Court File No. CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

BLOCK 80 HOLDINGS INC. and **ANDRE SHERMAN**

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act,* R.S.O. 1990, c. C.43

MOTION RECORD OF THE APPLICANT

November 17, 2025

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West
35th Floor
Toronto ON M5V 3H1
Tel: 416.646.4300

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant

TO: SERVICE LIST

Court File No. CV-24-00720929-00CL

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TAB 1

Court File No. CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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Applicant

- and -

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Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3*,* and section 101 of the *Courts of Justice Act,* R.S.O. 1990, c. C.43

NOTICE MOTION (ASSIGNMENT INTO BANKRUPTCY)

First Source Financial Management Inc. (the "**Lender**") will make a motion to a Judge presiding over the Commercial List on November 28, 2025 at 10:30 AM, or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard by videoconference.

THIS MOTION IS FOR:

(a) An Order abridging the time for serving and filing of this Notice of Motion and Motion Record and validating service of same;

(b) An Order amending the approval and vesting order of Justice J. Dietrich dated October 15, 2025 (the "**AVO**") such that paragraph 4 of the AVO is

deleted in its entirety and replaced with the text contained in **Schedule "A"** of this Notice of Motion;

(c) An Order amending the Receivership Order (as defined below) such that TDB Restructuring Limited (the "**Receiver**") is appointed receiver of all the assets and undertakings of Block 80 Holdings Inc. (the "**Borrower**");

(d) An Order granting leave to the Receiver to file an assignment in bankruptcy on behalf of the Borrower; and

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

THE GROUNDS OF THIS MOTION ARE:

A. Background

(a) The Lender is an Ontario Corporation in the business of providing mortgage loans;

(b) The Borrower is an Ontario corporation in the business of real estate development;

(c) In April 2021, the Lender and the Borrower completed a mortgage loan transaction whereby the Lender made an initial advance to the Borrower of $3,285,000, which was secured by a first mortgage in favour of the Lender on real property owned by the Borrower and municipally known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the

"**Real Property**"). The Real Property is the site of a multi-unit residential apartment building;

(d) In addition to a mortgage on the Real Property, the Lender has a security interest in the Borrower's personal property through a general security agreement;

(e) As a result of the Borrower defaulting on this loan, in May 2024, the Lender commenced an application seeking appointment of the Receiver in respect of the Real Property;

(f) On July 8, 2024, Justice Black made an Order appointing TDB Restructuring Limited as Receiver of the Real Property (the "**Receivership Order**");

(g) On October 15, 2025, Justice J. Dietrich granted the AVO approving the sale of the Real Property (such transaction being the "**Transaction**") to Penetang Shores Inc. ("**PSI**"), an entity owned and controlled by the Lender;

(h) The Transaction is contemplated as proceeding by way of a credit bid by the Lender in respect of the Borrower's indebtedness to the Lender secured by the Real Property;

B. Deemed trust issue

(i) The Transaction was scheduled to close on November 14, 2025;

(j) However, briefly before the parties could complete the Transaction, it came to the attention of the Receiver that the Canada Revenue Agency had

asserted a deemed trust claim in respect of the assets of the Borrower under the *Excise Tax Act* in the approximate amount of $600,000 (the "**Deemed Trust**");

(k) The Deemed Trust appears to rank in priority to the Lender's mortgage with respect to the Real Property. This prevented the parties from closing the Transaction as previously contemplated;

(l) The Deemed Trust would not rank in priority to the Lender's mortgage if the Borrower made an assignment in bankruptcy;

(m) The Receiver should be authorized to make an assignment in bankruptcy on behalf of the Borrower to facilitate the closing of the Transaction;

(n) The closing of the Transaction will benefit the stakeholders of the Real Property, generally;

C. Amendment to AVO

(o) Paragraph 4 of the AVO contains an inadvertent error in that it refers to the AVO being registered in the Land Registry Office of Simcoe and title being vested in PSI pursuant to a Transfer/Deed of Land (being the relevant instrument under the *Land Registration Reform Act*);

(p) Title to the Real Property is governed by the *Land Titles Act* and so, instead, the language contained in Schedule "A" hereto should replace paragraph 4 of the AVO to prevent confusion and to ensure that title to the Real Property can be properly conveyed by the Receiver through the AVO;

(q) Rules 2.03, 3.02, 16.01, 16.08 and 37 of the *Rules of Civil Procedure*;

(r) The provisions of the *Bankruptcy and Insolvency Act* and the *Excise Tax Act*; and

(s) Such further and other grounds as counsel may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of this Motion:

(a) The affidavit of Kunj Patel affirmed June 7, 2024;

(b) The affidavit of Kunj Patel affirmed November 17, 2025;

(c) The First Report of the Receiver dated October 3, 2025; and

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

November 17, 2025

Paliare Roland Rosenberg Rothstein LLP
155 Wellington Street West, 35th Floor
Toronto, Ontario M5V 3H1

Jeffrey Larry (LSO# 44608D)
Tel.: (416) 646-4330
Email: jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant

TO: SERVICE LIST

SCHEDULE "A" – Text Replacing Paragraph 4 of the AVO

"**THIS COURT ORDERS** upon the registration in the Land Titles Division of Simcoe (number 51) of an Application for Vesting Order in the form prescribed by *the Land Titles Act* and/or the *Land Registration Reform Act*, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Property identified in **Schedule "B"** hereto in fee simple, and is hereby directed to delete and expunge from title to the Property all Claims and Encumbrances as against the Property listed in **Schedule "C"**, with the exception of those listed in **Schedule "D"** hereto. "

Court File No. CV-24-00720929-00CL

FIRST SOURCE FINANCIAL MANAGEMENT INC. Applicant	-and-	BLOCK 80 HOLDINGS INC. et al. Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

NOTICE OF MOTION (ASSIGNMENT INTO BANKRUPTCY)

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant

TAB 2

Pactima eSignature Package ID: adaH-ztrspDX7HS3TPCyG

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

BLOCK 80 HOLDINGS INC. and **ANDRE SHERMAN**

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act,* R.S.O. 1990, c. C.43

AFFIDAVIT OF KUNJ PATEL

I, Kunj Patel, of the City of Pickering in the Province of Ontario, SOLEMNLY AFFIRM AS FOLLOWS:

1. I am the Assistant Vice President, Commercial Underwriting, of First Source Financial Management Inc. (the "**Lender**"). As such, I have personal knowledge of the matters set out in this affidavit. Where I do not have personal knowledge, I state the source of my information and I believe it to be true.

A. Background

1. The Lender is an Ontario corporation in the business of providing mortgage financing and other loans.

2. I understand that Block 80 Holdings Inc. (the "**Borrower**") is an Ontario corporation in the business of real estate development.

Pactima eSignature Package ID: adaH-ztrspDX7HS3TPCyG

3. On June 7, 2024, I affirmed an affidavit (the "**First Patel Affidavit**") in support of the Lender's application to appoint TDB Restructuring Limited as receiver (the "**Receiver**") of real property owned by the Borrower municipally known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario and having the legal description: PIN 58405-0667, Block 80, Plan 51M887, Penetanguishene (the "**Real Property**").

4. This application arose from a mortgage loan between the Lender and the Borrower pursuant to which the Lender initially advanced $3,285,000 to the Borrower, which loan was secured by a first mortgage charge on the Real Property in favour of the Lender (among other security).

5. The background to this loan and these proceedings is set out in the First Patel Affidavit.

6. On July 8, 2024, Justice Black made an Order appointing TDB Restructuring Limited as Receiver of the Real Property (the "**Receivership Order**").

7. This affidavit adopts the definition of capitalized terms contained in the First Patel Affidavit, unless stated otherwise herein.

B. The Transaction

8. As set out in greater detail in the First Report of the Receiver dated October 3, 2025, on August 19, 2025, the Receiver and Penetang Shores Inc. ("**PSI**," an Ontario corporation owned subsidiary of First Source) entered an agreement of purchase sale with respect to the Real Property (the "**Transaction**").

Pactima eSignature Package ID: adaH-ztrspDX7HS3TPCyG

9. On October 15, 2025, the Honourable Justice J. Dietrich granted an order approving the Transaction, among other things. I attach copies of Her Honour's orders and endorsement from this proceeding to my affidavit as **Exhibit A**.

10. This Transaction was scheduled to close on November 14, 2025.

11. On November 14, 2025, the Receiver advised the Lender that it had become aware of a deemed trust claim (the "**Deemed Trust Claim**") by the Canada Revenue Agency ("**CRA**") against the Borrower in the amount of $603,277.82 in respect of unpaid GST/HST. The Deemed Trust Claim is set out in a letter from CRA to the Receiver dated October 18, 2024 and attached hereto as **Exhibit B**.

12. I understand that the Deemed Trust claim would likely rank ahead of First Source's mortgage on title to Real Property, meaning that First Source would likely need to satisfy the Deemed Trust Claim before taking title to the Real Property free and clear of the Deemed Trust Claim.

13. First Source and PSI were not prepared to close the Transaction as a result of this significant unforeseen potential liability. Accordingly, the Lender and the Receiver agreed to extend the closing date of the Transaction to the business day following the completion of the assignment of the Borrower into bankruptcy.

