sejjad Hussain  
(1971-07-05)  
24 Sutherland Drive  
Toronto, ON,  
M4G1G8 CA

**Secured Parties:**

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BREXIT HOLDINGS  
INC.  
105B Wings Road  
WOODBIDGE,  
ON, L4L6C2

AFC Mortgage  
Administration Inc.  
2010 Winston Park  
Drive, 2nd Floor  
Oakville, ON,  
L6H6P5

Firm Capital  
Mortgage Fund Inc.  
163 Cartwright  
Avenue  
Toronto, ON,  
M6A1V5

### General Collateral

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**Collateral**             Consumer Goods    Inventory    Equipment    Accounts    Other  
**Classifications:**     MV Included

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**Current Collateral:**

SECURITY AGREEMENT CREATING A SECURITY INTEREST IN ALL PRESENT AND  
AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, IN RESPECT OF  
THE PROPERTY MUNICIPALLY KNOWN AS 1192 SIMCOE COUNTY ROAD 7,  
STAYNER, ONTARIO, PIN 58238-0008 (LT) (FILE REFERENCE NUMBER 22-6237 -  
SUNRISE (STAYNER))

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### Registering Agent

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Singer Law  
203-100 Mural Street  
Richmond Hill, ON, L4B1J3  
jrajzman@isingerlaw.com

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

This is Exhibit "K" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**FORBEARANCE AGREEMENT**

7/6/2023

This Forbearance Agreement is made as of June \_\_\_, 2023 (the "Agreement").

**BETWEEN:****BREXIT HOLDINGS INC.**

("Brexit")

- and -

**AFC MORTGAGE ADMINISTRATION INC.**

("AFC")

(Brexit &amp; AFC hereinafter the "Lender")

- and -

**SUNRISE ACQUISITIONS (STAYNER) INC.**

("Sunrise")

- and -

**MUZAMMIL KODWAVI**

("Kodwavi")

- and -

**SAJJAD HUSSAIN**

("Hussain")

(Sunrise, Kodwavi &amp; Hussain, hereinafter collectively the "Original Borrowers")

- and -

**2846862 ONTARIO INC.**

("2846862")

(the Original Borrowers &amp; 2846862, hereinafter collectively the "Borrowing Parties")




**RECITALS:**

- A. Sunrise is the registered and beneficial owner of the real property municipally known as 1192 Simcoe County Road 7, Stayner, Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40

N

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MkDS  
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- & PT A, R744; TOWNSHIP OF CLEARVIEW, PIN 58238-0008 (LT) (the "**Sunrise Property**");
- B. 2846862 is the registered and beneficial owner of the real property municipally known as 299 Mowat Street North, Stayner Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW, PIN 58238-0006 (LT) (the "**Collateral Property**");
- C. Brexit, AFC and Firm Capital Mortgage Fund Inc. ("**Firm**") as lenders, agreed to loan the sum of \$11,000,000.00 (the "**Loan**") to Sunrise, as borrower, which Loan was originally guaranteed by Kodwavi and Hussain, pursuant to the terms of a commitment letter dated March 12, 2022 (the "**Commitment Letter**") secured by, inter alia, by a 1st mortgage/charge registered on the Sunrise Property on May 11, 2022, as Instrument No. SC1895340 with associated assignment of rents registered as instrument No. SC1895341 (the "**Mortgage**");
- D. The obligations under the Loan and the Commitment Letter are currently secured, *inter alia*, by:
- (i) the Mortgage;
  - (ii) a Guarantee and Postponement of Claim, delivered by Kodwavi and Hussain
  - (iii) a financing Statement registered under the *Personal Property Security Act* (Ontario), bearing reference File No. 782892342, pursuant to a General Security Agreement Dated May 5, 2022;
  - (iv) such other documentation, documentation, and reliance letters (the "**Ancillary Documents**") as were agreed to by the Borrowing Parties;
- The foregoing items (i) to (iv) hereinafter referred to as the "**Existing Security**"
- E. Firm transferred its interest in the Existing Security to Brexit, pursuant to an Assignment of Security made as of June 1, 2023, and a Transfer of Charge, registered as instrument No. SC1983741;
- F. The Original Borrowers were unable to repay the amounts due and owing under the Commitment Letter on the maturity date, being June 1, 2023 (the "**Maturity Date**"), and accordingly, are in default thereunder (the "**Existing Default**");
- G. The Original Borrowers have requested that the Lender forbear from exercising certain rights and remedies in respect of the Existing Default for the Forbearance Period (as hereinafter defined) in order to allow the Original Borrowers an opportunity to refinance the Loan; and
- H. The Lender has agreed to so forbear, but only strictly on the terms and explicitly subject to all of the conditions set forth in this Agreement.

**TERMS OF AGREEMENT:****ARTICLE 1 - DEFINITIONS****1.1 Definitions**

Unless otherwise defined herein, capitalized terms used in this Agreement, including its preamble and recitals, shall have the meanings ascribed thereto in the Commitment Letter and the Mortgage.

**1.2 Headings**

The headings of this Agreement are for the purposes of reference only and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

**1.3 Number and Gender**

Any reference in this Agreement to gender includes all genders, and words importing the singular number only include the plural and vice versa. All of the references to the Borrowing Parties herein in respect of liability for the covenants, representations and warranties of each such entity contained herein, shall be deemed to be a reference to all of the Borrowing Parties, respectively, jointly and severally with each other.

**1.4 Representations and Warranties**

Any confirmation, acknowledgement or certification contained in this Agreement shall, whether or not expressed as such herein, be deemed also to be a representation of the truthfulness of the matters confirmed, acknowledged or certified, and a warranty that the matters so confirmed, acknowledged or certified shall remain true throughout the Forbearance Period (as hereinafter defined), all with the intent that the Lender may rely on such deemed representations in entering into this Agreement and with the intent that any breach of such deemed warranties (or any misrepresentation discovered during the Forbearance Period) shall be a default under this Agreement.

**ARTICLE 2 - ACKNOWLEDGMENTS****2.1 Acknowledgement of Recitals**

The Borrowing Parties certify, acknowledge and confirm that: (i) the Recitals to this Agreement are true and complete and describe all relevant facts and circumstances relating to the Loan and the mortgage debt as of the date hereof; and (ii) there are no facts or circumstances known to any of the Borrowing Parties that, if disclosed to the Lender, might reasonably be expected to adversely affect the Lender's decision to forbear in the manner set forth in this Forbearance Agreement.



**2.2 Acknowledgments of Indebtedness, Default, etc.**

- (a) The Borrowing Parties hereby confirm and acknowledge that the Borrowing Parties are in continuing default and overholding under the terms of the Commitment Letter;

- (b) The Borrowing Parties hereby confirm and acknowledge that, as of the Maturity Date, the Borrowing Parties are indebted to the Lender for the following (collectively, the "Debt"):
- (i) Current Loan principal balance of \$11,000,000.00;
  - (ii) Unpaid interest accrued from the Maturity Date to the date hereof;
  - (iii) An overholding fee equal to 0.25% of the principal amount of the Loan, for the month of June, 2023, as provided for in the Commitment Letter;
  - (iv) A late payment fee equal to three month's interest on the principal amount of the Loan, calculated as of the Maturity Date, as provided for in the Commitment Letter; and
  - (v) all other amounts payable pursuant to the Commitment Letter as a result of failure to repay amounts due on the Maturity Date, and amounts payable pursuant to the Commitment Letter upon the occurrence of an Event of Default.
- (c) The Borrowing Parties hereby confirm and acknowledge that, as of the date hereof, they are validly indebted to the Lender for the payment in full of all of the Debt, without defense, counterclaim, offset, cross-complaint, claim or demand of any kind or nature whatsoever.
- (d) The Borrowing Parties hereby confirm and acknowledge that nothing contained herein shall alter, amend, modify or extinguish: (i) the Debt; (ii) any rights or remedies that the Lender may have in respect of the Debt (except as expressly set forth herein); or (iii) any of the Borrowing Parties' obligations to repay the Debt.
- (e) The Borrowing Parties hereby confirm and acknowledge that, neither this Agreement nor any of the other documents, agreements or instruments executed or delivered in connection herewith or related hereto, constitutes a novation of the Commitment Letter, the Charge or any security documents executed by any or all of the Borrowing Parties in connection with the Commitment Letter (collectively, the "Security Documents") or, except as expressly provided for herein, any modification of any of the Security Documents.
- (f) The Borrowing Parties hereby confirm and acknowledge that they are not now and have never been a "farmer" within the meaning of the *Farm Debt Mediation Act*.

### 2.3 Release and Waiver of Defences

The Borrowing Parties, on their own behalf, and on behalf of their respective successors and assigns, hereby release, waive and forever discharge the Lender, and all of its officers, directors, employees, solicitors, investors and agents from any and all actions, causes of action, debts, dues, claims, demands, liabilities and obligations of every kind and nature, both in law and equity, known or unknown, whether matured or unmatured, absolute or contingent arising from the date of the Charge through the date hereof with respect to this Agreement, including but not limited to an action for improvident sale of the Property.

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**2.4 Guarantee and Collateral Charge**

In consideration of the Lender agreeing to forebear hereunder, 2846862, being a corporation wholly owned and controlled by Kodwavi and Hussai, covenants and agrees that from and after the date hereof, it shall, on a joint and several basis, guarantee the Debt obligations of Sunrise under the Commitment Letter, Mortgage and the ancillary documents delivered thereunder, and to evidence the guarantee, shall execute and deliver guarantees and postponements of interest to and in favour of the Lender as may be reasonably requested from time to time;

As security for the guarantee granted hereunder, 2846862 shall grant a collateral charge on the Collateral Property (the "**Collateral Charge**") in favour of the Lender, which Collateral Charge shall be subject to the same terms and conditions as the Mortgage. Default under the Collateral Charge shall be deemed default under the Mortgage, and vice versa (the Collateral Charge together with such other documents, agreements or instruments as may be required to get effect to the Collateral Charge or guarantee, hereinafter referred to as the "**Collateral Security**").

The Lender shall not be required to initiate or exhaust any rights, remedies or recourses against the Sunrise Property, or against any of the Original Borrowers, or initiate or exhaust any other remedy which the Lender may have at law or in equity before requiring or becoming entitled to demand and enforce payment from 2846862, or exercise rights, remedies or recourses against the Collateral Property.

**2.5 Acknowledgement of Security Documents in Full Force and Effect, etc.**

- (a) The Borrowing Parties hereby affirm their obligation to be jointly and severally liable for the fulfilment of all of the obligations to the Lender under the Commitment Letter, Security and this Agreement, effective both throughout the Forbearance Period and from and after the expiration or earlier termination thereof.
- (b) The Borrowing Parties hereby ratify and affirm in their entirety the Existing Security, all of which remain in full force and effect both throughout the Forbearance Period and from and after the expiration or earlier termination thereof.
- (c) The Borrowing Parties covenant that nothing in this Agreement shall, or shall be construed to: (i) impair the validity, perfection or priority of the charges and security interests created under or evidenced by the Security Documents or any other credit documents to which they are a party or are otherwise bound; (ii) waive or impair any rights, powers or remedies of the Lender under the Security Documents or otherwise at law upon termination of the Forbearance Period, all of which are expressly reserved and affirmed; (iii) require the Lender to extend the Forbearance Period, or grant additional cure or forbearance periods, or otherwise modify this Agreement; or (iv) waive the existing defaults under the Security Documents.
- (d) Without in any way prejudicing the Lender's right to unilaterally appoint a receiver and/or a receiver-manager as of right and without the permission or consent of any of the Borrowing Parties, the Borrowing Parties hereby expressly consent to the appointment of any receiver and/or a receiver-manager, at any time and from time to time under all of the Security Documents in the same manner as may be

Handwritten signatures and initials in boxes. The first box contains a signature that appears to be 'Mk'. The second box contains the initials 'St'. Above each box is a small 'DS' logo.



provided for in the Security Documents and the Security Documents are hereby deemed to incorporate such receivership provisions, *mutatis mutandis*.

- (e) In the event that all sums due and owing under the Mortgage are not repaid in full on or before the expiry of the Forbearance Period, each of the Borrowing Parties hereby consent to:
- (i) Judgement against each of them in the amount of the Debt, an Order for possession or Writ of Possession of the Property and authorizes the Lender to file Consents to Judgement and/or Order/Writ of Possession and hereby appoints the Lender as its attorney to execute such documentation in its place and stead as may be required to file such Consent, Order/Writ and Judgment; and
  - (ii) the Lender taking proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a manager and a receiver and manager) of all or any part of the Property.

### ARTICLE 3 - FORBEARANCE

#### 3.1 Forbearance

- (a) On the terms and subject to the conditions set forth in this Agreement, the Lender agrees to forbear from taking any action or exercising any right or remedy at law or in equity permitted to be taken or exercised by it under the Security Documents or under applicable law, during the period described in Section 3.2 below (the "**Forbearance Period**"), but only with respect to the Existing Default.
- (b) For greater certainty but without in any way limiting the generality of the foregoing, such forbearance shall: (i) extend only to the Existing Default and not to any other default or event of default under the Security Documents now existing or occurring after the date hereof; (ii) shall not in any way or manner restrict the Lender from exercising any rights, powers or remedies it may have with respect to the Existing Default from and after the expiration or earlier termination of the Forbearance Period; and (iii) shall not in any way or manner restrict the Lender from exercising any rights, powers or remedies it may have with respect to any other default or event of default under the Security Documents at any time, whether before or after the expiration or termination of the Forbearance Period.
- (c) Without in any way prejudicing the validity, perfection and enforceability of the Security Documents, the Lender may, notwithstanding such forbearance, take any and all steps and do such things as may be necessary or desirable to further record, register or otherwise affect the perfection of the charges and security interests created under or evidenced by the Security Documents.
- (d) Notwithstanding anything to the contrary in this Agreement, the Lender may, at any time or from time to time, take any proceedings in a court of competent jurisdiction in connection to any default under the Security Documents other than the Existing Default or in response or reply to any proceedings, interlocutory or otherwise, brought by the Borrowing Parties (or any of them) including, without limitation, a response or reply to any motion or like proceedings brought by the Borrowing Parties.

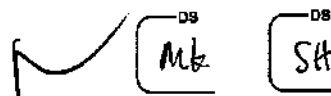

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DS  
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### 3.2 The Forbearance Period

- (a) The Forbearance Period shall begin on the date of this Agreement and end, without any further notice required on the part of the Lender to any of the Borrowing Parties, on the earlier of (i) the moment of any further or other default under the Security Documents (being a default other than the Existing Default and including, for greater certainty and without in any way limiting the generality of the foregoing, any and all defaults in the prompt payment of any instalments of accrued interest falling due during the Forbearance Period); (ii) the moment of any default under this Agreement by any of the Borrowing Parties at any time; and (iii) June 1, 2024.
- (b) Forthwith after the Forbearance Period has expired or been terminated, as the case may be, all rights, powers and remedies of the Lender under the Security Documents shall be available to and capable of exercise by the Lender. Nothing in this Agreement shall in any way or manner restrict the Lender from exercising any rights, powers or remedies it may have pursuant to the Security Documents with respect to the Existing Default from and after the expiration or termination of the Forbearance Period or with respect to any other defaults at any time (including, for greater certainty, during the Forbearance Period).

### 3.3 Fees and Documentation

- (a) Each of the Borrowing Parties specifically covenant and agree as follows:
- (i) to be liable to pay to the Lender a fee of \$220,000.00 (the "**Forbearance Fee**") as a forbearance fee, which amount shall be deemed earned and due to the Lender at the commencement of the Forbearance Period;
  - (ii) to be liable to pay to the Lender a fee of \$412,225.00 (the "**Late Fee**"), equal to three month's interest on the principal amount of the Debt, as of the Maturity Date, as a late payout fee, in accordance with the terms of the Commitment Letter, which amount shall be deemed earned and due to the Lender at the commencement of the Forbearance Period;
  - (iii) to be liable to pay the Lender's broker fee to AFC Mortgage Administration Inc., in the amount of \$165,000.00 (the "**Broker Fee**"), which amount shall be deemed earned and due to AFC at Commencement of the Forbearance Period;
  - (iv) to be liable to pay the \$27,500.00 monthly overholding fee for the duration of the Forbearance Period, as provided for in the Commitment Letter (the "**Overholding Fee**"), which totals \$330,000.00 for the duration of the Forbearance Period;
  - (v) to be liable to pay the Lender's legal fees and disbursements in connection with the Transfer Firm's interest to Brexit, the Existing Default and this Agreement, in the amount of \$18,645.00 (inclusive of HST) (collectively, the "**Forbearance Legal Fees**"), which amount shall be due to the Lender at the commencement of the Forbearance Period; and

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- (vi) it shall execute such documentation as may be required from time to time to give effect to the terms of this Agreement as may be required by the Lender.
- (b) The parties acknowledge and agree that as of the date hereof, the Lender maintains a development holdback of \$1,500,000.00, in accordance with the Commitment Letter (the "**Development Holdback**"). In consideration of the liquidity concerns of the Borrowing Parties, the Lender has agreed to release a portion of the Development Holdback equal the Forbearance Fee, Late Fee, Broker Fee and a \$330,000.0 reserve for twelve months Overholding Fee payments (the "**Overholding Reserve**"), and apply the release of said Development Holdback to payment of the aforementioned fees and funding of the Overholding Reserve. After accounting for the forgoing, the total release from the Development Holdback shall be \$1,127,225.00, with a remaining balance of balance of \$372,775.00. Interest shall continue to accrue on the balance of the Development Holdback at the rate prescribed in the Commitment Letter.
- (c) The Overholding Reserve shall be a fully advanced but unfunded reserve, and the lender shall apply same to the monthly Overholding Fee payments due during the Forbearance Period.

#### ARTICLE 4 - COVENANTS

##### 4.1 Monthly Payments

The Borrowing Parties agree and acknowledge and covenant that, notwithstanding the forbearance contemplated by this Agreement, interest shall continue to accrue on the unpaid portion of the Debt and shall be payable in the same manner as if this Forbearance Agreement had not been entered into.

##### 4.2 Negative Covenants

During the Forbearance Period, the Borrowing Parties shall not make or facilitate payment to any person, including without limitation (as applicable) shareholders, investors, partners, joint venturers or principals, save and except for the Lender or trade creditors of the development of the Sunrise Property or Collateral Property. To ensure compliance with the foregoing provision, the Lender shall have the right, upon 5 business days' written request, to inspect the most recent bank statements and financial statements of the Borrowing Parties.

##### 4.3 Payments to the Guarantors

During the Forbearance Period, any funds received by KODWAVI or HUSSAIN from either Sunrise or 2846862 shall be deemed to be held in trust for the Lender and shall be forthwith paid by the KODWAVI or HUSSAIN to the Lender, or as the Lender may in writing otherwise direct.

#### ARTICLE 5 - MISCELLANEOUS

##### 5.1 Notices

From and after the date hereof, all notices and other communications which may or are required to be given pursuant to any provision of this Agreement shall be given or made in


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writing and shall be deemed to be validly given only if served personally or by registered mail, in each case addressed:

(a) **To the Lender, as follows:**

Brexit Holdings Inc.  
105B Winges Road, Woodbridge, Ontario L4L 6C2

Attention: Matthew Castelli

AFC Mortgage Administration Inc.  
2010 Winston Park Dr 2nd Floor, Oakville, ON L6H 6P5

Attention: Adit Kumar

(b) **To any or all of the Borrowing Parties, as follows:**

50 West Wilmot Street, Suite 100, Richmond Hill, ON L4B 1M5

Attention: Muzammil Kodwavi & Sajjad Hussain

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of personal service or the third business day following the date stamped on the registered mail receipt, as the case may be.

5.2 **Counterparts, etc.**

This Agreement may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Delivery of an executed counterpart by facsimile, e-mail, or other form of electronic transmission to the parties' solicitors shall be effective as delivery of a manually executed counterpart.

5.3 **Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5.4 **Entire Agreement**

This Agreement sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relative to such subject matter. None of the terms or conditions of this Forbearance Agreement may be changed, modified, waived or cancelled except by a document signed by all of the parties hereto expressly referencing this Forbearance Agreement and explicitly changing, modifying, waiving or cancelling same.