C. Authorization of bankruptcy

14. First Source requests that the Court make the following orders to facilitate the closing of the Transaction:

Pactima eSignature Package ID: adaH-ztrspDX7HS3TPCyG

(a) An Order amending the Receivership Order such that TDB Restructuring Limited is appointed Receiver of all of the assets and undertakings of the Borrower; and

(b) An Order authorizing the Receiver to make an assignment in bankruptcy on behalf of the Borrower.

15. I note the following concerning this requested relief:

(a) The Lender holds security over both the Real Property and the Borrower's personal property, pursuant to a GSA executed by the Lender and Borrower on March 30, 2021 (which GSA is attached as Exhibit F to the First Patel Affdavit);

(b) The Borrower has already consented to the appointment of a receiver over all of its property, assets and undertakings in a forbearance agreement between the Lender and the Borrower dated November 1, 2023 (which forbearance agreement is included in Exhibit K to the First Patel Affdavit);

(c) In my view, the completion of the Transaction will benefit the stakeholders of the Real Property generally. In particular:

(i) Completion of the Transaction will enable the Lender to realize on its first mortgage charge and be repaid, in part, for its loan to the Borrower; and

Pactima eSignature Package ID: adaH-ztrspDX7HS3TPCyG

(ii) There are 21 residential tenants living at the Real Property. The completion of the Transaction will enable PSI to continue to manage the Real Property and perform the Borrower's obligations to these tenants.

AFFIRMED remotely by Kunj Patel at the City of Pickering in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 17th day of November, 2025 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely

Kunj Patel

Commissioner for Taking Affidavits
Noel Countryman

Noel William Countryman, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 23, 2027.

Kunj Patel

Pactima eSignature Package ID: adaH-ztrspDX7HS3TPCyG

Court File No. CV-24-00720929-00CL

FIRST SOURCE FINANCIAL MANAGEMENT INC. Applicant	-and-	BLOCK 80 HOLDINGS INC. et al. Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AFFIDAVIT OF KUNJ PATEL

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant

Motion Record of the Applicant P. 016

This is Exhibit “A” referred to in the Affidavit of Kunj Patel affirmed November 17. 2025.



Commissioner for Taking Affidavits (or as may be)

NOEL COUNTRYMAN

Noel William Countryman, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 23, 2027.

Court File No.: CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	**)**	**WEDNESDAY, THE 15TH**
	)	
JUSTICE J. DIETRICH	**)**	**DAY OF OCTOBER, 2025**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

BLOCK 80 HOLDINGS INC. and ANDRE SHERMAN

Respondents

ORDER
(Approval and Vesting Order)

THIS MOTION, made by TDB Restructuring Limited ("**TDB**") in its capacity as the Court-appointed Receiver (in such capacity, the "**Receiver**") over the lands and premises municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario (the "**Property**"), owned by Block 80 Holdings Inc. (the "**Debtor**"), for an Order, *inter alia,* approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale between the Receiver, as vendor, and Penetang Shores Inc. as purchaser (the "**Purchaser**"), dated July 30, 2025 (the "**Sale Agreement**"), and vesting in the Purchaser the Debtor's right, title and interest in and to the Property (as defined in the Sale Agreement), was heard this day via Zoom videoconference.

ON READING the Motion Record of the Receiver dated October 3, 2025, the First Report, containing Confidential Appendix "1" including the Sale Agreement, the Factum of the Receiver dated October 8, 2025, and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavits of Wendy Lee sworn October, 3, 2025 and October 8, 2025, filed.

1. **THIS COURT ORDERS** that unless otherwise defined herein or the context otherwise requires, capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Sale Agreement.

APPROVAL AND VESTING

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Property to the Purchaser.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of Debtor's right, title, benefit and interest in and to the Property as described in the Sale Agreement and further particularized in "**Schedule B"** hereto shall vest absolutely in the Purchaser, free and clear of and from any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts

(whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims")** including, without limiting the generality of the foregoing:: (i) any encumbrances or charges created by the Order of the Honourable Justice Black of the Ontario Superior Court of Justice, dated the 8th day of July, 2024; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system and (iii) those claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed in **Schedule "D"** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Property are hereby expunged and discharged as against the Property.

4. **THIS COURT ORDERS** upon the registration in the Land Registry Office of Simcoe (number 51) of a Transfer/Deed of Land in the form prescribed by the *Land Registration Reform Act* duly executed by the Receiver, the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject Property identified in **Schedule "B"** hereto in fee simple, and is hereby directed to delete and expunge from title to the Property all Claims and Encumbrances as against the Property, with the exception of those listed in **Schedule "D"** hereto.

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Property shall stand in the place and stead of the Property, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Property with the same priority as they had with respect to the Property immediately prior to the sale, as if the Property had not

been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Debtor and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of Debtor;

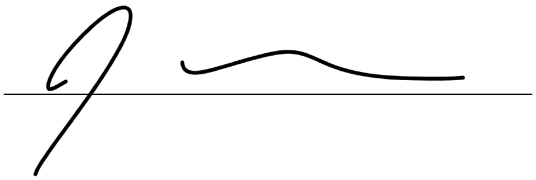
the vesting of the Property in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Debtor and shall not be void or voidable by creditors of Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **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.

9. **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.



Schedule "A" – Form of Receiver's Certificate

Court File No.: CV-24-00720925-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

BLOCK 80 HOLDINGS INC. and ANDRE SHERMAN

Respondents

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

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Black of the Ontario Superior Court of Justice (the "**Court**") dated July 8, 2024, TDB Restructuring Limited ("**TDB**") was appointed as receiver (the "**Receiver**") the lands and premises municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario (the "**Property**"), owned by Block 80 Holdings Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated October 15, 2025, the Court approved the agreement of purchase and sale made as of July 30, 2025 (the "**Sale Agreement**") between the Receiver and Penetang Shores Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of Debtor's right, title and interest in and to the Property, which vesting is to be effective with respect to the Property upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser of the Purchase Price for the Property, (ii) that the

conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser, and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Property payable on the Closing Date pursuant to the Sale Agreement;

2. The conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser, respectively; and

3. The Transaction has been completed to the satisfaction of the Receiver.

4. This Certificate was delivered by the Receiver at _____ [TIME] on _____ [DATE].

TDB Restructuring Limited, in its capacity as Court-appointed Receiver the lands and premises municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario, and not in its personal capacity and without personal or corporate liability

Per: _____

Name:

Title:

Schedule "B" – Legal Description of The Penetanguishene Property

PIN 58405-0667 (LT)

Address: Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario

Legal Description: Block 80, Plan 51M887, Penetanguishene

Schedule "C" – Claims to be Deleted and Expunged from Title to the Property Bearing PIN

	Instrument No.	Date	Instrument Type	Amount	Parties From	Parties To
1	SC1768805	2021/04/06	Charge	$3,942,000	Block 80 Holdings Inc.	First Source Financial Management Inc.
2	SC1768806	2021/04/06	Notice of General Assignment of Rents		Block 80 Holdings Inc.	First Source Financial Management Inc.
3	SC1770203	2021/04/09	Postponement		First Source Financial Management Inc.	The Corporation of the Town of Penetanguishene
4	SC1883937	2022/04/04	Notice		First Source Financial Management Inc.	Block 80 Holdings Inc.
5	SC1958918	2023/01/23	Notice		First Source Financial Management Inc.	Block 80 Holdings Inc.
6	SC1971266	2023/04/03	Charge	$500,000	Block 80 Holdings Inc.	2070409 Ontario Inc.
7	SC1971267	2023/04/03	Notice of General Assignment of Rents		Block 80 Holdings Inc.	2070409 Ontario Inc.
8	SC2063393	2024/06/19	Construction Lien	$804,997	Georgian Bay Contracting Services Inc.	

Schedule "D" – Permitted Encumbrances

1. Any registered reservations, restrictions, rights of way, easements or covenants that run with the Lands;

2. Any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;

3. All Applicable Laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the lands;

4. Any minor easements for the supply of utility service to the lands or adjacent properties;

5. Encroachments disclosed by any errors or omissions in existing surveys of the lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other applicable law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally;

6. The exceptions and qualifications set forth in the *Land Titles Act* (Ontario);

7. The reservations contained in the original grant from the Crown;

8. Liens for taxes if such taxes are not due and payable;

9. Any leases;

10. The Assigned Contracts;

11. The following instruments:
    (i) Instrument No. SC595670
    (ii) Instrument No. 51M887
    (iii) Instrument No. SC1770202

FIRST SOURCE FINANCIAL MANAGEMENT INC. - and-	**BLOCK 80 HOLDINGS INC. AND ANDRE SHERMAN**	
Applicant	*Respondents*	Court File No.: CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT

TORONTO

APPROVAL AND VESTING ORDER

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSUC No.: 56871V
Email: dmichaud@robapp.com
Tel: (416) 360-3795

Anisha Samat LSUC No.: 82342Q
Email: asamat@robapp.com
Tel: (416) 360-1901

Lawyers for the Court-Appointed Receiver, TDB Restructuring Limited

Court File No.: CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	**)**	**WEDNESDAY, THE 15TH**
	)	
JUSTICE J. DIETRICH	**)**	**DAY OF OCTOBER, 2025**

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

BLOCK 80 HOLDINGS INC. and ANDRE SHERMAN

Respondents

ORDER
(Administration Order)

THIS MOTION, made by TDB Restructuring Limited ("**TDB**") in its capacity as the Court-appointed receiver (the "**Receiver**"), over the lands and premises municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario (the "**Property**"), owned by Block 80 Holdings Inc. (the "**Debtor**"), for an Order, *inter alia,* (i) approving the Receiver's activities, fees, receipts and disbursements, and the fees of its legal counsel, as set out in the First Report of the Receiver dated October 3, 2025 (the "**First Report**"), including the Sale Process as described in the First Report (the "**SISP**"), (ii) sealing Confidential Appendix "1" contained within the First Report (the "**Confidential Appendix**"), (iii) declaring the GBCS Lien (as defined herein) invalid and unenforceable as against the Property, (iv) approving the proposed

distributions as set out in the First Report, (v) increasing the Receiver's Borrowings Charge (as defined herein) from $500,000.00 to $750,000.00 and (vi) authorizing the termination of the within receivership proceedings and the discharge and release of the Receiver upon the Receiver filing a Certificate of Completion with the Court, was heard this day by Zoom videoconference.

ON READING the Motion Record of the Receiver dated October 3, 2025, the First Report, containing the Confidential Appendix including the Sale Agreement, the Factum of the Receiver dated October 8, 2025, and on hearing the submissions of counsel for the Receiver and any such other counsel or individual as were present, no one appearing for any other person on the service list, although properly served as evidenced by the Affidavits of Wendy Lee sworn October, 3, 2025 and October 8, 2025, filed.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Receiver's Notice of Motion dated October 3, 2025 (the "**NOM**") and related motion material filed in support of that NOM, including the Receiver's Motion Record dated October 3, 2025, is hereby abridged and validated, so that this Motion is properly returnable today and hereby dispenses with further service hereof.

APPROVAL OF ACTIVITIES AND RECEIVER'S REPORTS

2. **THIS COURT ORDERS** that First Report and the activities and conduct of the Receiver as described therein are hereby approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

APPROVAL OF RECEIVER'S FEES AND EXPENSES

3. **THIS COURT ORDERS** that the:

(a) fees and disbursements of the Receiver for the period from May 1, 2024 to September 30, 2025, in the amount of $236,327.35, are hereby approved; and

(b) fees and disbursements of the Receiver's legal counsel for the period from October 24, 2024 to September 30, 2025, in the amount of $24,337.32 are hereby approved.

4. **THIS COURT ORDERS** that the Receiver's statement of Receipts and Disbursements for the period from July 8, 2024 to September 30, 2025, comprising of total receipts of $1,089,642.00, and cash disbursements of $986,973.00, resulting in a net cash surplus of $102,670.00, for that period and attached as Appendix "H" to the First Report, is hereby approved.

GBCS LIEN

5. **THIS COURT ADJUDGES AND DECLARES** that the construction lien registered on title to the Property as Instrument No. SC2063393, in the amount of $804,997.00, in favour of Georgian Bay Contracting Services (the "**GBCS Lien**"), is invalid and unenforceable against the Property.

SEALING

6. **THIS COURT ORDERS** that the Confidential Appendix is hereby sealed until the earlier of:

(a) the closing of the transaction pursuant to the Sale Agreement contained in the Confidential Appendix; or

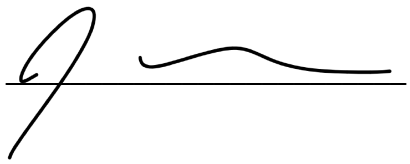
(b) upon further order of this Court.

DISTRIBUTION

7. **THIS COURT ORDERS** that the proposed distribution as set out in paragraphs 53(a), 53(b), 53(d) and 53(e) of the First Report, is hereby approved and authorized**.**

MISCELLANEOUS

8. **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.



FIRST SOURCE FINANCIAL MANAGEMENT INC. - and-	**BLOCK 80 HOLDINGS INC. AND ANDRE SHERMAN**	
Applicant	*Respondents*	Court File No.: CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT

TORONTO

ADMINISTRATION ORDER

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSO No.: 56871V
Email: dmichaud@robapp.com
Tel: (416) 360-3795

Anisha Samat LSO No.: 82342Q
Email: asamat@robapp.com
Tel: (416) 360-1901

Lawyers for the Court-Appointed Receiver, TDB Restructuring Limited

ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-24-00720929-00CL **DATE: October 15, 2025**

NO. ON LIST: 2

TITLE OF PROCEEDING: First Source Financial Management Inc. v. Block 80 Holdings Inc. et al

BEFORE: JUSTICE J. DIETRICH

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Dillon Gohil	First Source Financial Management Inc.	Dillon.gohil@paliareroland.com
Dom Michaud ,	Court-Appointed Receiver, TDB Restructuring Limited	dmichaud@robapp.com
Anisha Samat,	TDB Restructuring Limited	asamat@robapp.com
Bryan Tannenbaum	TDB Restructuring Limited	btannenbaum@tdbadvisory.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

ENDORSEMENT OF JUSTICE J. DIETRICH:

Introduction

1. TDB Restructuring Limited ("**TDB**") in its capacity as the Court-appointed receiver (the "**Receiver**") over the real property municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario (the "**Real Property**"), owned by Block 80 Holdings Inc. (the "**Debtor**"), seeks two Orders.

2. First, an approval and vesting order (the "**AVO**") is sought approving an asset purchase agreement (the "**APA**") between the Receiver and Penetang Shores Inc. ("**PSI**") as purchaser for a sale of the Real Property free and clear of all claims and encumbrances.

3. Second, an order (the "**Administration and Discharge Order**") is sought:

    a. approving the sale and investment solicitation process ("**SISP**") conducted by the Receiver;

    b. declaring that the construction lien in favour of Georgian Bay Construction Services Inc. ("**GBCS**") registered on June 19, 2024 (the **"GBCS Lien**") is invalid and unenforceable as against the Real Property;

    c. approving the First Report of the Receiver dated October 3, 2025 (the "**First Report**"), the activities and conduct of the Receiver as described therein and the Receiver's statement of receipts and disbursements to September 30, 2025 (the "**R&D**") attached thereto;

    d. approving the Receiver 's fees and disbursements, and those of its counsel, and the estimated costs to complete the receivership administration as described in the First Report;

    e. approving the proposed Interim Distribution of proceeds from the transaction contemplated by the APA (the "**Transaction**")

    f. approving an increase in the Receiver's Borrowing Charge from $500,000 to $750,000

    g. sealing the confidential appendix to the First Report until closing of the Transactions or until further order of the Court;

h. discharging the Receiver upon the filing of a certificate (the "**Discharge Certificate**"); and

i. authorizing a distribution to First Source Financial Management Inc. ("First Source") up to the amount owed to First Source by the Debtor.

4. No opposition to the relief sought was raised at the hearing. Counsel for GBCS did not attend, however, counsel for the Receiver advised that they had been informed by counsel for GBCS that GBCS did not oppose the relief sought in respect of the GBCS Lien.

5. Defined terms used but not defined herein have the meaning provided for in the factum of the Receiver filed for use on this motion.

Background

6. TDB was appointed as Receiver over the Debtor by Order of Justice Black dated July 8, 2024 (the "**Appointment Order**").

7. The Real Property is the site of a residential apartment building with 18 units. First Source is a secured lender of the Debtor, in connection with a mortgage loan advanced to the Debtor (the "**Loan**"), that was intended to aid in the completion of the construction of the apartment building. Counsel for the Receiver advised that First Source is owed in excess of $6.5 million.

8. The Receiver has obtained an independent legal opinion that, subject to the usual qualifications and assumptions, First Source holds valid and enforceable security over the Real Property.

9. GBCS registered the GBCS Lien against the Real Property on June 19, 2024. A certificate of action has not been registered on title to the Real Property by GBCS. On August 20, 2025, counsel to the Receiver wrote to counsel for GBCS, to enquire about the perfection of the GBCS Lien and has received no response.

10. Pursuant to paragraph 21 of the Appointment Order, the Receiver was empowered to borrow up to $500,000 (the "**Borrowing Limit**") at any time for the purpose of funding the exercise of the Receiver's powers and duties. The full amount of the Receiver's borrowing was used to fund and pay for the contract entered into with GBCS to complete construction in respect of the first phase of the Real Property (the "**Initial Work**"). GBCS advised that there were certain "extras" that were required over and above the contract price to complete the Initial Work. On the basis that the net rent, after payment of monthly expenses in relation to the operation, repairs and maintenance of the Real Property were not sufficient to pay for the cost of the extras incurred by GBCS, the

Receiver advised GBCS that it would need to wait to be paid from the proceeds of sale of the Real Property.

11. The Receiver was also informed in mid-April 2025 that the Town required certain further site works to be completed (the "**Additional Work**") in order to address ongoing complaints from homeowners located at the rear of the Real Property and if the Additional Work was not completed by June 1, 2025, the Town would use the securities it held to complete the work itself.

12. The Receiver was concerned that the Town's cost of performing the Additional Work would exceed its own costs for doing so. Accordingly, First Source agreed to advance the Receiver an additional $250,000 to fund the Additional Work and pay significant past due and accruing professional fees on the condition the Receiver seek an increase in its Borrowing Limit on the next attendance.

13. With respect to the sale of the Real Property, the Receiver received listing proposals from three commercial real estate brokerages and ultimately selected Cushman & Wakefield ULC ("**C&W**") as sales agent for the sale of the Real Property, with the concurrence of First Source. On October 22, 2024, the Receiver entered into an MLS listing agreement with C&W.