**5.5 Relationship**

The parties agree that the relationship between the Lender on the one hand, and any of the Borrowing Parties, on the other hand, is that of creditor and debtor and not that of partners, joint venturers or any like relationship and that this Agreement does not constitute a partnership agreement, or any other association between the Lender and the Borrowing Parties other than that of creditor and debtor. The Borrowing Parties acknowledge that the Lender has acted at all times only as creditor to the Borrowing Parties within the normal and usual scope of the activities normally undertaken by a creditor and in no event has the Lender attempted to exercise any control over the Borrowing Parties or their respective businesses or affairs.

**5.6 Expenses**

All costs and expenses, both internal and out-of-pocket, incurred by the Lender in connection with the preparation, negotiation, execution and administration of the forbearance contemplated herein, including, without limitation, legal fees and disbursements in connection therewith, shall be paid or reimbursed by the Borrowing Parties forthwith upon demand, failing which same shall automatically form a part of the Debt.

**5.7 Contra Proferentem**

The doctrine of *contra proferentem* shall not apply to this Agreement.

**5.8 Survival**

Any confirmation, acknowledgement or certification made to the Lender or covenant made in favour of the Lender by any of the Borrowing Parties herein, shall, at the sole option of the Lender, survive and continue to bind the Borrowing Parties after the expiry or termination of the Forbearance Period and/or this Agreement. In furtherance thereof, each of the Borrowing Parties agree that it is estopped from ever asserting otherwise in connection with any proceedings relating to the Security Documents and the Debt.

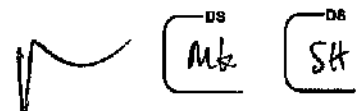
**5.9 Further Assurances**

Subject to the terms hereof, the Borrowing Parties agree to: do all such further acts and execute and deliver all such further documents and instruments (including, without limitation, any agreed statements of facts consistent with the recitals of this Agreement) as may be necessary or desirable in order to fully perform, carry out or better evidence the terms and intent hereof.

**5.10 Time of the Essence**

Time shall be of the utmost essence in all respects and at all times under this Forbearance Agreement.


[signing page follows]

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[Forbearance Agreement – Signing Page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first referenced above.

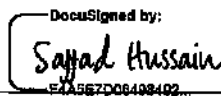
**BREXIT HOLDINGS INC.**

Per:   
Name: Matthew Castelli  
Title: President  
I have authority to bind the Corporation

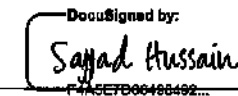
**AFC MORTGAGE ADMINISTRATION INC.**

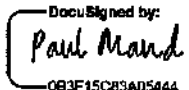
Per:   
Name: Adit Kumar  
Title: President  
I have authority to bind the Corporation

**SUNRISE ACQUISITIONS (STAYNER) INC.**

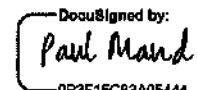
Per:   
E7A567D06408492...  
Name: Sajjad Hussain  
Title: President  
I have authority to bind the Corporation

**2846862 ONTARIO INC.**

Per:   
F7A5E7D06408492...  
Name: Sajjad Hussain  
Title: President  
I have authority to bind the Corporation

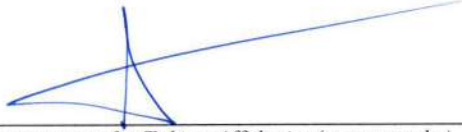
  
0B3F15C83A05444...  
Witness:

  
F7A5E7D06408492...  
SAJJAD HUSSAIN

  
022F16C82A05444...  
Witness:

  
AB878FEA0086415...  
MUZAMMIL KODWANI

This is Exhibit "L" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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

**JONATHAN KULATHUNGAM**

**GUARANTEE AND POSTPONEMENT OF CLAIM**

**TO: Brexit Holdings Inc. & AFC Mortgage Administration Inc. (Collectively the “Lender”)**

**AND TO: Schneider Ruggiero Spencer Milburn LLP  
The Lender’s Solicitors Herein**

**RE: Brexit Holdings Inc. & AFC Mortgage Administration Inc. (Collectively, the “Lender”), \$11,000,000.00 Mortgage Loan (the “Loan”) to Sunrise Acquisitions (Stayner) Inc. (the “Chargor”), guaranteed by Muzammil Kodwavi, Sajjad Hussain & 2846862 Ontario Inc. (each a “Guarantor” and collectively, the “Guarantors”) (each of the Chargor and Guarantors a “Borrower” and collectively the “Borrowers” as context provides) secured, *inter-alia*, by a \$11,000,000.00 1<sup>st</sup> mortgage/charge on the property municipally known as 1192 Simcoe County Road 7, Stayner, Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW, PIN 58238-0008 (LT) (the “Principal Property”), and a collateral \$11,000,000.00 2<sup>nd</sup> mortgage/charge on municipally known as 299 Mowat Street North, Stayner Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW, PIN 58238-0006 (LT) (the “Collateral Property”), pursuant to a Commitment Letter, dated April 12, 2022, as amended from time to time (the “Commitment”)**

WHEREAS, pursuant to the Commitment, the Lender agreed to extend the Loan;

AND WHEREAS, the undersigned Guarantor(s) have agreed to guarantee, the Loan on the terms and subject to the conditions hereinafter set out.

NOW THEREFORE, IN CONSIDERATION of the Lender making the Loan and for other good and valuable consideration, the Guarantor’s guarantee, as if the Guarantor was a principal debtor and not merely a surety, the due and punctual payment to the Lender of the Loan including, without limitation, all present and future indebtedness and liability owing by the Borrower to the Lender on account of the Loan whether direct or indirect, absolute or contingent, matured or not including, without limitation:

- a. all amounts expressed to be owing to the Lender pursuant to the Agreement and pursuant to all promissory notes, if any, and all agreements, instruments and other documents, whether referred to in the Agreement or otherwise, that are now or may hereafter be delivered or assigned to the Lender in connection with or as security for the Loan (the Agreement and any such promissory note, instrument and other documents are sometimes (hereinafter collectively called the “Loan Document(s)”));
- b. the principal amount of any letters of credit issued by or on behalf of the Lender at the request of or for the benefit of the Borrower in connection with the Loan, whether or not such letters of credit have been called upon for payment; and



- c. all commissions, costs, charges, fees and other expenses (including legal fees and disbursements on a full indemnity basis) arising out of or incurred by the Lender in connection with any one or more of the following:
- i. the collection of the amounts owing by the Borrower to the Lender on account of the Loan;
  - ii. the enforcement of this Guarantee; and
  - iii. any action or other proceeding instituted by the Lender, the Borrower, the Guarantor or any other person in any way relating to this Guarantee, the Loan, the Loan Documents or any part thereof.

2. This Guarantee is a specific guarantee of the Loan and shall only apply to and secure the amounts referred to herein (hereinafter collectively called the "Liabilities") and any ultimate balance due or remaining unpaid to the Lender thereunder. This Guarantee is irrevocable, absolute and unconditional and the obligations of the Guarantor hereunder are not cancellable or terminable by the Guarantor (whether or not the entire Loan has been advanced).

3. The liability of the Guarantor under this Guarantee is unlimited.

4. The Guarantor acknowledges and agrees that this Guarantee continues in full force and effect notwithstanding any future variation of the terms of the charge, as therein provided.

5. In addition to the Guarantor's promises and agreements contained in any of the Loan Documents, the Guarantor also agrees that the extension of time for payment may be by way of a renewal agreement and any renewal of the Loan Documents binds the Guarantor, whether or not a renewal agreement has been signed by the Guarantor.

6. The Guarantor shall make payment under this Guarantee forthwith after demand for payment has been given to any of the Guarantor. Such demand may be given by personal delivery to the Guarantor (and if the Guarantor is a corporation, by personal delivery to any director, officer or employee thereof) or by sending such demand to any of the Guarantor by telefax or by prepaid registered mail to the last address of such Guarantor known to the Lender. If mailed, such demand shall be deemed to have been effectually made on the fourth day after an envelope containing such demand addressed to such Guarantor is mailed.

7. The Guarantor expressly waives notice of the acceptance of this Guarantee and notice of non-performance, non-payment or non-observance on the part of the Borrower under the Loan or under the Loan Documents or any part thereof.

8. This Guarantee and the rights of the Lender hereunder shall not be released, discharged, mitigated, impaired or affected by:

- a. any grant of time, renewals, extensions, compromises, indulgences or modifications to; extending or failing to extend credit to; making or failing to make loans to advances to; taking or failing to take securities from; releasing or discharging any securities to; failing to perfect or keep perfected or otherwise taking advantage of any securities received from accepting compositions from; and releasing, discharging or otherwise dealing with; the Borrower, any one or more of the Guarantor or any other person whatsoever;

The logo consists of a square border containing the letters 'DS' in the top right corner and 'SH' in the center.

- b. any failure of the Lender to prove a claim against the estate of the Borrower or any waiver or failure to enforce any of the terms, conditions or the provision of, or any loss, diminution of value or unenforceability of any of the Loan Documents;
  - c. the application by the Lender of any monies received from the Borrower, the Guarantor or any other person or from securities on account of such part or parts of the liabilities in such manner as the Lender deems best and the changing of such application in whole or in part at any time or from time to time;
  - d. the death, incapacity, receivership, bankruptcy, insolvency, winding-up, dissolution or the loss of corporate existence of the Borrower or the Guarantor, the release or discharge of the Borrower or any of the Guarantor by operation of law or otherwise, any change in the name, objects, capital structure or constitution of the Borrower (and if the Borrower is a partnership, any change in the membership of the Borrower whether through the death or retirement of any of the partners, the introduction of one or more new partners or otherwise) or any transfer of the assets or businesses of the Borrower to a partnership or to a corporation or any incorporation, amalgamation, continuance, arrangement or reorganization of the Borrower or the Guarantor;
  - e. the distribution of the assets of the Borrower (whether voluntary or compulsory) or upon the occurrence of a bulk sale of any of the Borrower's assets or any composition with Lenders or any scheme of arrangement; and in any such event the Lender shall have the right to rank in all respects in priority to the Guarantor for its full claim against the Borrower and to receive all dividends or other payments in respect thereof until the Lender's claim and all Liabilities have been paid in full; and the retention by the Lender of all or any part or parts of the Loan Documents shall not, as between the Lender and the Guarantor, be considered a purchase of such securities, or payment, satisfaction or reduction of the Liabilities or any part thereof; and
  - f. the Guarantor not consenting to nor receiving notice of (a) - (e) above, nor any other right or remedy of the Lender being enforced, whether stated herein or in any other Loan Document.
9. Without prejudice to any of the rights or recourse which the Lender may have against the Borrower, the Guarantor expressly waives any right to require the Lender to initiate or exhaust any rights, remedies or recourses against the Borrower, the Guarantor or any other person, value, realize upon or dispose of any of the Loan Documents; or initiate or exhaust any other remedy which the Lender may have at law or in equity before requiring or becoming entitled to demand and enforce payment from the Guarantor under this Guarantee; and the Guarantor renounces all benefits of discussion and division.
10. If for any reason the Borrower has no legal existence, or if the Borrower is or becomes under no legal obligations to discharge the Liabilities or if any of the Liabilities becomes statute barred or otherwise irrevocable from the Borrower whether by operation of law or for any reason whatsoever including, without limitation, as a result of any lack or limitation of power, capacity or disability of the Borrower or its directors, partners, capacity or disability of the Borrower or its directors, partners, officers or agents or as a result of any irregularity, fraud, defect or informality in the obtaining of any advances, credits or renewals from the Lender (whether or not the Lender should have any knowledge thereof), this Guarantee and the covenants, agreements and obligations of the Guarantor set out herein shall nevertheless be binding upon the Guarantor as principal debtor until such time

as such monies have been paid in full to the Lender and all Liabilities have been discharged and the Guarantor shall be responsible for the payment thereof to the Lender upon demand.

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

12. All compositions and payments received by the Lender from the Borrower or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of the Guarantor to claim the benefit thereof in reduction of the Liabilities. The Guarantor shall not have any right to be subrogated to any rights of the Lender until all Liabilities have been discharged to the satisfaction of the Lender.

13. Upon this Guarantee bearing the signature of the Guarantor and being received by the Lender or any officer, agent or employee thereof, this Guarantee shall be deemed to be a deed signed and delivered by the Guarantor under seal and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor' liability hereunder except as may be expressly provided for herein. No statement, representation, warranty, agreement or promise on the part of any officer, employee or agent of the Lender,

Unless expressly set out herein, forms any part of this Guarantee or has induced the entering into or execution of this Guarantee or shall be deemed in any way to affect the Guarantor' liability hereunder.

14. So long as there is any Indebtedness outstanding, the Guarantor shall not directly or indirectly withdraw funds or receive payment from the Chargor or project on the Property, whether by way of dividend, loan, management fees (other than management fees taken out in the ordinary course consistent with the practice of the Chargor in the prior six months, as disclosed to the Lender), profit participation or other bills of exchange, devices or means.

15. The Lender may, without notice of any kind, sell, assign or transfer all or any part of the Liabilities and, in such event, each and every immediate and successive assignee, transferee or holder of all or any part of the Liabilities shall have the right to enforce this Guarantee as fully and effectively as if such assignee, transferee or holder were specifically named herein inn place of or together with the Lender.

16. This guarantee shall continue and be enforceable notwithstanding any amalgamation of the Lender with any other entities, and any further amalgamation, in which event this guarantee shall

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also extend to all debts and liabilities then or thereafter owed by the Chargor to the amalgamated Lender entity.

17. No action or proceeding brought or instituted under this Guarantee and no recovery or judgment in pursuance thereof shall be a bar or defence to any further action or proceeding which may be brought under this Guarantee by reason of any further default or defaults under this Guarantee or in the payment of the Liabilities.

18. No failure to exercise and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof, or the exercise of any other rights, powers or privileges. The rights and remedies herein provided for are cumulative and not exclusive of any rights or remedies provided at law or in equity.

19. This Guarantee shall be in addition to and not in substitution for the Loan Documents and any other guarantee which the Lender may now or hereafter hold in respect of the liabilities including any guarantee found in the Charge/Mortgage of Land and the Standard Charge Terms and the Lender shall be under no obligation to marshal in favour of the Guarantor any other guarantees or other security or any monies or other assets which the Lender may be entitled to receive or may have a claim upon. If another Guarantee shall exist, the Lender, in its sole discretion, shall decide which to enforce upon.

20. Any term, condition or provision of this Guarantee which is held or deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions and provision hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.

21. The Guarantor acknowledges receipt of a copy of this Guarantee.

22. This Guarantee shall be exclusively governed by and construed in accordance with the laws of the Province of Ontario.

23. No modification of this Guarantee shall be effective unless it is in writing and signed by the Guarantor and the Lender.

24. The Lender shall not be concerned to see or inquire into the existence, powers or capacities of the Chargor, the Guarantor or their respective officers, directors or agents, acting or purporting to act on their respective behalf.

25. All terms, agreements and conditions of this Guarantee shall extend to and be binding upon the Guarantor and the Chargor and their respective successors and permitted assigns and shall enure to the benefit of and may be enforced by the Lender and its successors and assigns.

26. All nouns and personal pronouns herein including the defined terms "Guarantor" and "Borrower" shall be read and construed as the number and gender may require in each case and the verb shall be read and construed as agreeing with such noun or pronoun. If there are two or more Guarantors of the Loan, all obligations hereunder of all such Guarantor shall be joint and several.

The logo consists of a blue square with rounded corners. Inside the square, the letters "DS" are positioned at the top right, and the letters "SH" are written in a larger, stylized font in the center.

27. The words "herein", "hereof", "hereunder", "therefrom", "the guarantee" and "this guarantee" refer to this entire agreement and not to any particular paragraph or subparagraph unless the context so requires.

28. As security for all amounts owing under this Guarantee to the Lender by the Guarantor, Guarantor assigns and transfers to the Lender, and postpones in favour of the Lender, all present and future debts and liabilities of whatever nature or kind due or accruing due to such Guarantor from the Borrower and all choses- in-action and other claims of whatsoever nature or kind, present and future, which such Guarantor may now or hereafter have against the Borrower (all of the foregoing being hereafter collectively referred to as the "Assigned Debts"). All monies received by or on behalf of any of the Guarantor on account of any of the Assigned Debts shall be received and held by such Guarantor(s) in trust for the Lender and forthwith remitted by such Guarantor(s) to the Lender.

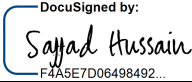
29. This assignment and postponement is independent of this Guarantee and shall remain in full effect until repayment in full to the Lender of all liabilities and the payment of any amounts owing to the Lender hereunder, notwithstanding that the liabilities of the Guarantor under this Guarantee may have been discharged or terminated. The Guarantor acknowledge that this assignment to the Lender shall not impose upon the Lender any obligation to do anything to perfect, keep perfected, take advantage of, collect, enforce or realize upon the Assigned Debts or to ensure that the Assigned Debts do not decrease in value, become unenforceable or become statute barred by the operation of law relating to limitations of action or otherwise.

30. This guarantee may be executed in any number of counterparts, each of which will constitute an original, but all of which together will constitute one and the same document. A signed copy of this guarantee or a counterpart of it delivered by email, facsimile or other means of electronic or digital transmission or signature is deemed to have the same legal effect as delivery of an original signed copy of this guarantee.


7/6/2023

**IN WITNESS WHEREOF** each Guarantor has executed this guarantee as of the \_\_\_ day of June 2023.

**2846862 ONTARIO INC.**

Per:   
Name: Sajjad Hussain  
Title: President  
I have authority to bind the Corporation

This is Exhibit "M" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**JONATHAN KULATHUNGAM**

LRO # 51 Charge/Mortgage

Received as SC1792765 on 2021 06 15 at 16:01

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

yyyy mm dd Page 1 of 2

**Properties**

*PIN* 58238 - 0006 LT *Interest/Estate* Fee Simple  
*Description* PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND  
 FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE  
 MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW  
*Address* STAYNER

**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* 2846862 ONTARIO INC.  
*Address for Service* 50 Wilmot St.  
 Richmond Hill, Ontario  
 L4B 1M5

I, Sajjad Hussain A.S.O., have the authority to bind the corporation.

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

**Chargee(s)***Capacity**Share*

*Name* BELLWOOD, LOUIS HARVEY  
*Address for Service* 44 Parr Boulevard, Utopia, Ontario L0M 1T2

**Provisions**

*Principal* \$3,650,000.00 *Currency* CDN  
*Calculation Period* half-yearly not in advance  
*Balance Due Date* 2029/06/15  
*Interest Rate* see Additional Provisions  
*Payments*  
*Interest Adjustment Date* 2021 06 15  
*Payment Date* see Additional Provisions  
*First Payment Date* 2021 12 15  
*Last Payment Date* 2029 06 15  
*Standard Charge Terms* 200033  
*Insurance Amount* Full insurable value  
*Guarantor*

**Additional Provisions**

The interest rate is 3% per annum calculated half-yearly not in advance.

Provided the Chargor is not at any time in default in payments under this Charge, no interest shall be payable during the first six (6) years of the term. If the Chargor is in default at any time during the term of this Charge, then interest at the rate above shall be payable for the entire eight (8) year term of this Charge.

The Chargor shall make consecutive semi-annual payments of principal in the amount of \$228,125.00 commencing six (6) months after the Interest Adjustment Date together with semi-annual payments of interest after the expiry of the six (6) year interest free period.

This Charge shall become immediately due and payable in full together with accrued interest at the option of the Chargee if the Chargor sells, transfers or disposes of the Real Property during term.

This Charge shall be open for prepayment at any time without notice or bonus.