14. After discussion with C&W, the Receiver set an offer deadline date of February 5, 2025 (the "**Bid Deadline**") as C&W indicated that the period between October 23, 2024 and February 5, 2025 was sufficient time to appropriately market the Real Property, taking into account the holiday season. A summary of C&W's market efforts is set out in the First Report.

15. C&W received 14 signed Confidentiality Agreements by prospective purchasers or brokers, all of whom were given access to the electronic data room. However, as of the Bid Deadline, C&W had received no offers for the Real Property. Subsequent to the Bid Deadline, C&W continued to market the Real Property with a view to furthering interest from certain parties that had expressed an interest in purchasing the Real Property and with the concurrence of First Source, the asking price was reduced to $6.2 million.

16. Although the Receiver advised during the hearing that two offers were received for the Real Property the purchase price contained in those offers was substantially less than the amount owing to First Source. Ultimately, no acceptable offers were received and on August 19, 2025, the Receiver and PSI executed the APA. PSI is an entity owned by First Source, and the Transaction is structured as a credit bid in respect of First Source's first mortgage on the Real Property.

17. The APA contemplates payment by PSI to the Receiver an amount sufficient to extinguish various priority charges and outstanding obligations of the Receiver. The

Receiver seeks approval to distribute such amount upon closing the Transaction in the following order of priority (the "**Interim Distribution**"):

a. payment to the Town for the property taxes owing on the Real Property, plus any further interest or fees at the time of closing;

b. payment of any remaining unpaid fees and disbursements of the Receiver and its counsel relating to the Real Property;

c. payment to C&W of the commissions owed to it upon the successful closing of the Real Property in the event of a credit bid; and

d. payment to GBCS for the construction extras incurred by it in completing the post-receivership Initial Work and Additional Work in connection with the Real Property.

18. The APA also contemplates that the amounts owing as Receiver's Borrowings will be forgiven.

19. As set out in the First Report, along with closing of the Transaction, the Receiver's remaining duties include, making the distributions discussed above, paying any remaining utility and/or service providers for goods and services rendered and closing the Receiver's accounts with those providers; doing all things necessary to assist PSI with transitioning utility services currently in the Receiver's name to each purchaser, as required; doing all things necessary to assist PSI with transitioning collections of rent from the tenants in residing in the Real Property; assisting with the transition of the Receiver's current property manager to PSI, should it require same; and preparing the Final Statement of Receiver pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*.

Issues

20. The following issues are to be determined today should the Court:

a. approve the SISP and the Transaction contemplated by the APA;

b. declare that the GBSC Lien is invalid and unenforceable as against the Real Property;

c. approve the requested Interim Distributions;

d. approve the First Report, the activities of the Receiver set out therein, the R&D and the fees and activities of the Receiver and its counsel?

e. grant the limited sealing order requested; and

f. approve the discharge of the Receiver, upon the filing of the Discharge Certificate?

Analysis

21. Given that the SISP has run its course it is not appropriate or necessary for the Court to approve it. Rather, the focus, at this time, should be the approval of the APA and the Transaction contemplated thereby.

22. The principles to be applied when determining whether to approve a sale transaction were articulated by the Ontario Court of Appeal in *Royal Bank of Canada v Soundair Corp.* 1991 ONCA 2727 ("*Soundair*"): (a) whether the receiver has made sufficient effort to obtain the best price and has not acted improvidently; (b) the efficacy and integrity of the process by which offers have been obtained; (c) whether the interests of all parties have been considered; and (d) whether there has been unfairness in the working out of the process.

23. I am satisfied that the *Soundair* principles have been met.

24. The Receiver solicited listing proposals from established commercial real estate brokerages and selected C&W. There was an extensive marketing process undertaken by C&W that started approximately a year ago. Despite 14 interested parties executing Confidentiality Agreements, no acceptable offers were received. The two offers that were received were for substantially less than the amounts owing to First Source. The Receiver does not believe that further exposure to the market would result in a superior offer.

25. The Receiver is satisfied that fair consideration is being provided in the APA, and that this is the best offer the Receiver could expect to obtain in the circumstances. As noted above, no objections were raised with respect to the approval of the APA.

26. Accordingly, the requested AVO, with the amendments discussed during the hearing is substantively consistent with the form of Commercial List Model Order is approved.

27. With respect to the declaration sought in regard to the GBCS Lien, although a construction lien against the Real Property was registered on June 19, 2024, as of the date of the Receiver's report, no action has been commenced with respect to the GBCS Lien, no certificate of action has been registered, and no request for leave to perfect the GBCS Lien has been made to the Court or the Receiver. As noted above, counsel to GBCS has advised counsel to the Receiver that GBCS does not oppose the relief sought in this respect. In the circumstances, I am satisfied that the evidence before me is that the GBCS Lien was not perfected in accordance with the requirements of the Construction Act. As

such the relief sought noting the GBCS Lien is not valid or enforceable with respect to the Real Property is appropriate in the circumstances.

28. The requested amounts to be paid as part of the Interim Distribution are not opposed by any party including First Source. I note that in the First Report, the defined term Interim Distribution included, in error, a repayment of Receiver's Borrowings, however, rather than being repaid those amounts are to be forgiven under the APA. Based on the record before me, I am satisfied those payments identified as in the revised order appropriate in the circumstances.

29. As for the Receiver's request to retroactively increase its borrowing amount, the relief is quite unusual. Given that the amounts are to be forgiven under the APA, it is not necessary for me to approve the increase retroactively and I decline to do so.

30. The request to approve the First Report is not unusual and there are good policy and practical reasons for doing so. No opposition to the approval of the First Report has been raised and the approval of the First Report is appropriate in the circumstances as the Receiver has acted reasonably and in good faith. The draft order provided contains the typical language that only the Receiver is entitled to rely on the approval. Similarly, the R&D is approved.

31. The Receiver also seeks approval of the fees and disbursements of the itself and its legal counsel, including a fee accrual to complete matters. In this respect, as the Court of Appeal for Ontario held in *Bank of Nova Scotia v Diemer* 2014 ONCA 851 at paras 33 and 45, this Court does not undertake a line-by-line analysis of the invoices. Rather, the guiding principles on fee approvals of this nature are whether the fees are fair, reasonable, and proportionate given the value of the Property and liabilities as well as the complexity of the Proceeding. In considering these guiding principles, subject to the comments below regarding the fee accrual, the fees of the Receiver and its counsel as set out in the First Report are appropriate and are approved.

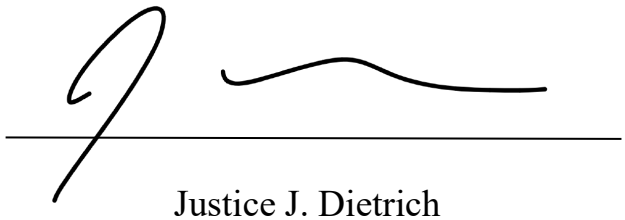
32. The limited sealing order being sought is necessary to preserve the Receiver's ability to maximize the value of the Real Property in the event of the Transaction does not close. I am satisfied that the requested sealing order for the confidential appendix to the First Report (being an unredacted version of the APAs) meets the test in *Sherman Estate v. Donovan* 2021 SCC 25 at para 38 and that disclosure of this information would pose a risk to the public interest in enabling stakeholders of a company in receivership to maximize the realization of assets. I direct counsel for the Receiver to file a hard copy of the confidential appendices with the Commercial List Office in a sealed envelope with a copy of the relevant order and this endorsement.

33. As for the requested discharge, I am not prepared at this to time to grant that relief and discharge the Receiver. The Remaining Duties as described in the First Report are substantial – the transaction contemplated by the APA has not closed. I appreciate that

the Receiver sought the relief now in an effort to reduce costs, however, given the work still to be done, I am not prepared to grant the requested release upon discharge in favour the Receiver at this time.

Disposition

34. Orders to go in the form signed by me this day.



Date: October 15, 2025

Justice J. Dietrich

This is Exhibit “B” referred to in the Affidavit of Kunj Patel affirmed November 17, 2025.



Commissioner for Taking Affidavits (or as may be)

NOEL COUNTRYMAN

Noel William Countryman, a Commissioner, etc.,
Province of Ontario, while a Student-at-Law.
Expires May 23, 2027.

Canada Revenue Agency / Agence du revenu du Canada

Tax Centre
St. Catharines ON L4R 3B9

October 18, 2024

BLOCK 80 HOLDINGS INC.
C/O TDB RESTRUCTURING LIMITED
700 - 11 KING ST W
P.O. BOX 27
TORONTO ON M5H 4C7

Account Number
80507 8706 RT0001

Dear Sir or Madam:

Subject: BLOCK 80 HOLDINGS INC.

We understand that you have been appointed receiver or receiver-manager (receiver) for the above GST/HST registrant. Currently, the registrant owes goods and services tax / harmonized sales tax (GST/HST) of $649,893.99.

Period outstanding	GST/HST payable	Penalty & interest	Total
2023-12-31	$ 3,510.00	$ 288.51	$ 3,798.51
2023-11-30	$590,885.29	$46,049.11	$636,934.40
2023-09-30	$ 8,882.53	$ 278.55	$ 9,161.08

Under the Excise Tax Act, $603,277.82 of the above totals represents property of the Crown held in trust and does not form part of BLOCK 80 HOLDINGS INC.'s property, business, or estate. This is the case whether or not those funds are kept separate and apart from the registrant's own money or from the estate's assets.

You must pay the Receiver General for Canada $603,277.82 out of the realization of any property subject to the trust created by subsection 222(3) of the Act before paying any other creditor. Please send us your payment right away. If this is not possible, please tell us when you will make the payment. Also, please tell

.../2

us when you will pay the remaining balance of $ 46,616.17.

As a receiver, you must collect and remit the registrant's GST/HST for the period you are acting as a receiver. You also must file the registrant's returns for any periods ending while you were acting as receiver. This includes any returns the registrant did not file for a period ending in or immediately before the fiscal year you became receiver.

For more information or clarification, please call us at 905-536-7628.

Yours truly,

Jennifer O'Keefe-Rahman (1220)
Resource Officer Complex Case

TAB 3

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W., Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

IN THE MATTER OF THE RECEIVERSHIP OF

BLOCK 80, BELLISLE HEIGHTS, 61 THOMPSONS RD. WEST

PENETANGUISHENE, ONTARIO

FIRST REPORT OF THE RECEIVER

OCTOBER 3, 2025

Court File No. CV-24-00720929-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

BLOCK 80 HOLDINGS INC and ANDRE SHERMAN

Respondents

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1.0 INTRODUCTION

1. Pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") made on July 8, 2024 (the "**Appointment Order**"), TDB Restructuring Limited ("**TDB**") was appointed receiver (the "**Receiver**"), without security, of the lands and premises municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario (the "**Penetanguishene Property**"). A copy of the Appointment Order is attached hereto as **Appendix** "**A**".

2. The Receiver retained the firm of Paliare Roland Rosenberg Rothstein LLP ("**Paliare Roland**") as the Receiver's legal counsel and the firm of Robins Appleby LLP (**"Robins Appleby**") as the Receiver's real estate counsel. On the basis that Paliare Roland is also retained by First Source Financial Management Inc. ("**First Source**"), the applicant in these proceedings, in the event of any conflict, Robins Appleby has agreed to act as the Receiver's independent legal counsel.

3. The Appointment Order, together with Court documents related to the receivership proceeding, has been posted on the Receiver's website, which can be found at https://tdbadvisory.ca/insolvency-case/block-80.

1.1 Purpose of Report

4. The purpose of this first report to Court (the "**First Report**") is to provide the Court with:

   (a) a brief background leading up to the receivership proceedings;

   (b) information about the Receiver's activities since the date of its appointment to the date of this First Report;

   (c) reporting on the results of the Receiver's efforts to market and sell the Penetanguishene Property;

(d) support for the relief sought by the Receiver, namely the request for an approval and vesting order in favour of Penetang Shores Inc. ("**PSI**") for the sale of the Penetanguishene Property;

(e) an unredacted copy of the executed Agreement of Purchase and Sale for the Penetanguishene Property dated July 30, 2025 (the "**Penetanguishene APA**"). A sealing order is sought for the unredacted Penetanguishene APA submitted by PSI;

(e) information relating to the Receiver's Borrowings Charge (defined below) and the Receiver's rationale for recommending an increase in the Borrowing Limit (as defined below) to $750,000;

(f) information relating to the secured creditors in respect of the Penetanguishene Property and the legal opinion obtained by the Receiver in respect of First Source's security;

(f) a summary of the Receiver's cash receipts and disbursements in respect of the Penetanguishene Property for the period July 8, 2024 to September 30, 2025 (the "**R&D**"); and

(g) the Receiver's request that the Court grant orders:

i. approving the First Report and the activities of the Receiver set out herein;

ii. approving the transaction (the "**Penetanguishene Transaction**") detailed in the Penetanguishene APA and vesting all of the Receiver's and Block 80 Holdings Inc. (the "**Debtor**") and Andre Sherman's (together with the Debtor, the "**Debtors**") right, title and interest in the Penetanguishene Property in PSI upon the closing of the Penetanguishene Transaction;

iii. sealing Confidential Appendix 1;

iv. approving the R&D;

iii. approving the proposed Interim Distribution (as defined below) from the proceeds of sale of the Penetanguishene Property;

iii. approving the fees and disbursements of the Receiver and of the Receiver's counsel and the estimated costs to complete the receivership administration;

iv. authorizing and directing the Receiver to make a distribution of any funds remaining in its possession to First Source, after payment of all professional fees and costs related to the receivership administration;

v. discharging the Receiver upon the filing of a certificate with the Court confirming that the Remaining Duties (defined below) have been completed (the "**Discharge Certificate**"), and authorizing the Receiver to complete certain administrative matters following the discharge of the Receiver; and

vi. directing that TDB, in its capacity as former Receiver (i) pay to First Source any funds the Receiver receives following the date of the Order made in connection with the Receiver's discharge, provided that the amounts paid do not exceed the Debtors' indebtedness to First Source or (ii) apply to the Court for further direction if the Receiver is of the view that the direction of the Court is required.

1.2 Terms of Reference

5. In preparing the First Report and making the comments herein, the Receiver has relied upon information from third-party sources (collectively, the "**Information**"). Certain of the information contained in the First Report may refer to, or is based on, the Information. As the Information has been provided by other parties or obtained from documents filed with the Court in this matter, the Receiver has relied on the Information and, to the extent possible, reviewed the Information for reasonableness. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the

Receiver expresses no opinion or other form of assurance in respect of the Information.

6. Unless otherwise stated, all dollar amounts contained in the First Report are expressed in Canadian dollars.

2.0 BACKGROUND

9. The Appointment Order was granted by Justice Black on July 8, 2024 pursuant to an application made by First Source.

10. Details of the events leading up to the appointment of the Receiver are set out in the Application Record of First Source dated June 10, 2024 (the "**Application Record**") and the affidavit of Kunj Patel affirmed on June 7, 2024 (the "**Patel Affidavit**"). The Application Record, including the Patel Affidavit therein, are posted on the Receiver's website at https://tdbadvisory.ca/insolvency-case/block-80/.

3.0 RECEIVER'S ACTIVITIES

11. A summary of the Receiver's activities in relation to the receivership administration is set out below:

3.1 Administrative

(a) prepare for and attend in Court with respect to the receivership hearing;

(b) create case webpage on the Receiver's website in accordance with the e-Service Protocol;

(c) open the Receiver's trust account;

(d) complete and issue the Receiver's S. 245/246 notice and statement;

(e) arrange for insurance over the Penetanguishene Property; and

(f) attend to calls and meetings with First Source to provide property-related updates, including the Receiver's sales process for same and construction.

3.2 Property

(g) prepare and finalize an information request listing and send same to the Debtors for information on the Penetanguishene Property;

(h) review materials in respect of the property received from First Source and the Debtors;

(i) contact Renaissance Property Management ("**RPM**"), the property manager of the Penetanguishene Property, to advise of the receivership proceedings and retain same to manage the property;

(j) liaise with RPM regarding bills to be paid, repairs, maintenance and other on-site issues to be addressed;

(k) contact the tenants of the Penetanguishene Property to advise of the Receiver's appointment and request that they continue to pay rent to RPM, as property manager;

(l) contact Georgian Bay Construction Services Inc. ("**GBCS**") to ascertain the status of the Penetanguishene Property and obtain an estimate to complete same in accordance with the site plan approved by the Town of Penetanguishene (the "**Town**");

(m) finalize contract with and engage GBCS to complete the construction and related work in connection with phase 1 of the Penetanguishene Property;

(n) communicate with the Town regarding the Receiver's appointment, outstanding property taxes and water bills;

(o) contact the various utility and submetering suppliers to inform them of the receivership and open new accounts in the name of the Receiver;

(p) executing contracts for various supplier services, including snow removal and coin operated laundry machines;

(q) contact and continue to communicate with the Town's Fire Department regarding compliance order issued, obtain extension and do all things necessary to effect compliance with such order; and

(r) engage Cushman & Wakefield ULC ("**C&W**") as sales agent for the sale of the Penetanguishene Property.

3.3 Property Taxes

12. Robins Appleby obtained a property tax certificate from the Town dated August 13, 2025 (the "**Tax Certificate**"). The Tax Certificate sets out that:

(a) as at August 13, 2025, a total of $235,406.36 is owed to the Town for property taxes;

(b) penalty and interest of $2,537.79 will be applied to the outstanding property tax balance on September 1, 2025, if payment is not received by August 31, 2025; and

(c) deferred development charges of $48,498 plus accrued interest is due annually on September 29th from 2025 to 2028.

13. The Receiver estimates that the property taxes outstanding, including the deferred development charges, on closing of the Penetanguishene Property will be approximately $310,000, which the Receiver intends on paying from the proceeds of sale of the Penetanguishene Property.

4.0 MARKETING AND SALES PROCESS

14. The Receiver engaged in a sales process for the Penetanguishene Property as described below.

4.1 Sales process

15. The Receiver invited three commercial real estate brokers to submit proposals for the marketing and sale of the Penetanguishene Property, including C&W.

16. The Receiver received listing proposals from all three brokerages and ultimately selected C&W, with the concurrence of First Source. On October 22, 2024, the Receiver entered into an MLS listing agreement with C&W.