**Signed By**

Thomas Douglas Baulke 150 Hurontario St., PO Box 100 acting for Signed 2021 06 15  
 Collingwood Chargor(s)  
 L9Y 3Z4

Tel 705-445-4930

Fax 705-445-1871

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

LRO # 51 Charge/Mortgage

Received as SC1792765 on 2021 06 15 at 16:01

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

yyyy mm dd Page 2 of 2

**Submitted By**

BAULKE STAHR MCNABB LLP

150 Hurontario St., PO Box 100  
Collingwood  
L9Y 3Z4

2021 06 15

Tel 705-445-4930

Fax 705-445-1871

**Fees/Taxes/Payment**

Statutory Registration Fee \$65.30

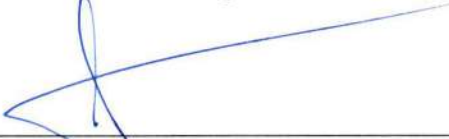
Total Paid \$65.30

**File Number**

Chargor Client File Number : 41276



This is Exhibit "N" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**JONATHAN KULATHUNGAM**

LAND  
REGISTRY  
OFFICE #51

58238-0008 (LT)

PAGE 1 OF 3  
PREPARED FOR Crystal  
ON 2023/12/22 AT 10:19:37

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

PROPERTY DESCRIPTION: PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2000/11/20

OWNERS' NAMES

SUNRISE ACQUISITIONS (STAYNER) INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/11/17 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/11/20 **</p>						
RO148675	1962/04/30	TRANSFER EASEMENT		*** DELETED AGAINST THIS PROPERTY ***	THE BELL TELEPHONE COMPANY OF CANADA	
		REMARKS: SKETCH ATTACHED.				
RO291428	1969/02/28	TRANSFER		*** DELETED AGAINST THIS PROPERTY ***	THEODORE HOLDINGS LTD.	
R744	1969/03/28	PLAN REFERENCE				C
RO294298	1969/04/03	ORDER				C
RO710705	1980/07/16	CHARGE		*** COMPLETELY DELETED ***	PACELLA, HENRY PACELLA, LEONARD	
RO710706	1980/07/16	CHARGE		*** COMPLETELY DELETED ***	DIBIASE, PASQUALE	
SC811535	2010/04/08	APL (GENERAL)		*** COMPLETELY DELETED ***		

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 #51

58238-0008 (LT)

PAGE 2 OF 3  
PREPARED FOR Crystal  
ON 2023/12/22 AT 10:19:37

\* 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
SC813724	2010/04/19	CHARGE R0710706 TRANSFER		THEODORE HOLDINGS LTD. *** COMPLETELY DELETED *** THEODORE HOLDINGS LTD.	BRIDLE PARK III INC.	
SC814441	2010/04/22	APL (GENERAL) REMARKS: PLANNING ACT STATEMENTS		*** COMPLETELY DELETED *** THEODORE HOLDINGS LTD.		
SC834880	2010/07/05	APL CH NAME OWNER REMARKS: DELETES RO710705		*** COMPLETELY DELETED *** BRIDLE PARK III INC.	CLEARVIEW PARK INC.	
SC1134873	2014/06/04	CHARGE		*** COMPLETELY DELETED *** CLEARVIEW PARK INC.	A2A CAPITAL MANAGEMENT (HONG KONG) LIMITED	
SC1800530	2021/07/05	DISCH OF CHARGE REMARKS: SC1134873.		*** COMPLETELY DELETED *** A2A CAPITAL MANAGEMENT (HONG KONG) LIMITED		
SC1800533	2021/07/05	TRANSFER REMARKS: PLANNING ACT STATEMENTS.	\$12,500,000	CLEARVIEW PARK INC.	SUNRISE ACQUISITIONS (STAYNER) INC.	C
SC1800534	2021/07/05	CHARGE	\$9,231,700	SUNRISE ACQUISITIONS (STAYNER) INC.	CLEARVIEW PARK INC.	C
SC1800535	2021/07/05	CHARGE		*** COMPLETELY DELETED *** SUNRISE ACQUISITIONS (STAYNER) INC.	DORR CAPITAL CORPORATION	
SC1800536	2021/07/05	NO ASSGN RENT GEN REMARKS: SC1800535.		*** COMPLETELY DELETED *** SUNRISE ACQUISITIONS (STAYNER) INC.	DORR CAPITAL CORPORATION	
SC1865759	2022/01/31	APL (GENERAL) REMARKS: DELETE S/T R0148675		*** COMPLETELY DELETED *** SUNRISE ACQUISITIONS (STAYNER) INC.		
SC1895340	2022/05/11	CHARGE	\$11,000,000	SUNRISE ACQUISITIONS (STAYNER) INC.	FIRM CAPITAL MORTGAGE FUND INC. BREXIT HOLDINGS INC. AFC MORTGAGE ADMINISTRATION INC.	C
SC1895341	2022/05/11	NO ASSGN RENT GEN		SUNRISE ACQUISITIONS (STAYNER) INC.	FIRM CAPITAL MORTGAGE FUND INC. BREXIT HOLDINGS INC.	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.  
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LAND  
REGISTRY  
OFFICE #51

58238-0008 (LT)

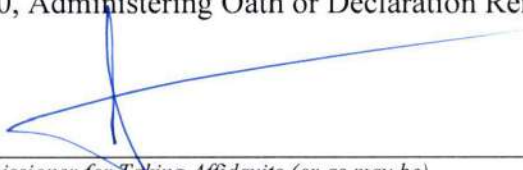
PAGE 3 OF 3  
PREPARED FOR Crystal  
ON 2023/12/22 AT 10:19:37

\* 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
		<i>REMARKS: SC1895340</i>			AFC MORTGAGE ADMINISTRATION INC.	
SC1895345	2022/05/11	POSTPONEMENT		CLEARVIEW PARK INC.	FIRM CAPITAL MORTGAGE FUND INC. BREXIT HOLDINGS INC. AFC MORTGAGE ADMINISTRATION INC.	C
		<i>REMARKS: SC1800534 TO SC1895340</i>				
SC1895428	2022/05/12	DISCH OF CHARGE		*** COMPLETELY DELETED *** DORR CAPITAL CORPORATION		
		<i>REMARKS: SC1800535.</i>				
SC1983741	2023/06/01	TRANSFER OF CHARGE		FIRM CAPITAL MORTGAGE FUND INC.	BREXIT HOLDINGS INC.	C
		<i>REMARKS: SC1895340.</i>				
SC2025531	2023/11/30	CONSTRUCTION LIEN	\$51,277	TATHAM ENGINEERING LIMITED		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.

This is Exhibit "O" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**JONATHAN KULATHUNGAM**

LAND  
REGISTRY  
OFFICE #51

58238-0006 (LT)

PAGE 1 OF 2  
PREPARED FOR Crystal  
ON 2023/10/17 AT 11:21:23

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

PROPERTY DESCRIPTION: PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW

PROPERTY REMARKS:

ESTATE/QUALIFIER:

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY:

FIRST CONVERSION FROM BOOK

PIN CREATION DATE:

2000/11/20

OWNERS' NAMES

2846862 ONTARIO INC.

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/CHKD
<p>** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2000/11/17 **</p> <p>**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:</p> <p>** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES * AND ESCHEATS OR FORFEITURE TO THE CROWN.</p> <p>** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.</p> <p>** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.</p> <p>**DATE OF CONVERSION TO LAND TITLES: 2000/11/20 **</p>						
RO144230	1962/01/05	TRANSFER EASEMENT			THE BELL TELEPHONE COMPANY OF CANADA	C
		REMARKS: SKETCH ATTACHED.				
RO294298	1969/04/03	ORDER				C
RO1413699	1999/06/18	TRANSFER		*** COMPLETELY DELETED ***	BELLWOOD, HARVEY JAMES BELLWOOD, FRANCES HELEN	
SC1271526	2015/12/21	TRANSMISSION-LAND		*** DELETED AGAINST THIS PROPERTY *** BELLWOOD, FRANCES HELEN BELLWOOD, HARVEY JAMES	BELLWOOD, LOUIS HARVEY	
SC1271528	2015/12/21	TRANS PERSONAL REP		*** COMPLETELY DELETED *** BELLWOOD, LOUIS HARVEY	BELLWOOD, LOUIS HARVEY	
SC1271530	2015/12/21	APL (GENERAL)		*** COMPLETELY DELETED *** BELLWOOD, LOUIS HARVEY		

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 #51

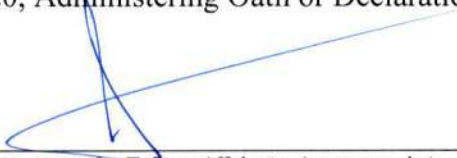
58238-0006 (LT)

PAGE 2 OF 2  
PREPARED FOR Crystal  
ON 2023/10/17 AT 11:21:23

\* 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: DELETES S/T DEBTS IN RO1413699				
SC1792763	2021/06/15	TRANSFER	\$5,000,000	BELLWOOD, LOUIS HARVEY	2846862 ONTARIO INC.	C
		REMARKS: PLANNING ACT STATEMENTS.				
SC1792764	2021/06/15	NOTICE OF LEASE		2846862 ONTARIO INC.	BELLWOOD, LOUIS HARVEY	C
SC1792765	2021/06/15	CHARGE	\$3,650,000	2846862 ONTARIO INC.	BELLWOOD, LOUIS HARVEY	C
SC1993386	2023/07/13	CHARGE	\$11,000,000	2846862 ONTARIO INC.	BREXIT HOLDINGS INC. AFC MORTGAGE ADMINISTRATION INC.	C
SC1993387	2023/07/13	NO ASSGN RENT GEN		2846862 ONTARIO INC.	BREXIT HOLDINGS INC. AFC MORTGAGE ADMINISTRATION INC.	C
		REMARKS: SC1993386				
SC1995368	2023/07/21	POSTPONEMENT		BELLWOOD, LOUIS HARVEY	BREXIT HOLDING INC. AFC MORTGAGE ADMINISTRATION INC.	C
		REMARKS: SC1792764 TO SC1993386				

This is Exhibit "P" referred to in the Affidavit of Matthew Castelli sworn by Matthew Castelli of the Township of King, in the Regional Municipality of York, before me at the City of Toronto, in the Province of Ontario, on December 22, 2023 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



---

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

**JONATHAN KULATHUNGAM**



**MORTGAGE INFORMATION STATEMENT**

TO: Brexit Holdings Inc. & AFC Mortgage Administration Inc.

AND TO: Schneider Ruggiero Spencer Milburn LLP

RE: 2846862 Ontario Inc. (the "Chargor") 1<sup>st</sup> mortgage ("VTB") to Louis Harvey Bellwood (The "Chargee")  
 299 Mowat Street North, Stayner Ontario, legally described as PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW, PIN 58238-0006 (LT) (The "Property")  
 Registered Instrument No. SC1792765

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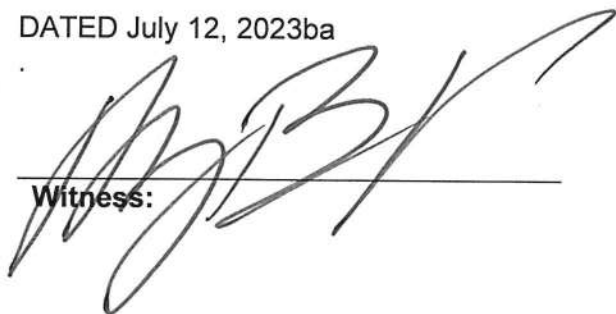
The undersigned, being the 1<sup>st</sup> Mortgagee on the above Property, hereby confirms that as of the date hereof, the Mortgage is in good standing, with all required payments made up to date, and the Mortgage particulars are as follows:

1. Principal Balance: \$2,865,625.00
2. Interest Rate: Interest free for the first six years
3. Payment Amounts: \$228,125.00 semi-annual
4. Payment Dates: June 15th and December 15th of every year
5. Balance Due Date: June 15, 2029

The undersigned acknowledges that addressees of this statement are relying on the truthfulness and accuracy of this information in connection with a new 2<sup>nd</sup> charge on the Property in favour of Brexit Holdings Inc. & AFC Mortgage Administration Inc. .

DATED July 12, 2023ba

Witness:



LOUIS HARVEY BELLWOOD



AFC MORTGAGE ADMINISTRATION INC. et al.  
Applicants

-and- SUNRISE ACQUISITION (STAYNER) INC. et al.  
Respondents

Court File No.

---

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**

PROCEEDING COMMENCED AT  
TORONTO

---

**AFFIDAVIT**

---

**TEPLITSKY LLP**

Barristers

70 Bond Street

Suite 200

Toronto ON M5B 1X3

Jonathan Kulathungam (42049N)

jkulathungam@teplitskylp.com

Nipuni Panamaldeniya (77106A)

npanama@teplitskylp.com

Tel: (416) 365-9320

Lawyers for the Applicants

3

Court File No. CV-23-00710361-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

B E T W E E N:

**AFC MORTGAGE ADMINISTRATION INC. and BREXIT HOLDINGS  
INC.**

Applicants

and

**SUNRISE ACQUISITION (STAYNER) INC. and 2846862 ONTARIO INC.**

Respondents

**AFFIDAVIT**

I, Kathy Ples, of the City of Brampton, in the Regional Municipality of Peel, MAKE

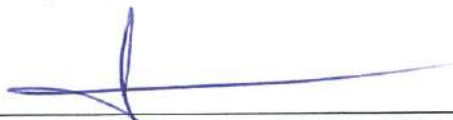
OATH AND SAY:

1. I am a legal assistant with the law firm of Teplitsky LLP, lawyers for the Applicants, and, as such, have knowledge of the matters contained in this Affidavit.
2. Attached hereto and marked as **Exhibit "A"** to this my affidavit is a true copy of the charge registered as Instrument No. SC1895340 which was registered on May 11, 2022 (**"Sunrise Charge"**).
3. Attached hereto and marked as **Exhibit "B"** to this my affidavit is a true copy of the postponement registered as Instrument No. SC1895345 on May 11, 2022 wherein the then existing first mortgage in favour of Clearview Park Inc. was postponed thereby making the Sunrise Charge have first priority.

-2-

4. Attached hereto and marked as **Exhibit "C"** to this my affidavit is a true copy of a construction lien registered as Instrument No. SC2025531 by Tatham Engineering Limited.
5. Attached hereto and marked as **Exhibit "D"** to this my affidavit is a true copy of the charge registered as Instrument No. SC1993386 on July 13, 2023 as it relates to the property municipally known as 299 Mowat Street, Stayner, Ontario ("**Mowat Property**").
6. Attached hereto and marked as **Exhibit "E"** to this my affidavit is a true copy of the first mortgage registered on title as Instrument No. SC1792765 on June 15, 2021 in favour of Louis Harvey Bellwood, as it relates to the Mowat Property.
7. Attached hereto and marked as **Exhibit "F"** to this my affidavit is a true copy of a Notice of Sale dated November 16, 2023 sent by Louis Harvey Belwood as it relates to the Bellwood Mortgage.
8. I swear this affidavit for the within motion and for no wrongful or improper purpose.

**SWORN BEFORE ME** at the City of  
Brampton, in the Province of Ontario on  
January 11, 2024.



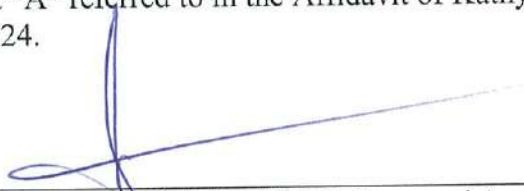
Commissioner for Taking Affidavits  
(or as may be)

**JONATHAN KULATHUNGAM**



**KATHY PLES**

This is Exhibit "A" referred to in the Affidavit of Kathy Ples sworn  
January 11, 2024.



---

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

**JONATHAN KULATHUNGAM**

LRO # 51 Charge/Mortgage

Received as SC1895340 on 2022 05 11 at 16:46

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

yyyy mm dd Page 1 of 32

**Properties**

**PIN** 58238 - 0008 LT *Interest/Estate* Fee Simple  
**Description** PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405  
 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW  
**Address** 1192 SIMCOE COUNTY ROAD 7  
 STAYNER

**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** SUNRISE ACQUISITIONS (STAYNER) INC.  
**Address for Service** 50 West Wilmot Street, Suite 100  
 Richmond Hill, Ontario L4B 1M51

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.

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
<b>Name</b> FIRM CAPITAL MORTGAGE FUND INC. <b>Address for Service</b> 163 Cartwright Avenue Toronto, Ontario, M6A 1V5	Tenants In Common	54.545%
<b>Name</b> BREXIT HOLDINGS INC. <b>Address for Service</b> 105B Wlmges Road Woodbridge, Ontario, L4L 6C2	Tenants In Common	45.445%
<b>Name</b> AFC MORTGAGE ADMINISTRATION INC. <b>Address for Service</b> 2010 Winston Park Drive, 2nd Floor Oakville, Ontario, L6H 6P5	Tenants In Common	0.01%

**Statements**

Schedule: See Schedules

**Provisions**

**Principal** \$11,000,000.00 *Currency* CDN  
**Calculation Period** Monthly, Not in Advance  
**Balance Due Date** June 1, 2023  
**Interest Rate** See Schedule  
**Payments**  
**Interest Adjustment Date** 2022 05 01  
**Payment Date** First of Every month  
**First Payment Date** 2022 07 01  
**Last Payment Date** 2023 06 01  
**Standard Charge Terms** 200033  
**Insurance Amount** Full insurable value  
**Guarantor** Muzammit Kodwavi & Sajjad Hussain.

**Additional Provisions**

The share of Firm Capital Mortgage Fund Inc. in this Charge shall have priority over the shares of Brexit Holdings Inc. and AFC Mortgage Administration Inc. (collectively, the "Subordinate Lender") in this Charge and in any other security provided by the Chargor to the Chargees. The Firm Capital Mortgage Fund Inc. share shall, in this Charge, rank as a prior encumbrance over the Subordinate Lenders share in the within Charge, as if there had been two mortgages registered on title with the Firm Capital Mortgage Fund Inc. share having been registered as a first charge and the Subordinate Lenders share having been registered as a second charge.

**Signed By**

Jonathan Adam Rajzman

100 Mural Street, Suite 203  
Richmond Hill  
L4B 1J3acting for  
Chargor(s)

Signed 2022 05 11

Tel 416-766-1135

Fax 416-769-5365

LRO # 51 Charge/Mortgage

Received as SC1895340 on 2022 05 11 at 16:46

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

yyyy mm dd Page 2 of 32

**Signed By**

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

**Submitted By**

ISAAC SINGER

100 Mural Street, Suite 203  
Richmond Hill  
L4B 1J3

2022 05 11

Tel 416-766-1135

Fax 416-769-5365

**Fees/Taxes/Payment**

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

**File Number**

Chargee Client File Number : 22-6237



THIS IS A SCHEDULE TO A CHARGE/MORTGAGE between SUNRISE ACQUISITIONS (STAYNER) INC. as Chargor (the "Chargor") and BREXIT HOLDINGS INC., FIRM CAPITAL MORTGAGE FUND INC. & AFC MORTGAGE ADMINISTRATION INC. as Chargee (collectively, the "Chargee")

#### ADDITIONAL PAYMENT PROVISIONS

- (a) FOR THE PURPOSES hereof, "prime rate" shall mean the annual rate of interest charged from time to time by the Main Branch in Toronto of The Toronto-Dominion Bank (the "Bank") for demand loans in Canadian dollars to its most creditworthy commercial borrowers. In the event that at any time the Bank has in effect more than one such prime rate, then the highest rate shall be used. Should the Bank, during the term hereof, abolish or abandon the practice of publishing or issuing a prime rate, then the prime rate used for the balance of the term of this Charge shall be that rate then in effect at the Bank which most effectively meets with initial definition of prime rate.
- (b) PROVIDED this Charge shall be void upon payment of up to **ELEVEN MILLION DOLLARS (\$11,000,000.00)** of lawful money of Canada with interest thereon at a rate equal to the greater of (a) 10.99% per annum; or (b) 8.29% per annum above the prime rate; with such interest to be calculated daily and compounded and payable monthly as herein set forth, as well after as before maturity and both before and after default as follows:
- (c) the whole of the said principal sum of up to **ELEVEN MILLION DOLLARS (\$11,000,000.00)** then outstanding shall become due and payable on June 1, 2023 and interest at the said rate compounded and calculated as aforesaid, as well after as before maturity and both before and after default on such portion of the principal as remains from time to time unpaid on the 1<sup>st</sup> day of each and every month during the term until the principal is fully paid; the first payment of interest is to be computed from the date of advance of funds hereunder, upon the principal sum so advanced, to become due and payable on July 1, 2022.
- (d) PROVIDED that if and whenever the prime rate is varied by the Bank, the interest rate hereunder shall be varied, so that at all times the interest rate hereunder, if calculated based on the prime rate, shall be 8.29% per annum above the prime rate then in effect.
- (e) IN THE EVENT that it may be necessary at any time for the Chargee to prove the prime rate applicable at any time or times, it is agreed that the certificate in writing of the Chargee setting forth the prime rate as at any time or times, shall be deemed to be conclusive evidence thereof for all purposes hereof.

The Chargor acknowledges that the prime rate as hereinbefore defined on a per annum basis was 3.20% on April 27, 2022.

#### ADDITIONAL PROVISIONS

##### DEFINITIONS

As used herein the following words or terms have the following respective meanings unless there is something in the context or the subject matter inconsistent therewith.

"Applicable Laws" means, in respect of any person, property, transaction or event, all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, orders, permits, licenses, authorization, approvals and all applicable common laws or equitable principles whether now or hereafter in force and effect.

"Charge" means, collectively, the electronic Charge/Mortgage to which the Schedule is attached, the Schedule and all other Schedules and Appendices to the Charge/Mortgage or to the Schedule and shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto or thereof from time to time.

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**“Charged Property”** means all legal and beneficial right, title, estate and interest in (a) the land described in the Properties section of the electronic Charge/Mortgage to which the Schedule is attached, and any schedule to the Charge, together with any greater estate therein as hereafter may be acquired by the Chargor (collectively, the **“Lands”**), (b) all buildings, structures and other improvements, now or hereafter situated, placed or constructed upon the Lands from time to time (the **“Improvements”**), (c) all fixtures, materials, supplies, machinery, equipment, apparatus and other items or personal property now owned or hereafter acquired by the Chargor and now or hereafter attached to, installed in or used in connection with any of the Improvements or the Lands, including without limitation, water, gas, electrical, heating, cooling, ventilation, storm and sanitary sewer fixtures, equipment and facilities and all other utilities whether or not situated in easements (the **“Fixtures”**), (d) all plans, specifications, shop drawings and other technical descriptions prepared for construction, repair or alteration of the Improvements, and all amendments and modifications thereof (the **“Plans”**), (e) all leases, subleases, licenses, concessions, occupancy agreements, rental contracts, or other agreements (written or oral) now or hereafter existing relating to the use or occupancy of all or any part of the Lands and the Improvements, together with all guarantees, letters of credit and other credit support, modifications, extensions and renewals thereof and all related security and other deposits (the **“Leases”**), (f) all rents, revenues, issues, income, proceeds, profits, and all other payments of any kind under the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying all or any part of the Lands and the Improvements (the **“Rents”**), (g) all other agreements, including without limitation property management agreements, construction contracts, architects’ agreements, engineers’ contracts, utility contracts, maintenance agreements, franchise agreements, service contracts, permits, licences, certificates and entitlements in any way relating to the development, construction, use, occupancy, operation, maintenance, enjoyment, acquisition or ownership of the Charged Property (collectively, the **“Property Agreements”**), (h) all rights, privileges, tenements, rights-of-way, easements, appendages and appurtenances appertaining to the foregoing, all accessions, replacements and substitutions for any of the foregoing and all proceeds thereof, (i) all insurance policies, unearned premiums therefore and proceeds from such policies covering any of the above Charged Property now or hereafter acquired by the Chargor, (j) all of the Chargor’s right, title and interest in and to any awards, remunerations, reimbursements, settlements or compensation heretofore made or hereafter to be made by any governmental authority pertaining to the Lands, Improvements or Fixtures and (k) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and proceeds to, of or from each of the foregoing, and all conversions of the security constituted thereby so that the foregoing shall immediately and automatically be deemed a part of the Charged Property and subject to the security of the Charge as fully and completely and with the same priority and effect as those now owned by the Chargor and specifically described herein, without any further mortgage or assignment or conveyance by the Chargor. As used in this Charge, the term **“Charged Property”** shall mean all or, where the context permits or requires, any portion of the above or any interest therein.

**“Chargee”** means the Person or Persons named as Chargee in the Chargee(s) section of the electronic Charge/Mortgage to which this Schedule is attached and their respective successors and assigns.

**“Chargor”** means the Person or Persons named as Chargor in the Chargor(s) section of the electronic Charge/Mortgage to which the Schedule is attached and their respective heirs, executors, administrators, legal representatives, successors and permitted assigns.

**“Commitment”** means the Commitment Letter dated April 12, 2022 issued by Ambros Financial Corporation to the Chargor and assigned by Ambros Financial Corporation to the Chargee, and shall include all amendments, addenda, modifications, extensions, renewals, restatements, supplements or replacements thereto or thereof from time to time.

**“Costs”** means all fees, costs, charges and expenses incurred by or on behalf of the Chargee and/or the Servicer for or incidental to (a) preparing, executing and registering the Security Documents, renewals thereof and any amendments thereto (b) collecting payments due to the Chargee and/or the Servicer hereunder, the Commitment or under the Security Documents, (c) enforcing and realizing on this Charge and the other Security Documents, including power of sale, foreclosure, execution, judicial sale, court appointed or private receivership, possession and/or management of the Charged Property and other enforcement proceedings, and including

without limiting the generality of the foregoing, all fees, costs, charges and expenses incurred in connection with the sale or attempted sale of the Charged Property, including real estate commissions, auctioneer's fees, termination fees, stalking-horse fees, cancellation of listing agreement fees and all other like or incidental fees, (d) inspecting, protecting, securing, completing, insuring, repairing, equipping, taking and keeping possession of, managing, selling or leasing the Charged Property, including all protective disbursements and curing any defaults under or renewing any leasehold interests, (e) exercising any rights of a receiver appointed under this Charge or otherwise and such receiver's fees and expenses (including all legal fees and disbursements and agent's costs and expenses), (f) obtaining any environmental audits or other inspections, tests or reports with respect to the Charged Property, (g) complying with any notices, orders, judgments, directives, permits, licences, authorizations or approvals with respect to the Charged Property, (h) performing the obligations of the Chargor under the Security Documents, (i) all legal fees and disbursements in connection with the Indebtedness, on a substantial indemnity basis, and (j) any other fees, costs, charges or expenses including, renewal fees, forbearance fees, the Administration Fees and servicing fees, including all costs and expenses of the Servicer, payable to the Chargee and/or the Servicer hereunder, under the Commitment or under any of the Security Documents or otherwise at law or in equity. "Costs" will also include all other fees, costs, charges and expenses that are referred to elsewhere in this Charge or in any of the other Security Documents and interest at the interest rate chargeable herein on all such fees, costs, charges and expenses.

**"Covenantor(s)"** means any one of the Chargor, Muzammil Kodwavi, Sajjad Hussain or any other guarantor, joint debtor, indemnifier, beneficial owner or other obligor of or in respect of the Loan, the Indebtedness or the Charged Property.

**"Indebtedness"** means all existing and future indebtedness, other covenants and obligations and liabilities owing or made by the Chargor to the Chargee and/or the Servicer from time to time pursuant to the Commitment, hereunder, from time to time, or under the Security Documents, matured or not, direct or indirect, absolute or contingent, including, (a) the amounts advanced hereunder, from time to time, on account of principal, (b) all interest due hereunder including, compound interest (c) Costs, (d) any amount, cost, charge, expense or interest which has been added to the Indebtedness hereunder or pursuant to the Security Documents or which are otherwise due and payable thereunder, and (e) payment performance and discharge and satisfaction of all obligations of the Chargor to the Chargee and/or the Servicer under the Security Documents or otherwise under and in respect of the Loan or the Indebtedness.

**"Lien"** means any mortgage, charge, pledge, hypothec, assignment, lien, lease, sublease, easement, right of way, security interest, restrictions, covenants or encumbrances of any kind or nature affecting all or any part of the Charged Property.

**"Loan"** means the loan made by the Chargee to the Chargor pursuant to the Commitment in the original principal amount of up to \$15,000,000.00 and all other amounts secured by this Charge and the other Security Documents.

**"Permitted Encumbrances"** means, as of any particular time, (i) any registered easements, rights of way, restrictive covenants and servitudes and other similar rights in land granted to, reserved or taken by any governmental authority or public utility relating to the Charged Property, (ii) any registered subdivision, development, servicing, site plan or other similar agreement with any governmental authority or public utility relating to the Charged Property, and (iii) any other encumbrances relating to the Charged Property previously consented to by the Chargee in its sole and subjective discretion, provided in each case that:

- (a) the Chargee is satisfied in its sole and subjective discretion that the same do not materially impair the value or marketability of the Charged Property;
- (b) the same does not materially affect the validity, enforceability, or priority of this Charge; and
- (c) the same has been complied with in full.

**"Person"** means and is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political

subdivision thereof, or any agency or department of any such government, and the estate trustees or other legal representatives of an individual in such capacity.

**“Security Documents”** means collectively, all documents, instruments, agreement, guarantees and opinions now or hereafter evidencing, securing, guaranteeing and or relating to the Loan and the Indebtedness or any part thereof, including, without limitation, the Commitment, the Charge, the Assignment of Rents, the General Security Agreement, the Guarantee(s), the Assignment of Interest Reserve, the Environmental Indemnity, the Assignment of Insurance, and all certificates, declarations, undertakings, documents and writings provided or as required which are incidental to any of the foregoing and any other instrument or agreement provided and shall include all amendments, modifications, extensions, renewals, restatements, or replacements thereto or thereof from time to time.

**“Servicer”** means AFC Mortgage Administration Inc., or such other Person appointed by the Chargee as the servicer to administer and service the Loan and the within Charge from time to time.

### COMPOUND INTEREST

If the Chargor defaults in any payment of interest, or other payment due pursuant to this Charge, compound interest at the interest rate chargeable hereunder will accrue and be payable on the sum in arrears (including all arrears of interest) from time to time, both before and after default, demand, maturity and judgment until paid and shall be paid forthwith. If the arrears and the compound interest are not paid within the interest calculation period provided for herein from the time of default, a rest will be made and compound interest at the interest rate chargeable hereunder will be payable on the aggregate amount then due, both before and after maturity, default and judgment, and so on from time to time until paid. All such compound interest shall be added to the Indebtedness and shall be secured by this Charge.

### APPLICATION OF PAYMENTS

Prior to an Event of Default, all payments received by the Chargee on account of the Indebtedness shall be applied as follows, regardless of any other designation of such payments as principal, interest or other charges: first, to the repayment of sums advanced by the Chargee pursuant to this Charge or any of the other Security Documents for any reason (other than the principal amount), including sums advanced to pay realty taxes, Costs, insurance premiums or other charges against the Charged Property (together with interest thereon at the interest rate chargeable hereunder from the date of advance until paid), then to the payment of accrued but unpaid interest which is then due and payable, and finally, to reduction of the principal amount. Notwithstanding the foregoing, from and after an Event of Default, all payments received by the Chargee pursuant to the Loan shall be applied by the Chargee to principal, interest and such other charges due hereunder or under the other Security Documents in such order as the Chargee shall determine in its sole discretion.

### ADVANCES AND COSTS

Neither the preparation, execution nor registration of this Charge or the other Security Documents shall bind the Chargee to advance all or any part of the Loan. The Chargor covenants to pay all Costs to the Chargee forthwith on demand whether or not all or any part of the Loan is advanced. Until paid, all Costs together with interest thereon at the interest rate chargeable hereunder shall be added to the Indebtedness and secured by this Charge.

### PROOF OF OUTSTANDING AMOUNTS

The records maintained by the Chargee of the amounts of the Loan advanced to the Chargor and secured by this Charge, the amount of advances of the Loan which are outstanding and the amount of interest and other fees and Costs payable or secured under this Charge shall constitute prima facie proof thereof in any legal proceedings or action in respect of the Loan or this Charge.

### FEEs AND COSTS

<b>NSF / MISSED PAYMENT</b>	Minimum:	<b>\$2,000.00</b>
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As per the amount in the Commitment Letter.

- 2. PAYMENT PROCESSING FEE**      **\$60.00** (payable for manually processing a payment from a borrower's pre-authorized bank account, arranging the processing of any payment on any date other than the schedule payment date or administering a stop payment)
- 3. INSURANCE:**  
 -Insurance Administration Default Fee: **\$500.00** (for cancelled or expired Insurance)  
 -Insurance Placement Fee: **\$500.00** (This fee is in addition to the Insurance Premium)
- 4. PROPERTY TAX**  
 - Tax Default Fee: **\$1,000.00** per tax status inquiry. (The Chargor shall provide the Chargee with proof of payment in full of the annual tax bill by December 31, each year, failing which the Chargor shall pay to the Chargee the sum of One Thousand Dollars (\$1,000.00) as a liquidated amount and not as a penalty.)  
 - Tax Account Administration Fee: **\$275.00** per annum  
 - Property Tax Status Inquiry Fee: **\$350.00** (payable for the handling of tax inquiries, preparation of related documentation and investigating the status of tax payments)
- 5. MORTGAGE STATEMENTS**  
 - Statement for Information Purposes Fee: **\$260.00** per Statement  
 - Discharge Fee: **\$1,000.00** per unit or as per the amount in the Commitment Letter  
 - Statement & Administration Fee: **\$1,000.00** per Statement  
 - Duplicate Loan Statement Fee: **\$250.00** (payable for the preparation of each duplicate year-end mortgage loan statement)
- 6. DEFAULT PROCEEDINGS FEE**      **\$1,500.00** (payable per event or per preparation of a mortgage file for legal action and/or enforcement)
- 7. POWER OF SALE ENFORCEMENT ADMINISTRATION FEE**
- |  |                   |               |
|--|-------------------|---------------|
| a. Notice of Sale                                  | <b>\$1,750.00</b> |               |
| b. Statement of Claim                              | <b>\$2,000.00</b> |               |
| c. Judgement                                       | <b>\$1,250.00</b> | per judgement |
| d. Writ of Possession/Eviction                     | <b>\$1,250.00</b> |               |
| e. Court Motion Material Review Administration Fee | <b>\$750.00</b>   | per motion    |
- 8. ADMINISTRATION ADVANCE FEES:**  
**TERM LOAN**      **\$500.00** per advance
- CONSTRUCTION**
- Construction Loan for 1 Unit:  
**\$500.00** per advance  
 Construction Loan for 2-4 Units:  
**\$775.00** per advance  
 Construction Loan for 5 or more Units:  
**\$1,250.00** per advance
- 9. CONSTRUCTION MONITORING DRAW FEE**      **\$700.00** (if monitored by FCC, and a draw done without a monitor calculations)
- 10. LOAN MAINTENANCE FEE**      **\$450.00** charged per annum

11. **BANK WIRE TRANSFER FEE**      **\$100.00** per wire
12. **MISCELLANEOUS DOCUMENT EXECUTION**      Subdivision Plans, non-disturbance agreements or other documents required  
**\$350.00** per occurrence
13. **COPY OF SURVEY**      **\$250.00**
14. **COURIER FEE**      **\$60.00** plus HST
15. **LONG DISTANCE CHARGES**      **\$20.00** (minimum) per call
16. **REVIEW ADMINISTRATION FEE**      **\$500.00** (for the review of each land title document, postponement, certificate, confirmation, or similar document required to be issued or executed at the Chargor's request)
17. **PPSA RENEWAL FEE**      **\$100.00** per PPSA registration, plus the cost of the preparation and registration of the PPSA renewal.
18. **ADMINISTRATION SET UP FEE**      For all Loans over **\$3 million: \$1,000.00**
19. **REGULATORY FEES**      **\$200.00** fee payable to the Financial Services Regulatory Authority of Ontario.
20. **PIN MONITORING FEE:**      **\$70.00** for each separate property provided as security for the Loan, and an additional fee of **\$25.00** shall be due on each anniversary date of the interest adjustment date for each separate property provided as security for the Loan.
21. **ENFORCEMENT FEE:**      If there is a default hereunder or under any of the Security Documents and the Chargee commences enforcement proceedings in respect of the within Charge or any of the Security Documents then the Chargor shall pay the Chargee hereunder a fee equal to 3% of the principal amount of the Loan then outstanding which a genuine pre-estimate of the value of the services performed for same and are not a penalty or additional interest on the Loan secured by this Charge which services include dealing with professional advisors, appraisers, engineers, occupants, building inspector, checking property taxes and insurance, maintenance and repairs, Liens or other matters usually dealt with by managers of like Lands, which amount is deemed not to be a penalty.
22. **SITE VISIT FEE**      **\$150** per site visit  
(collectively, the "Administration Fees")

The Chargor acknowledges and agrees that the service fees and/or Administration Fees and Costs provided for herein are a genuine pre-estimate of the value of the services performed for same and are not a penalty or additional interest on the Loan secured by this Charge.

The Covenantor(s) agree that should the Chargee herein be a trustee for beneficiaries, the Covenantor(s) shall have no claims against the beneficial owners of the Charge.

#### PRIVACY PROVISIONS

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- (a) The Chargor hereby irrevocably consents to the Chargee releasing and disclosing to any other parties, their authorized agents and solicitors requesting the same, any and all information, whether confidential or not, in its possession regarding the Charged Property or the within Loan including, without limitation, details of the Loan balance, the terms of this Charge, defaults hereunder (existing or prior) and like matters.
- (b) The Chargor hereby confirms and agrees that the release and disclosure of any such information by the Chargee constitutes the release and disclosure of such information with the full knowledge and consent of the Chargor within the meaning of the Personal Information Protection and Electronic Documentation Act (Canada), as amended.
- (c) The Chargor hereby releases the Chargee from any and all liabilities, damages, suits, actions, claims, monies and costs arising from (i) the release and disclosure of any such information by the Chargee, and (ii) any breach of the provisions of any applicable laws, including the Personal Information Protection and Electronic Documentation Act (Canada), as amended, provided that the Chargee has acted in accordance with the consent and direction received from the Chargor.

#### **CROSS DEFAULT**

The occurrence of an Event of Default under the provisions of this Charge, under any of the other Security Documents or under the Commitment or pursuant to any other charge or Security Documents between the Chargor and the Chargee, including any document pursuant to which the Chargor is a guarantor, or any default by the Chargor under any lease which is not cured within any applicable cure period, shall be deemed to be an Event of Default hereunder and under all the Security Documents and shall entitle the Chargee to pursue its remedies under any or all of the Security Documents.

#### **NON-MERGER**

Notwithstanding the registration of this Charge and the advance of funds hereunder, the terms and provisions of the Commitment shall remain binding and effective upon the parties. It is understood and agreed that any default under the said Commitment shall be deemed a default under this Charge. In the event of any inconsistency, discrepancy or conflict between the terms of the Charge and the terms of the Commitment, the Chargee may, in its sole discretion, determine which shall prevail. The Chargor acknowledges that the terms and provisions of the Commitment are not exhaustive. The Chargor acknowledges that any provisions contained herein or in any of the other Security Documents which are not dealt with in the Commitment or which expand and elaborate on provisions in the Commitment shall be deemed not to be an inconsistency or in conflict with the provisions of the Commitment.

#### **PAYMENTS**

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, as well as the payment of all costs and any other amounts that are outstanding under this Charge. All payments hereunder shall be made payable to:

AFC MORTGAGE ADMINISTRATION INC.  
at: 2010 Winston Park Drive, 2nd Floor  
Oakville, Ontario, L6H 6P5

or such other place as the Chargor is notified of from time to time. All payments received after 1:00 p.m. shall be deemed to have been received on the following business day. The loan secured herein and the amounts payable by the Chargor hereunder is due and payable on the dates set out in the Charge and shall be made without any deduction, set-off or counterclaim by the Chargor for any reason whatsoever.

The Chargor acknowledges and agrees that any payments made to discharge the said Charge to the Chargee's Solicitors or any other authorized agents of the Chargee shall not be deemed to constitute payment received by the Chargee until the same is received by the Chargee at its offices as set out above.

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## SERVICER

The Chargor acknowledges and agrees that the Chargee may retain the services of the Servicer to administer and service the Loan and the within Charge, including, without limitation, collection of all monies due hereunder from time to time and receipt of all reports, notices and other documentation required to be provided by the Chargor and the Chargor agrees to comply promptly with any request or notice given by the Servicer in accordance with this Charge and any of the Security Documents.

## ENVIRONMENTAL

The Chargee or agent of the Chargee may, at any time after default, and for any purpose deemed necessary by the Chargee, enter upon the Lands to inspect the Lands and Improvements thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the Lands to conduct any environmental testing, site assessment, investigation or study deemed necessary by the Chargee and the reasonable cost of such testing, assessment, investigation or study, as the case may be, with interest at the rate charged herein for the Loan, shall be payable by the Chargor forthwith and shall be a charge upon the Lands. 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 Lands and Improvements.