17. After discussion with C&W, the Receiver set an offer deadline date of February 5, 2025 (the "**Bid Deadline**") as C&W indicated that the period between October 23, 2024 and February 5, 2025 was sufficient time to appropriately market the Penetanguishene Property, taking into account the holiday season.

4.2 Marketing efforts

18. C&W launched a marketing campaign for the Penetanguishene Property on October 28, 2024.

19. The Receiver, after discussing same with Robins Appleby, provided C&W with a form of agreement of purchase and sale (the "**APS**") and confidentiality agreement (the "**Confidentiality Agreement**"). The APS was to be uploaded to the online data room maintained by C&W and the Confidentiality Agreement was to be sent to C&W's distribution list of parties that may be interested in the Penetanguishene Property. The purpose of the on-line data room was to facilitate purchaser due diligence.

20. A summary of marketing activities undertaken by C&W is set out below:

    (a) e-mails were sent to C&W's distribution list of approximately 6,100 parties, which emails included a marketing package and the Confidentiality Agreement. The distribution list targeted investors, builders and developers as well as the real estate brokerage community;

    (b) the Penetanguishene Property was listed on MLS at an asking price of $6.7 million, as recommended by C&W;

(c) advertisements were placed in the Globe and Mail on December 3, 2024 and on December 5, 2024 and recurring advertisements were posted in the Insolvency Insider and LinkedIn;

(d) a for-sale sign was posted on the property;

(e) targeted solicitation calls were made to developers and prospective purchasers; and

(f) as set out above, an electronic data room was set up to provide access to confidential information pertaining to the Penetanguishene Property to parties which had executed a confidentiality agreement.

21. Throughout the marketing process, C&W provided the Receiver with detailed summaries of the marketing activities undertaken by C&W, including the names of prospective purchasers.

4.3 Offers received

22. C&W received fourteen (14) signed Confidentiality Agreements by prospective purchasers or brokers, all of whom were given access to the electronic data room.

23. As of the Bid Deadline, C&W had received no offers for the Penetanguishene Property. Subsequent to the Bid Deadline, C&W continued to market the Penetanguishene Property with a view to furthering interest from certain parties that had expressed an interest in purchasing the Penetanguishene Property and with the concurrence of First Source, the asking price was reduced to $6.2 million.

24. Ultimately, no acceptable offers were received and on August 19, 2025, the Receiver and PSI executed the Penetanguishene APA. PSI is an entity owned by First Source, and the Penetanguishene Transaction is structured as a credit bid in respect of First Source's first mortgage on the Penetanguishene Property. A redacted copy of the Penetanguishene APA (redacted only to conceal the financial terms of the offer) is attached hereto as **Appendix** "**B**". An unredacted copy of the Penetanguishene APA will be filed with the Court as **Confidential Appendix** "**1**", under seal.

4.4 The agreement of purchase and sale

25. Salient terms of the Penetanguishene APA and matters relating thereto include:

    (a) the purchased assets include the Penetanguishene Property;

    (b) the purchase price is defined in the Penetanguishene APA;

    (c) the Penetanguishene APA is conditional on Court approval and the issuance of an order vesting title to the Penetanguishene Property in the PSI free and clear of claims and encumbrances, other than those specifically itemized in the Penetanguishene APA (the "**AVO**");

    (d) PSI is buying the Penetanguishene Property on an "as is, where is" basis; and

    (e) closing of the sale provided for in the Penetanguishene APA is scheduled to occur thirty (30) days immediately following the date on which the AVO is granted, but no later than December 15, 2025 or such other date as the Receiver and the PSI may mutually agree upon.

4.5 Penetanguishene Property sale approval

26. The Receiver believes that the marketing process undertaken by C&W and the Receiver was appropriate considering the nature of the Penetanguishene Property. The Sale Process allowed for sufficient exposure to market for the Penetanguishene Property, for the following reasons, among others:

    (a) notice of the sale was sent to more than 6,000 parties;

    (b) the Penetanguishene Property was listed for sale on MLS;

    (c) the property was exposed to the market on MLS thereafter for a period of more than 14 weeks; and

    (d) subsequent to the Bid Deadline, the Penetanguishene Property remained unsold and continued to be marketed by C&W. No other potential purchasers, other than PSI, provided the Receiver with acceptable offers for the sale of the Penetanguishene Property.

27. Accordingly, based on the above, the Receiver is of the view that the market was widely canvassed and given the length of time on the market, it is unlikely that exposing the Penetanguishene Property to the market for additional time will result in a superior transaction than the one contemplated by the Penetanguishene APA.

28. The Receiver recommends the approval of the Penetanguishene APA and granting of the AVO by the Court on the basis that this is the sole condition of the Penetanguishene Transaction. The Penetanguishene APA contemplates the usual mechanism requiring the Receiver to deliver to PSI a Certificate of the Receiver, which will certify that all of the conditions in the Penetanguishene APA have been satisfied or waived and the balance of the purchase price has been paid in full by the PSI.

5.0 SEALING

29. The Receiver respectfully requests that the Court seal Confidential Appendix 1, being the unredacted copy of the Penetanguishene APA. The Receiver believes that the financial details contained in the Penetanguishene APA should be kept confidential until the completion of sale efforts with respect to the Penetanguishene Property.

30. The inclusion in the public record of the unredacted copy of the Penetanguishene APA (which discloses the financial terms of the Penetanguishene Transaction) would be prejudicial to, among other things, the integrity of sales process and any additional marketing efforts that may be needed for the Penetanguishene Property if the Penetanguishene Transaction fails to close for any reason.

31. The sealing order sought is limited in time and will automatically expire upon the closing of the transaction contemplated in the Penetanguishene APA or further order of the Court. This will ensure that the financial terms of the Penetanguishene APA remain confidential until all sale efforts are completed. This is necessary and sufficient to reasonably protect the legitimate stakeholder interests in the circumstances.

32. A full copy of the Penetanguishene APA is being publicly filed as Appendix "B" to this report, with the purchase price and deposit amounts redacted. As a result, the sealing order's effect on the completeness of the public record, if any, will be minimal.

6.0 RECEIVER'S BORROWINGS

33. Pursuant to paragraph 21 of the Appointment Order, the Receiver was empowered to borrow up to $500,000 (the "**Borrowing Limit**") at any time for the purpose of funding the exercise of the Receiver's powers and duties. The Appointment Order charged the Penetanguishene Property with a priority charge (the "**Receiver's Borrowings Charge**") subject only to the Receiver's Charge (defined below) and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

34. To date, the Receiver has borrowed and has issued Receiver's certificates (the "**Receiver's Certificates**") totaling $500,000 against the Penetanguishene Property.

35. The full amount of the Receiver's borrowing was used to fund and pay for the contract entered into with GBCS to complete construction in respect of the first phase of the Penetanguishene Property (the "**Initial Work**"). GBCS advised that there were certain "extras" that were required over and above the contract price to complete the Initial Work. On the basis that the net rent, after payment of monthly expenses in relation to the operation, repairs and maintenance of the Penetanguishene Property were not sufficient to pay for the cost of the extras incurred by GBCS, the Receiver advised GBCS that it would need to wait to be paid from the proceeds of sale of the Penetanguishene Property. This is discussed further below.

36. The Receiver was informed in mid-April 2025 that:

    (a) the Town required certain further site works to be completed (the "**Additional Work**") in order to address ongoing complaints from homeowners located at the rear of the Penetanguishene Property; and

(b) if the Additional Work was not carried out voluntarily by the Receiver and completed by June 1, 2025, the Town would use the securities it currently held to complete the work itself.

37. The Receiver believed that if the Town was to complete the Additional Work, it would likely be at a significantly higher cost than if completed by the Receiver through GBCS. The Receiver discussed this with First Source and advised that proceeding to complete the Additional Work was in the best interest of the site and stakeholders and would help minimize overall costs.

38. First Source agreed to advance to the Receiver an additional $250,000 to fund:

(a) $150,000 in respect of the Additional Work; and

(b) $100,000 in connection with significant past due and accruing professional fees

on the condition that the Receiver seek an increase to the Borrowing Limit on its next attendance in Court.

39. On this basis, the Receiver respectfully requests that the Borrowing Limit be increased to $750,000 from $500,000.

40. The Penetanguishene APA contemplates forgiveness of the Receiver's borrowings upon closing of the Penetanguishene Transaction.

7.0 SECURED CREDITORS

7.1 Parcel Register

41. A copy of the parcel register search obtained by Robins Appleby for the Penetanguishene Property dated August 19, 2025 (the "**Penetanguishene Property PIN Report**") is attached hereto as **Appendix** "**C**".

42. A summary of the creditor charges registered against the Penetanguishene Property as set out in the Penetanguishene PIN Report is as follows:

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Date of Registration	Nature of Registration	Registrant	Amount
2021/04/06	Charge	First Source Financial Management Inc.	$3,942,000
2023/04/03	Charge	2070409 Ontario Inc.	$500,000
2024/06/19	Construction Lien	Georgian Bay Contracting Services	$804,997

43. The Receiver understands that the charge registered by First Source was increased on January 23, 2023 to $5,310,000 with the consent of the Debtor.

7.1.1 Construction Lien

44. The Receiver understands that GBCS completed certain work for Block 80 Holdings Inc. for which it was not paid, prior to the Receiver's appointment on July 8, 2024.

45. GBCS registered a construction lien against the Penetanguishene Property on June 19, 2024 in order to preserve its lien.