In consideration of the advance of funds by the Chargee, the Chargor hereby agrees that, in addition to any liability imposed on the Chargor under any instrument evidencing or securing the Indebtedness, the Chargor 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 Lands of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the Indebtedness and any other existing obligations of the Chargor to the Chargee in respect of the Indebtedness and any other exercise by the Chargee of any remedies available to them of any default under the Charge.

The Chargor hereby represents and warrants that neither the Chargor, nor, to their knowledge, any other person, has ever caused or permitted any Hazardous Material (as hereinafter defined) to be placed, held, located or disposed of on, under or at the Lands and that its business and assets are operated in compliance with applicable laws intended to protect the environment (including, without limitation, laws respecting the discharge, emission, spill or disposal of any Hazardous Materials) and that no enforcement actions in respect thereof are threatened or pending and covenants to cause any person permitted by the Chargor to use or occupy the Lands or any part thereof to continue to so operate.

The Chargor hereby indemnifies the Chargee, its officers, directors, employees, agents and its shareholders and agrees to hold each of them harmless from and against any and all losses, liabilities, damages, costs, expenses and claims of any and every kind whatsoever which at any time or from time to time may be paid, incurred or asserted against any of them for, with respect to, or as direct result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into any land, the atmosphere, or any watercourse, body of water or wetland, of any Hazardous Material where it has been proven that the source of the Hazardous Material is the Lands, including, without limitation: (i) the costs of defending any/or counter-claiming over against third parties in respect of any action or matter; and (ii) any cost, liability or damage arising out of a settlement of any action entered into by the Chargee; and the provisions of and undertakings and indemnification set out in this Section shall survive the satisfaction and release of the Security Documents and payment and satisfaction of the Indebtedness and liability of the Chargor to the Chargee pursuant to this Charge and any of the other Security Documents. The indemnity contained herein in favour of the Chargee shall enure to the benefit of the Chargee's successors and assigns of the Loan and the Security Documents. For the purposes of this Section "Hazardous Material" means any contaminant or pollutant or any substance that when released in the natural environment is likely to cause at some immediate or future time, material harm or degradation to the natural environment or material risk to human health and without restricting the generality of the foregoing, hazardous waste or dangerous goods as defined by applicable federal, provincial or municipal laws for the protection of the natural environment or human health.

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The indemnity contained herein shall survive the repayment of the Indebtedness and shall continue in full force and effect so long as the possibility of any such liability, claim or loss exists.

#### **CONFLICT/AMBIGUITY**

Where conflict or ambiguity exists or arises between any one or more of the provisions contained in this Schedule and any one or more of the provisions contained in the standard charge terms, the provisions contained in this Schedule shall, to the extent of such conflict or ambiguity, be deemed to govern and prevail.

#### **COMPLIANCE WITH APPLICABLE LAWS**

The Chargor has and is presently complying with its obligations and will continue to comply with its obligations, to make payment of all taxes, deductions, withholdings and remissions to the Province of Ontario and the Government of Canada (collectively, the "**Governmental Authorities**") under the *Income Tax Act*, Canada, the *Excise Tax Act*, Canada, the *Canada Pension Act*, Canada, the *Employment Insurance Act*, Canada, the *Retail Sales Tax Act*, Ontario, the *Fuel Tax Act*, Ontario, the *Tobacco Tax Act*, Ontario, the *Development Charges Act*, Ontario, the *Workplace Safety and Insurance Act*, Ontario and any other Applicable Laws, whether provincial or federal, as any one or more of them may be amended from time to time, the default of which would form the basis of a super priority claim by any of such governmental authorities under such Applicable Laws over the Indebtedness and the priority of the Security Documents.

#### **MANAGEMENT FEE**

In the event that the Chargee collects any payments of Rent due to the Chargor's default or takes possession of the Lands, the Chargee shall be entitled a management fee equal to six (6%) of the amount of the Indebtedness at the time of an Event of Default, plus HST, it being understood for greater certainty that the Chargor and Chargee have agreed that in the circumstances the management fee is a just and equitable fee having regard to the circumstances. The Chargor acknowledges and agrees that the said management fee is a genuine pre-estimate of the value of the services performed for same and are not a penalty or additional interest on the Loan secured by this Charge, including professional advisors, appraisers, engineers, occupants, building inspectors, checking property taxes and insurance, maintenance and repairs, Liens or other matters usually dealt with by managers of like Lands, which amount is a genuine pre-estimate of the value of the services performed for same and are not a penalty or additional interest on the Loan secured by this Charge .

If, as a result of the occurrence of an Event of Default, if the Chargee repays any prior Lien, the Chargee shall be entitled to an additional Administration Fee of six (6%) of the amount of the Indebtedness at the time of repayment of the Lien, plus HST, which amount is a genuine pre-estimate of the value of the services performed for same and are not a penalty or additional interest on the Loan secured by this Charge.

#### **SUBSEQUENT ENCUMBRANCES**

In the event of the Chargor further encumbering the Lands including without limitation entering into, incurring, assuming or suffering to exist any lease, or easement without the prior written consent of the Chargee, such further encumbering shall constitute a default under this Charge and in such event, at the sole option of the Chargee, the Indebtedness owing under the within Charge shall immediately become due and payable.

#### **PAYMENT OF OTHER CHARGES AND PERFORMANCE OF OTHER OBLIGATIONS BY THE CHARGEЕ**

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 Liens and agreements registered against the title to the Charged Property in good standing in accordance with their terms, comply with all Applicable Laws, including zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of

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compliance, outstanding permits, or judgements, 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, the Security Documents and at law including the right to accelerate the Indebtedness. Waiver or indulgences granted by a prior encumbrancer shall not prevent non-payment from being a default under this Charge.

In addition, at the Chargee's sole option, the Chargor hereby agrees that the Chargee may satisfy any charge, Lien, any matter raised in the previous paragraph or other encumbrance now or hereafter existing or to arise or be claimed upon the Charged Property and the Chargee may also expend monies in order to cure any default, hereunder, under any Lien, a Permitted Encumbrance or any matter set forth in the previous paragraph respecting the Charged Property or any part thereof, and the amounts so paid together with all costs associated therewith, and any Administration Fees shall be added to the Indebtedness 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 Indebtedness, shall become payable at the option of the Chargee and the remedies hereby given, under the Security Documents and available at law may be exercised forthwith without notice. In the event of the Chargee satisfying any such charge or claim, or expending such monies in order to cure a Lien default, 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, assignment of charge, unregistered or assignment of lease, until paid.

#### **BANKRUPTCY AND INSOLVENCY**

THE CHARGOR acknowledges and agrees that any and all Costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the *Companies' Creditors Arrangement Act*, R.S., c.C-25, s.1 (the "CCAA"), the *Bankruptcy and Insolvency Act*, R.S., 1985, c.B-3, s.1, 1992, c.27, s.2 (the "BIA") or any other statute shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such Costs, including any costs of its personnel and outside professionals, including legal counsel, in administering and addressing any requirements of the said Act and to add the same to the Indebtedness owing pursuant hereto and the same shall be secured hereunder and under any and all security held by the Chargee for the Indebtedness owing to the Chargee in the same manner and in the same priority as the principal secured hereunder.

#### **REORGANIZATION PROCEEDINGS**

The Chargor represents and warrants that the Charged Property is of such a unique nature that, in the event the Chargor sought to reorganize its affairs under any of the laws of Canada (or any province) which provides the ability of a debtor to reorganize its affairs with its creditors (including, without limitation, under the CCAA, the BIA or any other statute) or pursuant to which it sought protection from its creditors, the Chargee would not have a sufficient commonality of interests with any other creditor of the Chargor such that the Chargee would be required to vote on any reorganization, arrangement, compromise or other transaction in a class with any other creditors of the Chargor and, in that regard, covenants and agrees that the Chargee will be treated in its own exclusive class of creditors for such purpose. Without limiting the generality of the foregoing, the Chargor covenants and agrees that:

- a) it will give the Chargee not less than ten (10) days written notice prior to the commencement of any proceedings under any of the CCAA, the BIA or any other similar or analogous legislation (such proceedings being referred to as "Reorganization Proceedings");
- b) in no circumstances will the Chargor seek, suffer or permit the right of the Chargee to be stayed or otherwise affected in any Reorganization Proceedings;
- c) in the event that Reorganization Proceedings are commenced, the Chargor will consent to an order directing that all rents or other revenues generated or received in respect of the Charged Property will forthwith be deposited into a segregated trust account under the sole control of the Chargee and that same shall not constitute the Chargee to be a Chargee in possession of or in control or management of the Charged Property or result in an

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acceleration of the Indebtedness hereunder unless so designated by the Chargee at its sole option; and

in the event of a Reorganization Proceeding: (i) the Chargor will not oppose any steps taken by the Chargee to seek an Order lifting any stay of proceedings that may be imposed; (ii) will not seek to prime the Chargee through any debtor in possession financing, receiver charge or any court-ordered charges; and (iii) will not seek to have the Charged Property sold as part of any process without the Chargee's prior consent.

#### **ABANDONMENT OF CHATTELS**

In the event that the Chargor vacates the Charged Property and leaves its chattels or trade fixtures (collectively, the "Chattels") at the Charged Property, or if the Chargor fails to remove the Chattels upon being evicted then:

- (a) the Chattels shall be deemed to have been abandoned by the Chargor;
- (b) the Chargee shall be entitled to dispose of or sell or transfer the Chattels or store them, in its sole discretion;
- (c) the Chargor shall pay all costs incurred by the Chargee relating to any sale, transfer, disposition, dumping or storage of the Chattels by the Chargee;
- (d) the Chargee shall have a charge and lien on any stored Chattels for all storage costs relating thereto; and
- (e) the Chargor hereby releases and forever discharges the Chargee from any claims, actions, causes of action, damages, losses, costs and expenses relating to any steps taken by the Chargee in respect of the Chattels including discarding and dumping same in a junk yard or otherwise for no consideration.

#### **NO EXPLOITATION**

The Chargor acknowledges and declares that the Chargor entered into this Charge freely and of its own will. In particular, the Chargor acknowledges that this Charge was freely negotiated by the Chargor and the Chargee in good faith, that this Charge does not constitute a contract of adhesion, that there was no exploitation of the Chargor by the Chargee, and that there is no disproportion between the consideration provided by the Chargee and that provided by the Chargor.

#### **INDEPENDENT LEGAL REPRESENTATION**

The Chargor hereto acknowledges that it has full knowledge of the purpose and essence of this Charge/Mortgage transaction, and that it has been appropriately and independently legally represented in that regard. The Chargor acknowledges and agrees with the Chargee that the Chargee's solicitors, do not represent the Chargor or provide the Chargor with any legal advice whatsoever. The Chargor acknowledges that the Charge, all supporting security documents and all electronic documents including the Charge, Notice of Assignment of Rents and Acknowledgement and Direction (the "Documents") and the effect of the Chargee's solicitors signing any of the electronic documents have been fully explained to the Chargor by its own independent counsel. The Chargor acknowledges that it has fully understood the import of the Documents.

#### **NON-TRANSFER**

Paragraph 14 of Standard Charge Terms 200033 is hereby deleted.

In the event that the Chargor purports to sell, convey, transfer, assign or exercise a power of appointment with respect to the Lands herein described 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 Lands herein described without first obtaining the consent in writing of the Chargee the entire Indebtedness hereby secured shall, at the option of the Chargee, forthwith become due and payable.

For the purposes of the foregoing paragraph, the following shall be deemed a change of control: (i) a merger or amalgamation involving the Chargor; or (ii) a change in direct or indirect

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effective voting control of the Chargor; or (iii) the transfer of more than 25% of the voting shares of the Chargor.

#### **AUTOMATIC RENEWAL**

In the event that the Chargor fails to repay the Indebtedness outstanding on the Balance Due Date (or if there is a provision in the Commitment permitting the Chargor to renew the term herein upon written notice to the Chargee, then the extended Balance Due Date if the term is so extended by the Chargor) or the Chargor fails to accept a renewal offer tendered by the Chargee (for any reason not attributable to the Chargee) within 10 business days of the Balance Due Date, then the Chargee may at its sole option, automatically renew this Charge for a period of one month from the Balance Due Date, at an interest rate equal to 18.00% per annum, calculated daily and payable monthly. In the event that the renewal has not been finalized within this one month period, then there will be no further extensions, and the Chargee may, at its option, exercise its remedies under the Charge or as available at law. The Chargee shall not be obligated to offer any renewal. All other terms and covenants under the existing Charge shall continue to apply.

#### **PRE-AUTHORIZED PAYMENT**

The Chargor hereby covenants and agrees upon the Chargee's request to participate in the Chargee's pre-authorized chequing program by completing the necessary application and providing the Chargee with a sample "void" cheque, or alternatively, at the Chargee's request, the Chargor shall provide a series of 12 post dated cheques, from time to time.

#### **TAXES**

THE CHARGOR in addition to the aforesaid payments of principal and interest, covenants and agrees to pay taxes as hereinafter provided, the Chargee shall estimate the amount of the taxes chargeable against the Lands payable in each year and the Chargor shall pay to the Chargee one-twelfth of the estimated annual amount together with the aforesaid payments of principal and interest in each and every month during the term of this Charge, commencing with the first payment date aforesaid and the Chargee shall apply such payments on the taxes so long as the Chargor is not in default under this Charge, but nothing herein contained shall obligate the Chargee to apply such payments on account of the taxes oftener than yearly; provided, however, that if the Chargor shall pay any sum or sums to the Chargee to apply on the taxes, and if before the same shall have been so applied there shall be default by the Chargor in respect of any payment of principal or interest as herein provided, the Chargee may at its option apply such sum or sums in or towards payments of the principal and/or interest in default; and in the event that the taxes actually charged for any one year, together with any interest and penalties thereon, exceed the estimated amount, the Chargor shall pay to the Chargee on demand the amount required to make up the deficiency; and if the Chargor desires to take advantage of any discounts or avoid any penalties in connection with the payment of taxes, the Chargor may pay to the Chargee such additional amounts as are required for that purpose; and the Chargor shall transmit to the Chargee forthwith after receiving them the assessment notices, tax bills and other notices affecting the imposition of taxes upon the Lands.

TAXES shall mean and include all taxes, rates and assessments of whatever nature or kind, including local improvement rates and any and all interest and penalties thereon.

THE CHARGEЕ MAY, unless payment has otherwise been made, deduct from the charge advances, an amount necessary to pay the current year's taxes and an amount which together with the monthly tax payments to be made to and including April of the following calendar year, will be sufficient to pay the taxes for the following calendar year.

NO MONEYS paid to the Chargee pursuant to the foregoing shall be held in trust for nor bear interest to the credit of the Chargor.

THE FOREGOING tax clause is in addition to and without prejudice to the other provisions of the within Charge in regard to realty taxes.

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### PREPAYMENT PROVISIONS

- a) On or before December 1, 2022, the Charge shall be closed with no right to prepay the Loan.
- b) From and after December 1, 2022, the Chargor, when not in default hereunder, shall have the privilege of prepaying the whole of the said principal sum hereby secured on any banking day upon giving the Chargee thirty (30) days' prior written notice and upon payment to the Chargee of an amount equal to one (1) month's interest on the principal amount prepaid as a bonus and upon payment of the discharge statement administration fee as herein set out.
- c) If prepayment of any part of the principal sum secured hereunder is made by reason of payment after acceleration upon the occurrence of a default, the Chargor agrees to pay to the Chargee three (3) months' interest on the principal amount prepaid at the rate of interest chargeable hereunder at the time of prepayment as hereinbefore set out.
- d) If the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Balance Due Date, then the Chargor agrees to pay to the Chargee in addition to the amounts required to obtain a discharge, three months interest at the rate of interest chargeable hereunder on the principal amount outstanding on the Balance Due Date.

### SECURITY INTEREST IN CHATTELS

It is hereby mutually covenanted and agreed by and between the parties hereto that all chattels, erections, Fixtures and Improvements, fixed or otherwise, now or hereafter put upon the Charged Property and in which the Chargor has any interest, including, but without limiting the generality of the foregoing, all drapes, lobby furniture, refrigerators and stoves, heating equipment, air-conditioning and ventilation equipment, blinds, storm windows and doors, window screens, etc. and all apparatus and equipment appurtenant thereto are and shall in addition to other fixtures thereon, be and become Fixtures and an accession to the freehold and a part of the realty as between the parties hereto, their heirs, executors, administrators, successors, legal representatives and assigns, and all persons claiming thereunder and shall be a portion of the security for the Indebtedness hereinbefore mentioned.

### NO IMPROVEMENT

The Chargor warrants that the purpose of this Charge is not to finance an improvement on the Lands. An "improvement" when used in this paragraph, shall have the meaning ascribed thereto in the *Construction Act, S.O. 2018*. An improvement means any alteration, addition or repair to any building on the herein described Lands or any construction, erection or installation on the Lands.

### INSURANCE RENEWAL

The Chargee shall be entitled to its standard servicing fee for dealing with each cancellation, premium payment or other non-compliance with insurance requirements. In the event that the evidence of continuation of insurance as herein required has not been delivered to the Chargee, the Chargee shall be entitled to its standard servicing fee for each written inquiry which the Chargee shall make to the insurer pertaining to such renewal (or resulting from the Chargor's non-performance of the within covenant). In the event that the Chargee pursuant to the within provision arranges insurance coverage with respect to the Lands and the Improvements, the Chargee in addition to the afore-noted servicing fee shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

### APPOINTMENT OF RECEIVER

AT ANY TIME after the Security Documents hereby constituted become enforceable, or the monies hereby secured shall have become payable, the Chargee may from time to time appoint by writing, or apply to a court of competent jurisdiction for the appointment of, a Receiver (which term shall include a receiver and manager) of the Charged Property or any part thereof, with or without Bond, and may from time to time remove the Receiver and appoint another in his stead, and any such Receiver appointed hereunder shall have the following powers (but shall not be limited to such powers):

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- (a) To take possession of the Charged Property and to collect and get in the same and for such purpose to enter into and upon any lands, premises and Improvements wheresoever and whatsoever and for such purpose to do any act and take any proceedings in the name of the Chargor or otherwise as he shall deem necessary;
- (b) To carry on or concur in carrying on the business of the Chargor, and to employ and discharge agents, workmen, accountants and others upon such terms and with such salaries, wages or remuneration as he shall think proper, and to repair and keep in repair the Charged Property and to do all necessary acts and things for the carrying on of the business of the Chargor and the protection of the Charged Property of the Chargor;
- (c) To sell or lease or concur in selling or leasing any or all of the Charged Property, or any part thereof, and to carry any such sale or lease into effect by conveying in the name of or on behalf of the Chargor or otherwise; and any such sale may be made either at public auction or private sale as seen fit by the Receiver and any such sale may be made from time to time as to the whole or any part or parts of the Charged Property; and he may make any stipulations as to title or conveyance or commencement of title or otherwise which he shall deem proper; and he may buy or rescind or vary any contracts for the sale of any part of the Charged Property and may resell the same; and he may sell any of the same on such terms as to credit or part cash and part credit or otherwise as shall appear in his sole opinion to be most advantageous and at such prices as can reasonably be obtained therefor and in the event of a sale on credit neither he nor the Chargee shall be accountable for or charged with any monies until actually received;
- (d) To make any arrangement or compromise which the Receiver may think expedient in the interest of the Chargee and to consent to any modification or change in or omission from the provisions of this Charge and to exchange any part or parts of the Charged Property for any other property suitable for the purposes of the Chargee and upon such terms as may seem expedient and either with or without payment or exchange of money or regard to the equality of the exchange or otherwise;
- (e) To borrow money to carry on the business of the Chargor and to charge the whole or any part of the Charged Property in such amounts as the Receiver may from time to time deem necessary and in so doing the Receiver may issue certificates that may be payable when the Receiver thinks expedient and shall bear interest as stated therein and the amounts from time to time payable under such certificates shall charge the Charged Property in priority to this Charge;
- (f) To execute and prosecute all suits, proceedings and actions which the Receiver in his opinion considers necessary for the proper protection of the Charged Property, to defend all suits, proceedings and actions against the Chargor or the Receiver, to appear in and conduct the prosecution and defense of any suit, proceeding or action then pending or thereafter instituted and to appeal any suit, proceeding or action;
- (g) To fully manage, develop, operate, lease, construct, deal with agreements, complete, repair, renovate or alter the Charged Property or any part thereof on behalf of the Chargor and to take all such actions as are required in the exercise of such powers including entering into, amending and terminating such contracts and other agreements relating to the Charged Property as are necessary or advisable, in the opinion of the Receiver, and the entering into, renewal, amendment, supplement, or termination of any agreements and leases as the Receiver may deem appropriate in its sole and absolute discretion;
- (h) To execute and deliver to the purchaser of any part or parts of the Charged Property, good and sufficient deeds for the same, the Receiver hereby being constituted the irrevocable attorney of the Chargor for the purpose of making such sale and executing such deed, and any such sale made as aforesaid shall be a perpetual bar both in law and equity against the Chargor, and all other persons claiming the Lands or any part or parcels thereof by, from through or under the Chargor, and the proceeds of any such sale shall be distributed in the manner hereinafter provided;
- (i) To exercise any powers as may be granted by a court upon such appointment;

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AND IT IS AGREED that no purchaser at any sale purporting to be made in pursuance of the aforesaid power or powers shall be bound or concerned to see or inquire whether any default has been made or continued, or whether any notice required hereunder has been given, or as to the necessity or expediency of the stipulations subject to which such sale shall have been made, or otherwise as to the propriety of such sale or regularity of its proceedings, or be affected by notice that no such default has been made or continues, or notice given as aforesaid, or that the sale is otherwise unnecessary, improper or irregular; and notwithstanding any impropriety or irregularity or notice thereof to such purchaser, the sale as regards such purchaser shall be deemed to be within the aforesaid power and be valid accordingly and the remedy (if any) of the Chargor, or of any party claiming by or under it, in respect of any impropriety or irregularity whatsoever in any such sale shall be in damages only.

The net profits of the business of the Chargor and the net proceeds of any sale of the Charged Property or part thereof shall be applied by the Receiver subject to the claims of any creditors ranking in priority to this Charge:

- (a) Firstly, in payment of all Costs, charges and expenses of and incidental to the appointment of the Receiver and the exercise by him of all or any of the powers aforesaid including the reasonable remuneration of the Receiver and all amounts properly payable by him;
- (b) Secondly, in payment of all Costs, charges and expenses payable hereunder;
- (c) Thirdly, in payment to the Chargee of the principal sum owing hereunder;
- (d) Fourthly, in payment to the Chargee of all interest and arrears of interest and any other portion of the Indebtedness remaining unpaid hereunder; and
- (e) Fifthly, any surplus shall be paid in accordance with the *Mortgages Act* (Ontario) or any order of the Court; provided that in the event that any party claims a charge against all or a portion of the surplus, the Receiver shall make such disposition of all or a portion of the surplus as the Receiver deems appropriate in the circumstances.

The Chargee shall not be liable to the Receiver for his remuneration costs, charges or expenses, and the Receiver shall not be liable for any loss howsoever arising unless the same shall be caused by his own gross negligence or willful default; and he shall, when so appointed, by notice in writing pursuant hereto, be deemed to be the agent of the Chargor for all purposes and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

The appointment of a Receiver by the Chargee shall not, to the extent permitted by law, incur or create any liability on the part of the Chargee in connection with anything which may be done by any such Receiver or the removal of any such Receiver or the termination of any such Receivership shall not have the effect of constituting the Chargee as a mortgagee in possession in respect of the Charged Property or any part thereof.

#### PAYMENT OF COSTS

The Chargor shall pay to the Chargee on demand all legal fees payable on a full indemnity basis, Costs and out-of-pocket expenses incurred by any of the Chargee, its agents, officers and employees as herein set forth including costs incurred with respect to:

- (a) the Chargee obtaining advice at any time 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;
- (b) 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;

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- (c) 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
- (d) 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.

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 secured by this Charge and added to the Indebtedness secured hereunder and shall bear interest at the rate herein set forth.

#### LIMIT ON RATE OF INTEREST

##### (a) Adjustment

If any provision of the Commitment, this Charge or any other of the Security Documents would oblige the Chargor to make any payment of interest or other amount payable to the Chargee in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by the Chargee of interest at a criminal rate (as such terms are construed under the Criminal Code (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in receipt by the Chargee of interest at a criminal rate, such adjustment to be effected, to the extent necessary, as follows:

- (i) firstly, by reducing the amount or rate of interest required to be paid hereunder as applicable; and
- (ii) thereafter, by reducing any fees, commissions, premiums and other amounts which would constitute interest for purposes of Section 347 of the Criminal Code (Canada).

##### (b) Reimbursement

If, notwithstanding the provisions subsection (a) above, and after giving effect to all adjustments contemplated thereby, the Chargee shall have received an amount in excess of the maximum permitted by such subsection, then the Chargor shall be entitled, by notice in writing to the Chargee, to obtain reimbursement from the Chargee of an amount equal to such excess, and pending such reimbursement such amount shall be deemed to be an amount payable by the Chargee to the Chargor.

##### (c) Calculation

Any amount or rate of interest referred to in this Section shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term of any revolving loan on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the Criminal Code (Canada)) shall, if they relate to a specific period of time be prorated over that period of time and otherwise be prorated over the period from the date of this Charge to the Balance Due Date thereof and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Chargee shall be conclusive for the purposes of such determination.



## AGREEMENTS IN WRITING

No agreement for modification to the within Charge or to any other of the Security Documents provided to the Chargee, including any renewals hereof or 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 Balance Due Date or of any subsequent term agreed to in writing between the Chargor and the Chargee, and that no modification, amendment, at any time to the within Charge or to any security agreement provided to the Chargee or any 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.

## CONTINUING SECURITY

Without limiting any other provision hereof, this Charge secures, *inter alia*, a current or running account and any portion of the principal amount may be advanced or readvanced by the Chargee in one or more sums at any future date or dates and the amount of such advances and readvances when so made will be secured by this Charge and be repayable with interest at the interest rate stipulated in this Charge. This Charge will be security for the ultimate balance owing to the Chargee arising from the current and running accounts represented by advances and readvances of the principal amount or any part thereof with interest at the interest rate stipulated in this Charge and all other amounts secured hereby and notwithstanding any change in the amount, nature and form of the loan Indebtedness from time to time. If the whole or any part of the principal amount hereby or other amount secured hereby is repaid, this Charge shall be and remain valid security for any subsequent advance or re-advance by the Chargee to the Chargor until such time as the Chargee has executed and delivered to the Chargor a complete discharge of this Charge. The provisions relating to defeasance contained in Subsection 6(2) of the *Land Registration Reform Act* (Ontario) are hereby expressly excluded from this Charge.

## FARM DEBT MEDIATION ACT

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

## PAYMENT OF AMOUNTS OWING TO GOVERNMENTAL AUTHORITIES

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

## INSURANCE – ADDITIONAL PROVISIONS

In addition to any other insurance provisions contemplated by this Charge, the Commitment, or the Standard Charge Terms registered as No. 200033, the Chargor will at all times during the term maintain the insurance required by the Chargee including, without limitation, the following coverages:

- (a) Comprehensive on an all-risks basis, or if applicable, builder's risk of direct physical loss or damage, including, without limitation, coverage for the foundations of all improvements and flood and earthquake coverage, all on a replacement cost basis with loss payable to the Chargee under an Insurance Bureau of Canada mortgage clause; the policy should allow for the improvements on the Lands to be completed (if applicable), for partial occupancy, and for the Lands to be vacant and unoccupied for a period of at least 30 days;
- (b) Comprehensive broad form boiler and machinery insurance covering all pressure vessels (whether fired or unfired), air conditioning and miscellaneous electrical apparatus on the

Lands, for an amount satisfactory to the Chargee, with loss payable to the Chargee under a Boiler and Machinery Insurance Association mortgage clause;

- (c) Business interruption or rental income loss coverage on a gross profits or rentals form sufficient to cover 100% of the loss of Rents or loss of business income from the business conducted on the Lands for a period of twelve (12) months, based on the greater of actual or projected revenue, in respect of all perils described in (a) and (b) above;
- (d) Comprehensive general liability insurance, inclusive of bodily injury, death or property damage or loss, for a minimum amount of \$3,000,000.00 per occurrence or such other amount as the Chargee may reasonably request;
- (e) Theft of chattels;
- (f) Prior to any advance of the principal amount, the Chargor will provide to the Chargee or its solicitors certificates of insurance policies providing the above coverages. The Chargee may have the insurance policies reviewed by a qualified property insurance consultant to ensure the insurance requirements of the Commitment are satisfied;
- (g) Evidence of policy renewal or satisfactory replacement must be provided annually at least thirty (30) days before expiry; and
- (h) Coverage of such other risks and perils as the Chargee may consider advisable or desirable from time to time.

Although the Chargee reserves the right to insist that all policies be on a "no co-Insurance" basis, the Chargee may consider accepting stated amount co-insurance provided that the Chargor shall at all times maintain a sufficient amount of insurance to prevent the Chargor from becoming a co-insurer under the terms and conditions of the policy.

Each policy shall be in a form and with an insurer satisfactory to the Chargee and will provide that any loss shall be payable to the Chargee as their interest may appear, subject to the standard form of mortgage clauses approved by the Insurance Bureau of Canada. The above referenced policies shall provide that the Chargee shall receive thirty (30) days' prior written notice of cancellation or material change to the policies. The Chargor will furnish to the Chargee or its solicitors, prior to the advance of any funds, original or certified copies of insurance policies providing the above coverages. Evidence of policy renewal or satisfactory replacement must be provided annually at least (30) days before expiry of the policy.

If the Chargor fails to comply with the insurance obligations herein, the Chargee may take out insurance which it deems adequate, and the Chargor shall pay to the Chargee, on demand, all sums paid for that purpose plus accrued interest up to the reimbursement date at the rate payable hereunder.

In the event of a loss, the Chargor shall immediately advise the Chargee and shall not undertake any repairs or renovations without the consent of the Chargee. The Chargor acknowledges and agrees that any insurance monies received may, at the option of the Chargee, be applied in rebuilding, re-instating, or repairing any building, or be paid to the Chargor, or be applied in the sole discretion of the Chargee, in full or in part against the amounts due hereunder or any part thereof, whether due or not then due, or paid partly in one way and partly in another.

#### UNDERTAKINGS

In the event that an Event of Default has occurred with respect to any of the terms of any undertakings delivered to the Chargee in consideration of the advance of funds under this Charge, or thereafter or with respect to any covenant contained in these additional provisions and in any of the other Security Documents, such default, at the option of the Chargee, will be an Event of Default under this Charge and entitle the Chargee to all of its remedies hereunder, the Security Documents and at law, including, the acceleration of the Indebtedness without further notice to the Chargor.

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## AMENDMENT TO STANDARD CHARGE TERMS

Section 24 of Standard Charge Terms 200033 is hereby deleted.

## SECURITY FOR INDEBTEDNESS AND OBLIGATIONS

This Charge is given as continuing security for the liability and obligations of the Chargor to the Chargee pursuant to the Commitment, hereunder and under all other Security Documents, including without limitation all of the following: (i) all performance and payment obligations of the Chargor to the Chargee, including payment of the Indebtedness, as provided herein, the Commitment, or the Security Documents; and (ii) all other obligations of the Chargor to the Chargee, in each case howsoever created, arising or evidenced, whether direct or indirect, joint or several, absolute or contingent, now or hereafter existing, absolute or past, contingent, extended or renewed, material or not, due or to become due, whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Chargor is bound alone or with another or others, including all Indebtedness and amounts due of any kind arising hereunder, the Commitment, or the other Security Documents and all Costs, including any and all advances, costs or expenses paid or incurred by Chargee to protect any or all of the security granted herein, the Commitment or the Security Documents, to perform any obligations of the Chargor hereunder, under the Commitment or under any other Security Documents, and interest at the interest rate set forth herein, on all of the foregoing.

## EXPROPRIATION

If the Charged Property or any part thereof shall be expropriated under any Applicable Laws granting the power of expropriation, the Indebtedness remaining unpaid, shall, at the sole option of the Chargee, forthwith become due and payable, together with any prepayment charges provided for herein. In any event, all the proceeds of any expropriation of the Charged Property or any part thereof shall be paid to the Chargee, at its option, in priority to the claims of any other party.

## WARRANTIES, REPRESENTATIONS AND COVENANTS

Each Covenantor represents, warrants to and covenants with the Chargee that:

### (a) Organization, Power and Authority

Each Covenantor, as applicable, (i) if it is a corporation, is a duly organized and validly existing corporation under the laws of its jurisdiction; (ii) has full power, authority and legal right to own the Charged Property and to carry on its business thereon in compliance with all Applicable Laws and is duly licensed, registered or qualified in all jurisdictions where the character of its undertaking, property and assets or the nature of its activities makes such licensing, registration or qualification necessary or desirable; (iii) has full power, authority and legal right to enter into each of the Security Documents to which it is a party and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by it in accordance with their respective terms; (iv) has taken all necessary action and proceedings to authorize the execution, delivery and performance of the Security Documents to which it is a party and to observe and perform the provisions of each in accordance with its terms; and (v) shall maintain in good standing its existence, capacity, power and authority as a corporation or partnership, as the case may be, and shall not liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith.

The beneficial owner of the Charged Property is a duly declared and validly existing limited partnership under the laws of its jurisdiction; (ii) has full power, authority and legal right to beneficially own the Charged Property and to carry on its business thereon in compliance with all Applicable Laws and is duly licensed, registered or qualified in all jurisdictions where the character of its undertaking, property and assets or the nature of its activities makes such licensing, registration or qualification necessary or desirable; (iii) has full power, authority and legal right to enter into each of the Security Documents to which it is a party and to do all acts and execute and deliver all other documents as are required to be done, observed or performed by it in accordance with their respective

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terms; (iv) has taken all necessary actions and proceedings to authorize the execution, delivery and performance of the Security Documents to which it is a party and to observe and perform the provisions of each in accordance with its terms; (v) shall maintain in good standing its existence, capacity, power and authority as a partnership, and shall not liquidate, dissolve, wind-up, terminate, merge, amalgamate, consolidate, reorganize or restructure or enter into any transaction or take any steps in connection therewith and (vi) shall not change its name without providing the Chargee with 10 days prior written notice thereof.

(b) Enforceability of Security Documents

The Security Documents executed by each or any Covenantor, constitute valid and legally binding obligations of each Covenantor, enforceable against them in accordance with their terms, and are not subject to any right of rescission, right of set-off, counterclaim or defence of any nature or kind. Neither execution and delivery of the Security Documents, nor compliance with the terms and conditions of any of them (i) has resulted or will result in a violation of the constating documents governing any Covenantor, include any unanimous shareholders' agreement, or any resolution passed by the board of directors, shareholders or partners, as the case may be, of any Covenantor, (ii) has resulted or will result in a breach of or constitute a default under Applicable Laws or any agreement or instrument to which any Covenantor is a party or by which any Covenantor or the Charged Property or any part thereof is bound, or (iii) requires any approval or consent of any Person except such as has already been obtained.

(c) Title

The Chargor has good and marketable title in fee simple to the Charged Property free and clear of all Liens except Permitted Encumbrances and the Lien of this Charge. The Chargor is the sole legal and beneficial owner of the Charged Property. The Chargor shall defend title to the Charged Property for the benefit of the Chargee from and against all actions, proceedings and claims of all Persons. No Person has any option, right of first refusal or other right to acquire the Charged Property or any part thereof or interest therein.

(d) Priority

This Charge and the other Security Documents are and shall be a valid first Lien or Liens on the Charged Property at all times, subject only to the Permitted Encumbrances consented to by the Chargee.

(e) Litigation

No Covenantor has any judgments or orders of any court of tribunal outstanding against it. There is no litigation, administrative proceeding, investigation or other legal action or claims (including any proceeding under any applicable bankruptcy or insolvency laws) pending or, to the knowledge of each Covenantor, threatened, against the Charged Property or any Covenantor, including any dispute between any Covenantor and any governmental authority affecting any Covenantor or the Charged Property. Upon becoming aware of any such matters, the Covenantor shall promptly notify the Chargee of same and shall provide the Chargee with reasonable information in respect thereof as the Chargee may require from time to time, provided that in doing so, the Covenantor shall not be deemed to have cured the fact that its representation set out in this Subsection has become incorrect.

(f) Rights of Way, Easements, Permits, Services and Access

The Chargor has obtained and shall maintain in good standing at all times all rights of way, easements, grants, privileges, licenses, certificates, permits, approval entitlements, franchises and other similar property and rights necessary for the lawful construction, occupancy, operation and use of the Charged Property. The Charged Property has unrestricted and unconditional rights of access to public highways at all existing access points and is served by all services and utilities necessary or convenient to the full use

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and enjoyment of the Charged Property. All such services and utilities are located in the public highway(s) abutting the Lands, and are connected so as to serve the Charged Property without passing over other property, except to the extent such other property is subject to a perpetual easement for such utility benefiting the Charged Property. All roads necessary for the full utilization of the Charged Property for its current purpose have been completed and dedicated to public use and accepted by all governmental authorities.

(g) Operation and Maintenance

The Chargor shall diligently maintain, use, manage, operate and repair the Charged Property in a good, safe and insurable condition in accordance with all Applicable Laws, and all Property Agreements, any encumbrances on title such as easements, agreements, restrictions and the like so as to preserve and protect the Charged Property and maximize the earnings, incomes, Rents, issues and profits therefrom. The Chargor has complied and will hereafter at all times comply with all of its obligations under the Property Agreements, any encumbrances on title such as easements, agreements, restrictions and the like and all other permitted Liens and agreements relating to the Charged Property. The Chargor shall promptly make all necessary repair and replacements to the Charged Property. All repairs, replacements and work required under the Security Documents, or otherwise, shall be made in a good and workmanlike manner, shall (if applicable) be of equal or better in quality to the original work, shall be free of all Liens and shall comply with all Applicable Laws and Property Agreements. The Chargor shall preserve and keep in full force and effect its corporate status, franchises, rights and privileges under the laws of the jurisdiction of its formation, and all qualifications, licenses and permits applicable to the ownership, use and operation of the Charged Property.

(h) Compliance with Law

The Charged Property, including the construction thereof, complies with all Applicable Laws, any encumbrances on title such as easements, agreements, restrictions and the like and all Property Agreements. The present use and location of the Improvements are legal conforming uses under all Applicable Laws. No Improvements have been made or removed from the Lands since the date of the survey of the Lands and Improvements delivered by the Chargor prior to the Loan advance and such survey accurately shows the location of all Improvements. The Chargor shall not change the use of the Charged Property, abandon the Charged Property, commit or permit any waste on or of the Charged Property, apply for or consent to any public restriction (including any zoning by-law or amendment or minor variance) or private restriction, or permit the removal of any Improvements or Fixtures from the Charged Property (other than a tenant's Improvements removable by a tenant in accordance with its Lease).

The Charged Property is free of structural defects, and all building systems contained therein are in good working order and repair subject to ordinary wear and tear. No proceedings have been commenced or, to the Chargor's knowledge are contemplated with respect to the expropriation of all or any portion of the Charged Property or for the relocation of roadways providing access to the Charged Property.

(i) Full and Accurate Disclosure

None of the Security Documents, Property Agreements, representations, warranties, information, and other documents and materials provided by or on behalf of any Covenantor to the Chargee now, heretofore, or hereafter until the repayment in full of the Indebtedness, contains or shall contain any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. No statement of fact now made or shall be made by or on behalf of any Covenantor in this Charge or in any of the other Security Documents contains or shall contain any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to any Covenantor which has not been disclosed to the Chargee which adversely affects, nor as far as any Covenantor can foresee, might adversely affect, the Charged Property or the business, operations or condition (financial or otherwise) of the Chargor.