46. The Receiver understands that perfection of any construction lien requires the lien claimant to commence an action and register a certificate of action on title to the property within 90 days of the preservation of its lien. Based on the Receiver's past experience with lien claims and the stay of proceedings set out in the Model Receivership Order, counsel to the lien claimant has either obtained leave of the Court or sought the Receiver's consent to preserve and/or perfect its lien.

47. In the case of GBCS' lien, the Receiver is not aware of any attendance in Court by GBCS to obtain leave to perfect its lien, nor has the Receiver received any request from GBCS or its counsel to consent to the registration of any certificate of action on title to the Penetanguishene Property. Based on the Penetanguishene Property PIN

Report, a certificate of action has not been registered on title by GBCS in accordance with the *Construction Act*. On this basis, the Receiver believes the time for GBCS to perfect its lien has lapsed and the lien has expired and as a result is not valid or enforceable.

48. On August 20, 2025, Robins Appleby wrote to Manis Law, counsel for GBCS, to enquire about the perfection of GBCS' lien. A copy of the correspondence between Robins Appleby, Manis Law and the Receiver is attached hereto as **Appendix** "**D**". As at the time of writing this report, the Receiver has received no further correspondence from Manis Law in this regard, including anything refuting the Receiver's position.

49. The Receiver has received an opinion from Robins Appleby dated September 18, 2025 (the "**Lien Opinion**") in connection with the validity and enforceability of GBCS lien, which opinion sets out that the lien has expired and does not constitute a valid encumbrance against the Penetanguishene Property and cannot be enforced under the *Construction Act*. A copy of the Lien Opinion is attached hereto as **Appendix** "**E**".

7.2 PPSA

50. As further security, the Debtor granted to First Source a general security agreement by which the Debtor granted security to First Source over its personal property and an assignment of rents in respect of the Penetanguishene Property. A search of the Ontario Personal Property Security Registration system (the "**PPSA Search**") attached to the Patel Affidavit indicates that there are no other registrations against the personal property of the Debtor. A copy of the PPSA Search is attached hereto as **Appendix** "**F**".

8.0 LEGAL OPINION ON FIRST SOURCE SECURITY

51. The Receiver has obtained an independent legal opinion (the "**Legal Opinion**") from Robins Appleby LLP which sets out, subject to the assumptions and qualifications contained therein, that:

(a) First Source's security in respect of the Property of the Debtors is valid and enforceable and has been properly perfected; and

(b) First Source has a valid and enforceable registered first-ranking charge over the Penetanguishene Property.

A copy of the Legal Opinion is attached hereto as **Appendix** "**G**".

52. On the basis that the Penetanguishene Transaction contemplates a credit bid scenario and there will be no proceeds of sale from the closing of the Penetanguishene Property, the Receiver has not requested of Robins Appleby LLP that it opine on the validity, enforceability and priority of the second mortgagee's charge against the Penetanguishene Property.

9.0 PROPOSED INTERIM DISTRIBUTION

53. In order to pay for various priority charges and outstanding obligations of the Receiver (the "**Outstanding Charges and Obligations**"), the Penetanguishene APA contemplates payment by the Penetanguishene Purchaser to the Receiver an amount sufficient to extinguish the Outstanding Charges and Obligations. The Receiver intends to distribute such amount upon closing the transaction for the Penetanguishene Property in the following order of priority (such scheme of distribution being the "**Interim Distribution**"):

(a) payment to the Town for the property taxes owing on the Penetanguishene Property, plus any further interest or fees at the time of closing;

(b) pay any remaining unpaid fees and disbursements of the Receiver and its counsel relating to the Penetanguishene Property;

(c) repayment of the $500,000 to First Source in connection with the Receiver's borrowings pursuant to the Receiver's Certificates issued and the additional $250,000 advanced by First Source to the Receiver for completion of the Additional Work and payment of professional fee arrears;

(d) payment to C&W of the commissions owed to it upon the successful closing of the Penetanguishene Property in the event of a credit bid;

(e) payment to GBCS for the construction extras incurred by it in completing the post-receivership Initial Work and Additional work in connection with the Penetanguishene Property; and

(f) distribute to First Source any remaining funds in the Receiver's trust account after filing with the Court the Receiver's Discharge Certificate.

10.0 DISCHARGE OF THE RECEIVER

54. Upon the closing of the sale of the Penetanguishene Property, the Receiver's remaining duties to complete the receivership administration (the "**Remaining Duties**") include, subject to the Court issuing the order being sought by the Receiver in the within motion:

(a) making the distributions provided for under the requested order;

(b) paying any remaining utility and/or service providers for goods and services rendered and closing the Receiver's accounts with those providers;

(c) doing all things necessary to assist PSI with transitioning utility services currently in the Receiver's name to each purchaser, as required;

(d) doing all things necessary to assist PSI with transitioning collections of rent from the tenants in residing in the Penetanguishene Property;

(e) assisting with the transition of the Receiver's current property manager to PSI, should it require same; and

(f) preparing the Final Statement of Receiver pursuant to section 246(3) of the *Bankruptcy and Insolvency Act*.

55. The Receiver's administration is substantially complete. In order to avoid the costs of making a further motion to the Court to obtain the Receiver's discharge, the Receiver is presently seeking an order discharging TDB from the powers, duties and

obligations attendant to its appointment as Receiver upon the filing of the Discharge Certificate, with the proviso that TDB may perform such incidental duties as may be required by it as Receiver to complete its obligations pursuant to its appointment as Receiver including, but not limited to, the Remaining Duties.

11.0 RECEIPTS AND DISBURSEMENTS

56. The R&D for the period from July 8, 2024 to September 30, 2025 sets out cash receipts of $1,089,642, including advances made by the First Source totaling $500,000 pursuant to the Receiver's Certificates against the Penetanguishene Property and the additional $250,000 advanced by First Source for completion of the Additional Work and payment of professional fee arrears, and cash disbursements of $986,973, resulting in an excess of receipts over disbursements of $102,670. A copy of the R&D is attached hereto as **Appendix** "**H**".

12.0 PROFESSIONAL FEES

57. The Appointment Order provides 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 were granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements. The Receiver's Charge is a first charge on the Properties 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.

58. The total fees and disbursements of the Receiver for the period from May 1, 2024 to September 30, 2025 were $209,074.14 in fees, plus disbursements of $65.11, plus HST of $27,188.10, for a total amount of $236,327.35 (the "**Receiver's Invoices**"). The Receiver estimates that its fees and disbursements for the period October 1, 2025 to completion of the receivership administration will be up to $50,000 plus HST of $6,500 for a total of $56,500 (the "**Provision**"). The Receiver is therefore requesting approval of its fees and disbursements in the amount of $292,827.35, inclusive of HST, representing the Receiver's Invoices plus the Provision (collectively, the "**Receiver's Accounts**"). A copy of the Receiver's Invoices,

together with a summary of same, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Arif Dhanani sworn on October 1, 2025 and attached as **Appendix** "**I**" to this report..

59. The accounts of the Receiver's real estate and independent legal counsel, Robins Appleby, for the period from October 24, 2024 to September 30, 2025 were $21,203.50 in fees, plus disbursements of $355.60, plus applicable taxes of $2,778.22, for a total of $24,337.32 (the "**Robins Appleby Invoices**"). Robins Appleby estimates that its fees and disbursements for the period October 1, 2025 to completion of the receivership administration will be up to $50,000 plus HST of $6,500 for a total of $56,500 (the "**RA Provision**"). Robins Appleby is therefore requesting approval of its fees and disbursements in the amount of $80,837.32, inclusive of HST, which represents the Robins Appleby Invoices plus the RA Provision. A copy of the Robins Appleby Invoices, together with a summary of the accounts, the total billable hours charged per account, and the average hourly rate charged per account, is set out in the Affidavit of Dominique Michaud sworn on October 2, 2025 and attached as **Appendix** "**J**" to this report.

60. Paliare Roland has advised the Receiver that it will not be submitting a fee affidavit at this time.

13.0 RECEIVER'S REQUEST OF THE COURT

61. Based on the foregoing, the Receiver respectfully requests that the Court grant the orders described in paragraph 4(g) above.

All of which is respectfully submitted to this Court as of this 3rd day of October, 2025.

TDB RESTRUCTURING LIMIITED, solely in its capacity as Receiver of the property municipally known as Block 80, Bellisle Heights, 61 Thompsons Road West, Penetanguishene, Ontario and not in its personal or corporate capacity

Per: 

Arif Dhanani, CPA, CA, CIRP, LIT
Managing Director

APPENDIX A

Court File No. CV-24-00720929-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 8TH
	)	
JUSTICE BLACK	)	DAY OF JULY, 2024

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

BLOCK 80 HOLDINGS INC. and **ANDRE SHERMAN**

Respondents

ORDER
(Appointing Receiver)

THIS APPLICATION 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 TDB Restructuring Limited as receiver and manager (in such capacities, the "Receiver") without security, over the lands and premises described in Appendix “A” hereto (the “Real Property”), owned by Block 80 Holdings Inc. (the "Debtor"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Kunj Patel affirmed Jue 7, 2024, the consent of the parties and on hearing the submissions of counsel for the Applicant and the other parties listed on the counsel slip, no one else appearing although duly served as appears from the Lawyer’s Certificates of Service of Ryan Shah, dated June 4 and 10, 2024, and on reading the consent of TDB Restructuring Limited to act as the Receiver,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion 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, TDB Restructuring Limited is hereby appointed Receiver, without security, of the Real Property 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 Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $250,000, provided that the aggregate consideration for all such transactions does not exceed $500,000; 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 Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its 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 Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies

thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

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

7. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant

landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

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

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor in relation to the Property, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower

the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

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

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such

other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

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

EMPLOYEES

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

PIPEDA

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

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 $500,000 (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 '<https://tdbadvisory.ca/insolvency-case/block-80/>'.