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## (j) Financial Statements

The financial statements and net worth statements (if any) delivered by each Covenantor to the Chargee in connection with the Loan are true, correct and accurately reflect in all material respects the financial condition of each Covenantor, and no change, event, or condition has occurred since the date of preparation to the date of the Loan advance which has had, or is reasonably likely to have, a material adverse effect on any of the Covenantors or the Charged Property. Except as disclosed in such financial statements and net worth statements, there are no liabilities (fixed or contingent) affecting the Charged Property or the Chargor. The Chargor shall furnish to the Chargee:

- (i) within 15 days before each anniversary date of the Loan advance, a detailed rent roll and detailed operating statement (showing yearly activity and year-to-date) stating operating revenues, operating expenses, operating income and net cash flow for the preceding calendar year; and
- (ii) within 120 days after the end of each fiscal year of the Chargor's operation of the Charged Property, the Chargor shall furnish to the Chargee a current (as of the end of such fiscal year) balance sheet, a detailed rent roll and a detailed operating statement stating operating revenues, operating expenses, operating income and net cash flow for each of the Covenantors and the Charged Property, prepared on a review engagement basis and certified by an independent public accountant reasonably satisfactory to the Chargee.

All financial statements shall be in scope and detail reasonably satisfactory to the Chargee and certified by the chief financial representative of the Chargor. All financial statements shall be prepared in accordance with generally accepted accounting principles in Canada in effect on the date so indicated and consistently applied (or such other accounting basis reasonably acceptable for the Chargee). The Chargor shall deliver to the Chargee such additional information regarding the Chargor, its subsidiaries, its business, any Covenantor and the Charged Property promptly after the Chargee's request therefor. The Chargor shall permit the Chargee to examine such records, books and papers of the Chargor which reflect upon its financial condition and the income and expenses of the Charged Property.

The Chargor has filed all federal, provincial and municipal tax returns required to be filed and have paid or made adequate provision for the payment of all federal, provincial and municipal taxes, charges and assessments payable by the Chargor. The Chargor believes that its tax returns properly reflect the income and taxes of the Chargor for the periods covered thereby, subject only to reasonable adjustments required by the Canada Revenue Agency or other applicable tax authority upon audit. As of the date of the Loan advance, the Chargor has no liability (fixed or contingent) for any taxes, surtaxes, duties, rates, and other similar charges or statutory trusts imposed by Applicable Laws or any governmental authority (including all related interest, penalties and fines), except as reflected in its financial statements delivered to the Chargee.

**EVENTS OF DEFAULT**

Each of the following shall constitute an "Event of Default" under this Charge:

- (a) the failure of any of the Covenantors to pay any principal, interest or other amount due under the Security Documents when due, or the Covenantors' failure to pay the Loan at the Balance Due Date, or upon acceleration or otherwise;
- (b) any of the Covenantors default in performing or observing any covenant or obligation on its part to be observed and performed in this Charge or in any of the other Security Documents;
- (c) any representation or warranty of any Covenantor in any of the Security Documents or in the Loan application and any document or material provided in connection therewith including any financial statement, rent roll or data at any time delivered by or on behalf

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of any Covenantor in connection with the Loan is or becomes incorrect or misleading in any material respect;

- (d) any enforcement action (an “**Enforcement Action**”) of any kind is taken by a third party or a subsequent mortgagee including: the commencement of power of sale, foreclosure or other judicial or private sale proceedings, appointing or applying for, or obtaining or consenting to the appointment of, a receiver, a manager or a receiver and manager or other person having similar powers in respect of the Chargor or all or any part of the Charged Property, taking possession or control of all or any part of the Charged Property, giving notice of default, notice of intention to enforce security, or undertaking, commencing, giving notice of or taking any action or proceeding seeking payment or recovery of all or any part of any indebtedness owed to such third party or damages in lieu thereof, or accepting a transfer of any property in lieu of foreclosure, 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, the acceleration of debt, or the commencement of any proceedings seeking the dissolution, liquidation, winding up or termination of any Covenantor, or any participation in or any actions in furtherance of the foregoing;
- (e) or a resolution is passed or an order is made for the dissolution, liquidation, winding-up or termination of any Covenantor or other cancellation or suspension or its incorporation or termination of its existence;
- (f) a decree or order of a court of competent jurisdiction is sought to adjudge any Covenantor a bankrupt or insolvent or any petition is filed seeking the winding-up, reorganization, reconstruction or arrangement of any Covenantor under the CCAA, the BIA or the Winding-Up and Restructuring Act (Canada)(the “WURA”) or any other bankruptcy, insolvency or analogous laws or issuing sequestration or process of execution against any Covenantor or against all or any part of the assets of any Covenantor or seeking the winding up or liquidation of its affairs, or appointing a trustee, receiver, receiver and manager, interim receiver, custodian, liquidator or other person with similar powers of any Covenantor or all or any part of its assets;
- (g) any Covenantor becomes insolvent, commits an act of bankruptcy, makes any assignment in bankruptcy or makes any other assignment for the benefit of creditors, makes any proposal under the BIA or any other comparable law, seeks relief under the CCAA, the WURA or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal in bankruptcy, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other person with similar powers of itself or of all or any part of its assets, or files a petition or application or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditor’s rights or consents to, or acquiesces in, the filing of such petition;
- (h) any party brings an application seeking the appointment of a receiver, receiver-manager or receiver and manager of any Covenantor of any material part of its properties, assets or undertakings, or if any such party is appointed in respect of any Covenantor;
- (i) any Person takes any Enforcement Action in respect of the Charged Property or any other property of any Covenantor, or any distress or analogous process is levied upon any Covenantor;
- (j) all or any part of the Charged Property becomes subject to any Lien not consented to by the Chargee in writing or if consented to there is default by any Covenantor under any other encumbrances, Liens or security agreements;
- (k) a judgment or order for the payment of money due shall have been obtained or entered or any writ of execution, distress, attachment or other similar process shall have been issued or levied against any Covenantor in an amount which, in the opinion of the Chargee could materially and adversely affect the ability of such Covenantor to fulfill its

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obligation to the Chargee to repay the Indebtedness or under any of the Security Documents;

- (l) any fact, circumstance, event, change or effect occurs or arises that, individually or in aggregate with any other facts, circumstances, events, changes, effects or occurrences, has a material adverse effect on (i) the business, assets, liabilities, results of operation or financial condition of any Covenantor or (ii) the condition or value of the Charged Property;
- (m) any part of the Charged Property is condemned or expropriated;
- (n) if the Charged Property contains a condominium unit and any Covenantor fails to pay any common expenses or special assessments as and when due or fails to observe and comply with the *Condominium Act*, the Condominium Declaration, By-Laws or any rules and regulations of the condominium corporation;
- (o) if the Chargor is in breach or default under any of the Permitted Encumbrances;
- (p) in the event that the Charged Property is abandoned or there is any cessation of business activities or any material part thereof now being conducted or proposed to be conducted with respect to the Charged Property by the Chargor;
- (q) if either of the Right of First Opportunity or Right of First Refusal section of this Charge is breached, in the opinion of the Chargee; or
- (r) any other event of default occurs under any other of the Security Documents.

#### REMEDIES

In addition to any other remedies contained herein or in any of the other of the Security Documents or as may be available at law or in equity the Chargee shall have the remedies hereinafter set forth.

#### Acceleration

Upon an Event of Default, the entire Indebtedness shall, at the option of the Chargee in its sole discretion, immediately become due and payable, with interest thereon at the Interest Rate to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, each of which are hereby expressly waived, and all the Chargee's rights and remedies under this Charge, the other Security Documents, and otherwise at law and in equity shall immediately become enforceable.

#### Power of Sale

Upon the Chargee's rights and remedies hereunder becoming enforceable for at least fifteen (15) days, on at least thirty-five (35) days notice in writing given to the Chargor, the Chargee may enter on and lease or sell the Charged Property or any part thereof by public auction or private sale and on such terms as to credit and otherwise as may appear to it most advantageous, and for such price as can be reasonably obtained therefor. Such notice shall be given to such persons and in such manner and form and within such time as provided in the *Mortgages Act*. The Chargee shall be entitled to buy in or rescind or vary any contract for sale of any of the Charged Property, and resell without being answerable for any loss occasioned thereby. In the case of a sale on credit, the Chargee shall only be accountable for monies actually received in cash as and when so received. For such purposes, the Chargee may make and execute all agreements and assurances which it shall think fit. The purchaser shall in no case be bound to enquire whether notice of intention to sell has been given or default made, or otherwise as to the regularity or validity of any sale made hereunder, and any sale by the Chargee shall be valid as regards the purchaser and shall not in any way be affected thereby. The Chargee shall be entitled to apply the proceeds of any sale hereunder first in payment of all Costs, charges and expenses incurred in respect of such sale, as more particularly described below, and secondly in payment of all amounts of interest and principal owing hereunder, in such order as the Chargee may select. If any surplus remains after the Chargee has fully satisfied its claims, such surplus shall be paid to the party then entitled by law to receive

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such surplus, or into court. The powers conferred on the Chargee hereunder are in addition to and not in limitation of any other rights or powers of the Chargee under this Charge, or at law or in equity.

The costs of any sale proceedings or other Enforcement Action hereunder, whether such sale proves abortive or not, including all commissions and other fees payable to real estate agents and brokers in connection with any such sale, and all Costs, charges and expenses (including, without limitation, legal fees on a full indemnity basis) incurred in respect of the Charged Property, which the Chargee shall be entitled to do, or in taking, recovering or keeping possession of the Charged Property, or in enforcing the remedies of the Chargee under this Charge, or by reason of non-payment or in procuring payment of the monies hereby secured, shall be added to the Indebtedness and bear interest at the Interest Rate provided for in this Charge as well after as before maturity, and shall be a charge on the Charged Property and shall be payable immediately with interest as aforesaid, and in default of payment, may be paid from the proceeds of any sale of the Charged Property.

#### Possession

Upon the Chargee's rights and remedies hereunder becoming enforceable, the Chargee may enter into and take possession of the Charged Property and shall be entitled to:

- (a) have, hold, use, occupy, possess and enjoy the Charged Property without let, suit, hindrance, interruption or denial of the Chargor or any other Person;
- (b) maintain, repair and complete the construction of the Improvements;
- (c) inspect, manage, take care of, collect Rents and lease the Charged Property or any part thereof for such terms and for such Rents (which may extend beyond the Balance Date) and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Chargee may determine in its sole discretion, which Leases shall have the same effect as if made by the Chargor; and
- (d) pay from the Rents received all expenses of maintaining, preserving, protecting and operating the Charged Property, making any additions and replacements thereto and all charges payment of which may be necessary to preserve or protect the Charged Property and the Chargee shall have and enjoy and may exercise all powers necessary to the performance of all functions made necessary or advisable by possession, including without limitation power to advance its own monies at the interest rate chargeable hereunder and to enter into contracts and undertake obligations for the foregoing purposes upon security hereof,

and all Costs, charges and expenses incurred by the Chargee in the exercise of such rights (including allowances for the time, service or effort of any person appointed by the Chargee for the above purposes, and all legal fees and disbursements incurred and all commissions and other fees payable to real estate agents and brokers in connection with any lease), together with interest thereon at the interest rate chargeable hereunder, shall be payable forthwith by the Chargor to the Chargee, and until paid shall be added to the Indebtedness and shall be secured by this Charge. Each lease or renewal of lease made by the Chargee while in possession of the Charged Property shall continue for its full term notwithstanding the termination of the Chargee's possession. The Chargee shall not be liable for any loss or damage sustained by the Chargor or any other person resulting from any lease entered into by the Chargee, any failure to lease the Charged Property, or any part thereof, or from any other act or omission of the Chargee or any receiver in managing the Charged Property, nor shall the Chargee be obligated to perform or discharge any obligation or liability of the Chargor under any Lease, Security Documents or otherwise at law or in equity.

#### Exercise Rights of Chargor; Distraint

Upon the Chargee's rights and remedies hereunder becoming enforceable, the Chargee shall have, enjoy and exercise of all the powers and rights of and enjoyed by the Chargor with respect to the Charged Property or incidental, ancillary, attaching or deriving from the ownership by the Chargor of the Charged Property, including without limitation the powers of the receiver hereinbefore set out and the power to enter into agreements, to grant or agree to mortgages and other encumbrances,

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and to grant or reserve easements, rights-of-way, rights in the nature of easements and licences, in each case over or pertaining to the whole or any part of the Charged Property. If the Chargor shall make default in payment of any part of the interest payable under this Charge at any of the dates or times fixed for payment thereof, it shall be lawful for the Chargee to distrain therefor upon the Charged Property or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the Charged Property, so much of such interest as shall from time to time be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. The Chargee may distrain for arrears of principal or other monies owing hereunder in the same manner as if the same were arrears of interest.

#### Chargee's Right to Perform Obligations

If the Chargor shall fail, refuse or neglect to make any payment or perform any act required by the Security Documents, then while any Event of Default exists, and without notice to demand upon the Chargor and without waiving or releasing any other right, remedy or recourse the Chargee may have because of such Event of Default, the Chargee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of the Chargor, and shall have the right to enter upon the Charged Property for such purpose and to take all such action thereon and with respect to the Charged Property as it may deem necessary or appropriate. If the Chargee shall elect to pay any sum due with reference to the Charged Property, the Chargee may do so in reliance on any bill, statement or assessment procured from the appropriate governmental authority or other issuer thereof without inquiring into accuracy or validity thereof. Similarly, in making any payments to protect the security intended to be created by the Security Documents, the Chargee shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, action, claim or charge before making an advance for the purpose of preventing or removing the same. The Chargor shall indemnify the Chargee for all Costs, losses, expenses, damages, claims and causes of action, including legal fees (on a full indemnity basis), incurred or accruing by reason of any acts performed by the Chargee pursuant to these provisions. All sums paid by the Chargee pursuant to this section, and all other sums expended by the Chargee to which it shall be entitled to be indemnified, together with interest thereon at the interest rate charged herein from the date of such payment or expenditure until paid, shall be added to the Indebtedness, shall be secured by the Security Documents and shall be paid by the Chargor to the Chargee upon demand.

#### Concurrent Remedies

The Chargee may exercise all remedies provided for in this Charge or otherwise at law or in equity concurrently or in such order and at such times as it may see fit and will not be obligated to exhaust any right or remedy before exercising any of its other rights or remedies pursuant to any other provisions contained in this Charge, any other Security Documents or otherwise at law or in equity.

#### Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Chargee hereunder or under any other of the Security Documents or instruments executed pursuant to the Commitment are cumulative and are in addition to and not in substitution for any rights or remedies provided by law or by equity, and any single or partial exercise by the Chargee of any right or remedy for a default or breach of any term, covenant, condition or agreement contained herein, in the Security Documents or other documents or instruments executed pursuant to the Commitment shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Chargee may be lawfully entitled for such default or breach. Any waiver by the Chargee of the strict observance, performance or compliance with any term, covenant, condition or other matter contained herein, in the Security Documents or other documents or instruments executed pursuant to the Commitment or the Security Documents and any indulgence granted, either expressly or by course of conduct, by the Chargee shall be effective only in the specific instance and for the purpose for which it was given and shall be deemed not to be a waiver of any rights and remedies of the Chargee hereunder, in the Security Documents or other documents or instruments executed pursuant to the Commitment as a result of any other default or breach hereunder or thereunder. In the event of a conflict or inconsistency between the application of any of the rights and remedies contained herein and the application of any of the rights or remedies of any of the other Security Documents, the provisions giving the

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Chargee the greater rights or remedies shall govern (to the maximum extent permitted by applicable law), it being understood that the purpose of this Charge and any of the other Security Documents is to add to, and not detract from, the rights granted to the Chargee under the Security Documents. The Chargee in its exercise of its rights and remedies may proceed to exercise any and all rights hereunder, under the Security Documents, and as available at law and no such remedy for the enforcement of the rights of the Chargee shall be exclusive of, or dependent on, any other remedy, but any one or more of such remedies may from time to time be exercised independently or in combination.

#### Judgments

The taking of a judgment or judgments against the Chargor or any of the other Covenantors for breach of its obligations contained in this Charge or any other Security Document will not merge or extinguish such obligations or affect the Chargee's rights to interest on the Indebtedness at the interest rate chargeable hereunder. Any such judgment may provide that interest thereon will be computed at the interest rate chargeable hereunder until such judgment is fully paid and satisfied.

#### Extension of Time and Waiver

Neither any extension of time given by the Chargee to the Chargor or any of the other Covenantors or any person claiming through the Chargor, nor any amendment to this Charge or other dealing by the Chargee with a subsequent owner of the Charged Property will in any way affect or prejudice the rights of the Chargee against the Chargor or any other Covenantor or other persons liable for payment of the Indebtedness. The Chargee may waive any Event of Default in its sole discretion. No waiver will extend to a subsequent Event of Default, whether or not the same as or similar to the Event of Default waived, and no act or omission by the Chargee will extend to, or affect, any subsequent Event of Default or the rights of the Chargee arising from such Event of Default. Any such waiver must be in writing and signed by the Chargee. No failure on the part of the Chargee or the Chargor to exercise, and no delay by the Chargee or the Chargor in exercising, any right pursuant to this Charge will operate as a waiver of such right. No single or partial exercise of any such right will preclude any other or further exercise of such right.

No course of dealing on the part of the Chargee, its officers, employees, consultants or agents, nor any failure or delay by the Chargee with respect to exercising any right, power or privilege of the Chargee under any of the Security Documents, shall operate as a waiver thereof. No waiver of any provision of the Security Documents shall be effective unless in writing and signed by the party against whom enforcement is sought.

#### Release

The Chargee may release in its discretion and at any time any of the Covenantors or any part or parts of the Charged Property from all or any part of the Indebtedness or the security either with or without any consideration and without releasing any other part of the Charged Property or any other of the Covenantors or other person from this Charge, any of the other Security Documents or from any of the covenants contained in this Charge or any of the other Security Documents, and without being accountable to the Chargor for the value of the Charged Property released or for any money except that actually received by the Chargee. Every part or lot into which the Charged Property is or may hereafter be divided will stand charged with the entire Indebtedness. The Chargee may grant time, renewals, extensions, indulgences, releases and discharges, may take securities from and give the same up, may abstain from taking securities from or from perfecting securities, may accept compositions and proposals, and may otherwise deal with the Chargor and all of the other Covenantors and securities as the Chargee may see fit without prejudicing the rights of the Chargee under the Loan or the Security Documents.

#### MISCELLANEOUS

##### General Indemnity

The Chargor shall protect, defend, indemnify and save harmless the Chargee its shareholders, directors, officers, employees and agents from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation reasonable legal fees and expenses), imposed upon or incurred by or asserted against the Chargee by reason

of (a) ownership of the Charge, the Charged Property or any interest therein or receipt of any Rents; (b) any accident, injury to or death of persons or loss of or damage to the Charged Property occurring in, on or about the Charged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent Charged Property or adjacent parking areas, streets or ways; (c) any use, non-use or condition in, on or about the Charged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent Charged Property or adjacent parking areas, streets or ways; and (d) performance of any labour or services or the furnishing of any materials or other property in respect of the Charged Property or any part thereof. Any amounts payable to the Chargee by reason of the application of this section shall become immediately due and payable and shall bear interest at the interest rate chargeable hereunder from the date loss or damage is sustained by the Chargee until paid.

#### **Time of the Essence**

Time is of the essence with respect to this Charge.

#### **Waivers**

No course of dealing on the part of the Chargee, its officers, employees, consultants or agents, nor any failure or delay by the Chargee with respect to exercising any right, power or privilege of the Chargee under the any of the Security Documents, shall operate as a waiver thereof. No waiver of any provision of the Security Documents shall be effective unless in writing and signed by the party against whom enforcement is sought.

#### **Governing Law**

This Charge and the Security Documents shall be governed by and construed in accordance with the laws of the Province in which the Charged Property is located and the applicable laws of Canada.

#### **Successors and Assigns**

This Charge shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto. This Charge may be assigned by the Chargee at any time without prior notice to or consent of the Chargor.

#### **Currency**

All dollar references in this Charge are expressed in Canadian dollars.

#### **Obligations as Covenants**

Each obligation of the Covenantors expressed in this Charge or in any of the Security Documents, even though not expressed as a covenant, is deemed for all purposes to be a covenant made with the Chargee.

#### **Land Registration Reform Act**

The Parties hereby exclude from this Charge all of the covenants deemed to be included by section 7(1) of the Land Registration Reform Act (Ontario) (the "Act"), which covenants are hereby replaced by the covenants and agreements contained herein.

#### **Electronic Imaging**

The parties hereto agree that, at any time, the Chargee may convert paper records of the Security Documents and all other documentation delivered to the Chargee (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Chargee's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

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### Severability

If any one or more of the provisions contained in this Charge shall for any reason be held by a court or competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Chargee, be severable from and shall not affect any other provision of this Charge, but this Charge shall be construed as if such invalid, illegal or unenforceable provision had never been contained in this Charge.

### NO RELEASE OF COVENANTS UPON PARTIAL DISCHARGE OF MORTGAGE

In the event that one of the properties secured hereunder is partially discharged by the Chargee, such partial discharge shall not release the owner of such discharged property from his/her/its/their its covenants, including the covenant to pay the Indebtedness, contained in this Charge or in any of the other Security Documents which shall remain in full force and effect until the Indebtedness is repaid in full. This clause shall not confer any rights to the Chargor to obtain a partial discharge of this Charge except as may be otherwise set forth in this Charge.

**Electronic Execution:** The words "execution," "signed," "signature," and words of like import in the Security Documents shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario) and other similar federal or provincial laws based on the Uniform Electronic Commerce Act of the Uniform Law Conference of Canada or its Uniform Electronic Evidence Act, as the case may be. The parties hereto agree to close the within transaction with all Security Documents to be delivered with electronic signatures.

### OVER HOLDING FEE

If the Charge is not repaid in full on or before the Balance Due Date, the Chargor shall be required to pay to the Chargee an Over Holding Fee, in addition to any and all other rates, Administration Fees and Costs to be paid to the Chargee by the Chargor pursuant to the Commitment or the Charge. More particularly, this fee shall be earned by and be payable to the Chargee monthly, in advance, on the first business day of each month, including the month in which the Balance Due Date occurs and shall be payable at the rate of 0.25% per month, whether a partial month or whole month, multiplied by the then outstanding amount secured by this Charge (the "Over Holding Fee"). The Chargor hereby acknowledges that the requirement to pay the Over Holding Fee does not constitute an extension of the Balance Due Date of the Loan. If the Loan is not repaid in full by the Balance Due Date, then subject to the rights of the Chargee under the section of this Charge titled "Automatic Renewal", the same shall constitute an Event of Default by the Chargor under the Commitment and this Charge notwithstanding payment of the Over Holding Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Over Holding Fee to the Indebtedness secured by this Charge and that this Charge also secures any Over Holding Fee outstanding. The Chargor acknowledges and agrees that the Over Holding Fee is 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 this Charge.

### FIRST RIGHT OF OPPORTUNITY

Prior to consulting with any lender with respect to any further financing with respect to the Property or the development thereof or construction of any improvements thereon (the "Further Financing"), the Chargor shall provide to Ambros Financial, in writing a request for a Further Financing with all information required by Ambros Financial to process the request and Ambros Financial shall have a period of thirty (30) days after receipt of same (the "Opportunity Period") to provide the Chargor with a mortgage commitment letter to provide the Further Financing. The Chargor hereby undertakes not to communicate to any other lender with respect to the provision of Further Financing during the Opportunity Period, and to fully cooperate with Ambros Financial in good faith during the Opportunity Period to provide such further information as Ambros Financial may require in pursuit of its Right of First Opportunity.

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### **FIRST RIGHT OF REFUSAL**

In addition to the first right of opportunity, the Chargee shall have the first right of refusal with respect to any mortgage letter of intent, loan offer or commitment (the "Third Party Commitment") that the Chargor is prepared to accept with respect for the replacement or renewal of the within Charge or Further Financing. The Chargor shall provide the Chargee with a copy of any Third Party Commitment which the Chargor is prepared to accept, and the Chargee shall have the right, exercisable by notice in writing delivered to the Chargor within three (3) business days of receipt of the Third Party Commitment , to provide the financing offered thereon to the same terms and conditions as therein set out. Any Third Party Commitment which the Chargor accepts with respect to the replacement of the Charge on the Property shall be conditional for Twenty (20) business days following delivery of such Third Party Commitment to the Chargee in order to allow the Chargee to exercise this first right of refusal.

### **RESTRICTION RE: LEASE OR EASEMENT**

The Chargor shall not create, incur, assume or suffer to exist any lease or easement that would restrict use of the Charged Property without the prior approval of the Chargee and the Chargee's solicitors.

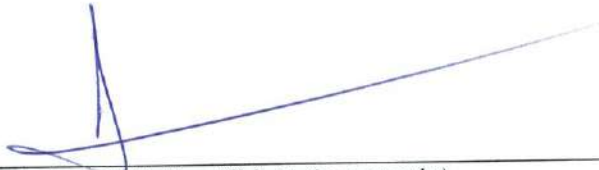
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This is Exhibit "B" referred to in the Affidavit of Kathy Ples sworn  
January 11, 2024.



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

**JONATHAN KULATHUNGAM**

LRO # 51 Postponement Of Interest

Received as SC1895345 on 2022 05 11 at 16:49

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

yyyy mm dd Page 1 of 1

**Properties**

PIN 58238 - 0008 LT  
 Description PT LT 26 CON 1 NOTTAWASAGA AS IN R0291428 EXCEPT R0968975, R0232405  
 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW  
 Address 1192 SIMCOE COUNTY ROAD 7  
 STAYNER

**Source Instruments**

Registration No.	Date	Type of Instrument
SC1800534	2021 07 05	Charge/Mortgage

**Party From(s)**

Name CLEARVIEW PARK INC.  
 Address for Service c/o TPG Canada Management Inc.  
 77 City Center Drive #802, Mississauga,  
 On.

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
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Name FIRM CAPITAL MORTGAGE FUND INC.  
 Address for Service 163 Cartwright Avenue  
 Toronto, Ontario, M6A 1V5

Name BREXIT HOLDINGS INC.  
 Address for Service 105B Wings Road  
 Woodbridge, Ontario, L4L 6C2

Name AFC MORTGAGE ADMINISTRATION INC.  
 Address for Service 2010 Winston Park Drive, 2nd Floor  
 Oakville, Ontario, L6H 6P5

**Statements**

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number SC1895340 registered on 2022/05/11

This document relates to registration number(s) SC1895340, SC1895341

**Signed By**

Jonathan Adam Rajzman 100 Mural Street, Suite 203 acting for Signed 2022 05 11  
 Richmond Hill Party From(s)  
 L4B 1J3

Tel 416-766-1135

Fax 416-769-5365

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

**Submitted By**

ISAAC SINGER 100 Mural Street, Suite 203 2022 05 11  
 Richmond Hill  
 L4B 1J3

Tel 416-766-1135

Fax 416-769-5365

**Fees/Taxes/Payment**

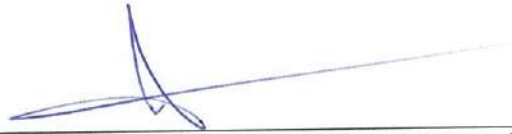
Statutory Registration Fee	\$66.30
Total Paid	\$66.30

**File Number**

Party From Client File Number : 42342  
 Party To Client File Number : 22-237



This is Exhibit "C" referred to in the Affidavit of Kathy Ples sworn January 11, 2024.



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

**JONATHAN KULATHUNGAM**

LRO # 51 Construction Lien

Registered as SC2025531 on 2023 11 30 at 15:15

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

yyyy mm dd Page 1 of 3

**Properties**

**PIN** 58238 - 0008 LT  
**Description** PT LT 26 CON 1 NOTTAWASAGA AS IN R0291428 EXCEPT R0968975, R0232405  
 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW  
**Address** 1192 COUNTY ROAD 7  
 STAYNER

**Consideration**

**Consideration** \$51,277.71

**Claimant(s)**

**Name** TATHAM ENGINEERING LIMITED  
**Address for Service** c/o Construct Legal  
 100 King Street West, Suite 5700  
 Toronto, ON M5X 1C7

I, Bryan Stanton, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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.

**Statements**

Schedule: See Schedules

**Signed By**

Peter Currie	54 Cecil Street Toronto M5T 1N4	acting for Applicant(s)	First Signed	2023 11 30
Tel 416-593-1301				
Fax 416-593-4734				
Peter Currie	54 Cecil Street Toronto M5T 1N4	acting for Applicant(s)	Last Signed	2023 12 01
Tel 416-593-1301				
Fax 416-593-4734				

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

**Submitted By**

711219 ONTARIO LIMITED	54 Cecil Street Toronto M5T 1N4			2023 12 01
Tel 416-593-1301				
Fax 416-593-4734				

**Fees/Taxes/Payment**

<b>Statutory Registration Fee</b>	\$69.95
<b>Total Paid</b>	\$69.95

**CLAIM FOR LIEN UNDER SECTION 34 OF THE ACT  
Construction Act, R.S.O. 1990, c. C. 30, as amended**

**Name of Lien Claimant:** TATHAM ENGINEERING LIMITED

**Address for Service:** c/o Construct Legal  
100 King Street West, Suite 5700  
Toronto, ON M5X 1C7

**Name of owner:** SUNRISE ACQUISITIONS (STAYNER) INC.  
**Address:** 50 West Wilmot Street, 100, Richmond Hill, ON L4B 1M5

**Name of owner:** SUNRISE HOMES LTD.  
**Address:** 50 West Wilmot Street, 100, Richmond Hill, ON L4B 1M5

**Name of person to whom lien claimant supplied services or materials:**  
  
SUNRISE HOMES LTD.

**Address:** 50 West Wilmot Street, 100, Richmond Hill, ON L4B 1M5

**Time within which services or materials were supplied:**

From July 5, 2021 to November 24, 2023  
(date supply commenced) (date of most recent supply)

**Short description of services or materials that have been supplied:**

Engineering and consulting services for residential subdivision development located at 1192 County Road 7, Stayner, Township of Clearview, including designs, drawings, approvals, project management, topographical survey, traffic impact study, functional servicing report, stormwater management report, utility plan, environmental application and approvals, and coordination.


**Contract price or subcontract price:** \$751,450 (incl. HST)

**Amount claimed as owing in respect of services or materials that have been supplied:** \$51,277.71 (incl. HST)

- A. The lien claimant (*if claimant is personal representative or assignee this must be stated*) claims a lien against the interest of every person identified above as an owner of the premises described in Schedule A to this claim for lien.

DATE: November 30, 2023

TATHAM ENGINEERING LIMITED



Bryan Stanton, P. Eng, Vice President  
(Signature of agent)

*I have authority to bind the corporation*

**SCHEDULE "A"**

**To the claim for lien of: TATHAM ENGINEERING LIMITED**

**Address: 1192 County Road 7, Stayner, Township of Clearview, ON**

**Description of premises:**

**PT LT 26 CON 1 NOTTAWASAGA AS IN RO291428 EXCEPT RO968975, RO232405 AND PTS 1 TO 40 & PT A, R744; TOWNSHIP OF CLEARVIEW**

**PIN: 58238-0008 (LT)**

This is Exhibit "D" referred to in the Affidavit of Kathy Ples sworn January 11, 2024.



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

**JONATHAN KULATHUNGAM**

LRO # 51 Charge/Mortgage

Registered as SC1993386 on 2023 07 13 at 11:19

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

yyyy mm dd Page 1 of 2

**Properties**

**PIN** 58238 - 0006 LT **Interest/Estate** Fee Simple  
**Description** PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND  
FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE  
MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW  
**Address** STAYNER

**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** 2846862 ONTARIO INC.  
**Address for Service** 50 West Wilmot Street, Suite 100,  
Richmond Hill, ON L4B 1M5

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.

<b>Chargee(s)</b>	<b>Capacity</b>	<b>Share</b>
<b>Name</b> BREXIT HOLDINGS INC.	Tenants In Common	99.99%
<b>Address for Service</b> 105B Wings Road, Woodbridge, Ontario L4L 6C2		
<b>Name</b> AFC MORTGAGE ADMINISTRATION INC.	Tenants In Common	0.01%
<b>Address for Service</b> 2010 Winston Park Dr 2nd Floor, Oakville, ON L6H 8P5		

**Provisions**

**Principal** \$11,000,000.00 **Currency** CDN  
**Calculation Period** See Schedule  
**Balance Due Date** See Schedule  
**Interest Rate** See Schedule  
**Payments**  
**Interest Adjustment Date**  
**Payment Date** See Schedule  
**First Payment Date**  
**Last Payment Date**  
**Standard Charge Terms** 200033  
**Insurance Amount** Full insurable value  
**Guarantor**

**Additional Provisions**

This Charge is collateral security to the obligations of the Chargor, as a guarantor of the obligations of Sunrise Acquisitions (Stayner) Inc., pursuant to terms of a Commitment Letter Dated April 12, 2022, as amended, and a mortgage/charge registered on the property municipally known as 1192 Simcoe County Road 7, Stayner, Ontario PIN 58238-0006, on May 11, 2022, as Instrument No. SC1895340 (the "Principal Charge"). For particulars and provisions applicable to this mortgage/charge, refer to the Principal Charge.

Default under the Principal Charge, shall be deemed default hereunder, and vice versa.

**Signed By**

Jonathan Adam Rajzman 1000-120 Adelaide St. W. acting for Signed 2023 07 13  
Toronto Chargor(s)  
M5H 3V1

Tel 416-363-2211  
Fax 416-363-0845

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

**Submitted By**

Schnelder Ruggiero Spencer Milburn LLP 1000-120 Adelaide St. W. 2023 07 13  
Toronto  
M5H 3V1

Tel 416-363-2211

LRO # 51 Charge/Mortgage

Registered as SC1993386 on 2023 07 13 at 11:19

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

yyyy mm dd Page 2 of 2

**Submitted By**

Fax 416-363-0645

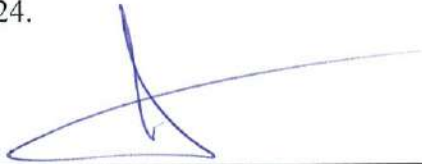
**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Chargee Client File Number : 45295

This is Exhibit "E" referred to in the Affidavit of Kathy Ples sworn January 11, 2024.



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

**JONATHAN KULATHUNGAM**



LRO # 51 Charge/Mortgage

Received as SC1792765 on 2021 06 15 at 16:01

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

yyyy mm dd Page 1 of 2

**Properties**

**PIN** 58238 - 0006 LT *Interest/Estate* Fee Simple  
**Description** PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND  
 FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE  
 MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW  
**Address** STAYNER

**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** 2846862 ONTARIO INC.  
**Address for Service** 50 Wilmot St.  
 Richmond Hill, Ontario  
 L4B 1M5

I, Sajjad Hussain A.S.O., have the authority to bind the corporation.

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

**Chargee(s)***Capacity**Share*

**Name** BELLWOOD, LOUIS HARVEY  
**Address for Service** 44 Parr Boulevard, Utopia, Ontario L0M 1T2

**Provisions**

**Principal** \$3,650,000.00 *Currency* CDN  
**Calculation Period** half-yearly not in advance  
**Balance Due Date** 2029/06/15  
**Interest Rate** see Additional Provisions  
**Payments**  
**Interest Adjustment Date** 2021 06 15  
**Payment Date** see Additional Provisions  
**First Payment Date** 2021 12 15  
**Last Payment Date** 2029 06 15  
**Standard Charge Terms** 200033  
**Insurance Amount** Full insurable value  
**Guarantor**

**Additional Provisions**

The interest rate is 3% per annum calculated half-yearly not in advance.

Provided the Chargor is not at any time in default in payments under this Charge, no interest shall be payable during the first six (6) years of the term. If the Chargor is in default at any time during the term of this Charge, then interest at the rate above shall be payable for the entire eight (8) year term of this Charge.

The Chargor shall make consecutive semi-annual payments of principal in the amount of \$228,125.00 commencing six (6) months after the Interest Adjustment Date together with semi-annual payments of interest after the expiry of the six (6) year interest free period.

This Charge shall become immediately due and payable in full together with accrued interest at the option of the Chargee if the Chargor sells, transfers or disposes of the Real Property during term.

This Charge shall be open for prepayment at any time without notice or bonus.

**Signed By**

Thomas Douglas Baulke

150 Hurontario St., PO Box 100  
Collingwood  
L9Y 3Z4acting for  
Chargor(s)

Signed 2021 06 15

Tel 705-445-4930

Fax 705-445-1871

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

LRO # 51 Charge/Mortgage

Received as SC1792765 on 2021 06 15 at 16:01

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

yyyy mm dd Page 2 of 2

**Submitted By**

BAULKE STAHR MCNABB LLP

150 Hurontario St., PO Box 100  
Collingwood  
L9Y 3Z4

2021 06 15

Tel 705-445-4930

Fax 705-445-1871

**Fees/Taxes/Payment**

Statutory Registration Fee

\$65.30

Total Paid

\$65.30

**File Number**

Charger Client File Number :

41276

This is Exhibit "F" referred to in the Affidavit of Kathy Ples sworn January 11, 2024.



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

**JONATHAN KULATHUNGAM**

**NOTICE OF SALE UNDER MORTGAGE**

**TO:**           **2846862 Ontario Inc.**  
                   50 Wilmot Street  
                   Richmond Hill, Ontario L4B 1M5

**AND TO:**     **Brexit Holdings Inc.**  
                   105B Wings Road  
                   Woodbridge, Ontario L4L 6C2

**AND TO:**     **AFC Mortgage Administration Inc.**  
                   2010 Winston Park Drive, 2<sup>nd</sup> Floor  
                   Oakville, Ontario L4H 6P5

**AND TO:**     **Louis Harvey Bellwood**  
                   44 Parr Boulevard  
                   Utopia, Ontario L0M 1T2

**TAKE NOTICE** that default has been made in payment of the monies due under a certain mortgage dated the 15<sup>th</sup> day of June, 2023, made between **2846862 ONTARIO INC.**, as mortgagor, and **LOUIS HARVEY BELLWOOD**, on the security of the following property, namely: 299 Mowat Street North, Municipality of Clearview, Ontario and legally described as: PT LT 26 CON 1 NOTTAWASAGA AS IN RO1413699 EXCEPT RO232405 AND FORCED RD (KNOWN AS BLIND LINE RD); S/T THE INTERESTS IN THE MUNICIPALITY; S/T RO144230; TOWNSHIP OF CLEARVIEW; Property Identification Number 58238-0006 (LT) which charge was registered on the 15<sup>th</sup> day of June, 2021 in the Land Registry Office of Simcoe (#51) as instrument number SC1792765.

**AND WE HEREBY** give you notice that the amount now due on the mortgage for principal money and costs, respectively is **\$3,006,598.50**, made up as follows:

Principal	\$2,965,625.00
Interest from June 15, 2023 to November 16, 2023	\$37,781.25
Legal expenses for issuing demand letter (inclusive of HST)	\$536.75
Legal fees for issuing Notice of Intention to Enforce Security (inclusive of HST)	\$960.50

Legal fees, disbursements and costs in connection with the service of this notice only (and thereafter such further legal fees, disbursements and costs will be charged as may be incurred) (inclusive of HST) \$1,695.00

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**Total** **\$3,006,598.50**

(such amount being up to and including the service of this Notice only, and thereafter such further costs and disbursements will be charged as may be proper) together with interest at a rate of 3.00% per annum, calculated half-yearly not in advance on the principal and interest hereinbefore mentioned, from the date of November 16, 2023 to the date of payment.

**AND UNLESS** the said sums are paid before the 1st day of January, 2024 it shall sell the property covered by the said mortgage under the provisions contained in it.

**THIS NOTICE** is given to you as you appear to have an interest in the charged property and may be entitled to redeem the same.

DATED the 16<sup>th</sup> day of November, 2023.

**LOUIS HARVEY BELLWOOD** by his  
solicitors, **BAULKE STAHR McNABB LLP**

Per:

  
Name: Ryan Baulke

Baulke Stahr McNabb HST No.: 872143961R

Please direct inquiries to:

Baulke Stahr McNabb LLP  
150 Hurontario Street  
Box 100  
Collingwood, Ontario L9Y 3Z4  
Attention: Ryan Baulke  
[ryan@collingwoodlaw.com](mailto:ryan@collingwoodlaw.com) / 705-445-4930 x 108

AFC MORTGAGE ADMINISTRATION INC. et al.  
Applicants

-and-

SUNRISE ACQUISITION (STAYNER) INC. et al.  
Respondents

Court File No. CV-23-00710361-00CL

**ONTARIO  
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