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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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 Debtor.

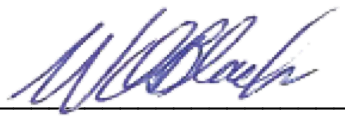
29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to

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 Debtor's 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.



JUSTICE W. D. BLACK

Appendix “A”

PIN 58405-0667, Block 80, Plan 51M887, Penetanguishene

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that TDB Restructuring Limited, the receiver (the "Receiver") of the property municipally known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the “Property”) owned by Block 80 Holdings Inc. (the “Debtor”) appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 8th day of July, 2024 (the "Order") made in an action having Court file number CV-24-00720929-00CL, 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 $500,000 which the Receiver is authorized to borrow under and pursuant to the Order.

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

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

right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

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

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

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

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

DATED the _____ day of _____, 20__.

TDB Restructuring Limited, solely in its capacity
as Receiver of the Property, and not in its personal capacity

Per: _____
Name:
Title:

Court File No. CV-24-00720929-00CL

FIRST SOURCE FINANCIAL MANAGEMENT INC. Applicant	-and-	BLOCK 80 HOLDINGS INC. et al. Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

ORDER
(APPOINTING RECEIVER)

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant

APPENDIX B

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated the 30th day of July, 2025.

BETWEEN:

TDB RESTRUCTURING LIMITED
solely in its capacity as Court-appointed receiver of the
Property (and all proceeds thereof)
(the "**Receiver**" or "**Vendor**")

- and -

PENETANG SHORES INC.
(the "**Purchaser**")

RECITALS:

A. Pursuant to the Receivership Order, the Receiver: (i) was appointed as receiver of the Property (and all proceeds thereof); and (ii) is authorized to market and sell the Property and negotiate such terms and conditions of sale as the Receiver may deem appropriate; and

B. The Receiver wishes to sell, and the Purchaser wishes to purchase the Debtor's right, title and interest in and to the Property, subject to and in accordance with the terms and conditions contained herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confirmed, the Parties agree as follows:

1. DEFINITIONS

In this Agreement, unless the context clearly indicates otherwise, the following terms shall have the following meanings:

(a) "**Acceptance Date**" means the date that this Agreement is executed by each of the Parties;

(b) "**Agreement**" means this agreement together with the attached schedules, as it may be supplemented, amended, restated or replaced from time to time by written agreement between the Parties;

(c) "**Applicable Law**" means, at any time, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Government Authority having authority over that Person, property, transaction or event;

(d) "**Approval and Vesting Order**" means the order of the Court, substantially in the form of the template Model Approval and Vesting Order approved by the Commercial List Users' Committee for use on the Court, approving the Transaction and ordering that the Debtor's right, title and interest in the Property be vested in the Purchaser free and clear of encumbrances except for Permitted Encumbrances upon satisfaction by the Purchaser of its obligations under this Agreement;

(e) "**Assignment and Assumption of Contracts**" has the meaning ascribed to it in Section 23(m) hereof;

(f) "**Assignment and Assumption of Leases**" has the meaning ascribed to it in Section 15 hereof;

(g) "**Assigned Contracts**" means the contracts listed in Schedule "E";

(h) "**Assumed Liabilities**" has the meaning ascribed to it in Section 8 hereof;

(i) "**Business Day**" means any day other than a Saturday or a Sunday or a statutory holiday in the Province of Ontario, or any other day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours;

(j) "**Closing**" has the meaning ascribed to it in Section 9 hereof;

(k) "**Closing Date**" has the meaning ascribed to it in Section 9 hereof;

(l) "**Court**" means the Ontario Superior Court of Justice (Commercial List);

(m) "**Deposit**" has the meaning ascribed to it in Section 5(a) hereof;

(n) "**Debtor**" means BLOCK 80 HOLDINGS INC.;

(o) "**DRA**" has the meaning ascribed to it in Section 10(a)(ii)hereof;

(p) "**Environmental Law**" means any and all applicable international, federal, provincial, municipal or local laws, by-laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, health protection or any Hazardous Materials;

(q) "**ETA**" means the *Excise Tax Act* (Canada);

(r) "**Final**" with respect to any order of the Court, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Receiver and Purchaser) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;

(s) "**Government Authority**" means any person, body, department, bureau, agency, board, tribunal, commission, branch or office of any federal, provincial or municipal governments, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing, having or claiming to have jurisdiction over part or all of the Property, the Transaction contemplated in this Agreement and/or one or both of the Parties, or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

(t) "**Hazardous Materials**" means any, and all, contaminants, pollutants, substances or materials that, when released to the natural environment, could cause, at some immediate or future time, harm or degradation to the natural environment or risk to human health, whether or not such contaminants, pollutants, substances or materials are or shall become prohibited, controlled or regulated by any Government Authority and any "Contaminants", "Dangerous Substances", "Hazardous Materials", "Hazardous Substances", "Hazardous Wastes", "Industrial Wastes", "Liquid Wastes", "Pollutants" and "Toxic Substances", all as

defined in, referred to or contemplated in federal, provincial and/or municipal legislation, regulations, orders and/or ordinances relating to environmental, health and/or safety matters and, not to limit the generality of the foregoing, includes asbestos, urea formaldehyde foam insulation and mono or poly-chlorinated biphenyl wastes;

(u) "**HST**" has the meaning ascribed thereto in Section 27 hereof;

(v) "**HST Indemnity**" has the meaning ascribed thereto in Section 27 hereof;

(w) "**Indemnitees**" has the meaning ascribed to it in Section 17(a) hereof;

(x) "**Leases**" means all subsisting offers to lease, agreements to lease, leases, subleases, renewals of leases, and any other subsisting options, rights or licenses granted to possess or occupy space within the Property; and "**Lease**" means any one of the Leases.

(y) "**Liabilities**" means any and all claims, actions, causes of action, suits, proceedings, applications, complaints, costs, expenses, charges, debts, liabilities, losses, damages, orders, judgments, demands, fines, penalties and obligations or any nature or kind whatsoever, whether primary or secondary, direct or indirect, fixed, contingent, absolute or otherwise;

(z) "**Parties**" means collectively the Receiver and the Purchaser, and "**Party**" means either one of them;

(aa) "**Permitted Encumbrances**" means those encumbrances listed in Schedule "B" to this Agreement, which shall be accepted and/or assumed on Closing by the Purchaser;

(bb) "**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Government Authority or other entity however designated or constituted;

(cc) "**Property**" means the lands and premises municipally known as 61 Thompsons Road West, Penetanguishene, Ontario as legally described in Schedule "A" to this Agreement, as well as the Leases and any right to receive cash posted with the Municipality or Letter of Credit reductions;

(dd) "**Purchase Price**" shall have the meaning ascribed thereto in Section 4 hereof;

(ee) "**Purchaser's Solicitors**" means the firm of Chaitons LLP, 5000 Yonge Street, 10th Floor, Toronto, Ontario M2N 7E9 (Attention: Barry Rotenberg), Telephone No.: (416) 281-1133, E-mail: brotenberg@chaitons.com;

(ff) "**Receiver's Certificate**" means the certificate attached as a schedule to the Approval and Vesting Order confirming *inter alia* that the Receiver has received the Purchase Price and all conditions to Closing, if any, have been satisfied or waived by the Parties;

(gg) "**Receiver's Solicitors**" means the firm of Robins Appleby LLP, Telephone No. (416) 360-3795, E-mail: Dmichaud@robapp.com;

(hh) "**Receivership Order**" means the order of the Court dated July 8, 2024 appointing the Receiver over the Property;

(ii) "**Statement of Adjustments**" has the meaning ascribed to it in Section 23(d) hereof;

(jj) "**TERS**" has the meaning ascribed to it in Section 10(a)(i)hereof;

(kk) "**Tenants**" means all Persons or parties having a right to occupy any rentable area of the Property pursuant to a Lease;

(ll) "**Transaction**" means the transaction contemplated by this Agreement.

2. SCHEDULES

The following Schedules are appended to this Agreement:

Schedule "A"	Property
Schedule "B"	Permitted Encumbrances
Schedule "C"	VTB Provisions
Schedule "D"	Rent Roll
Schedule "E"	Assumed Contracts

3. AGREEMENT TO PURCHASE AND SELL

On the Closing Date, the Receiver shall sell the Debtor's right, title and interest in and to the Property, and assign the Assumed Liabilities, and the Purchaser shall purchase the Debtor's right, title and interest in and to the Property and assume the Assumed Liabilities, subject to and in accordance with the terms and conditions set out this Agreement.

4. PURCHASE PRICE

The aggregate purchase price payable by the Purchaser to the Receiver for the Property shall be [redacted] Dollars (the "**Purchase Price**").

5. METHOD OF PAYMENT

The Purchase Price shall be paid, accounted for and satisfied as follows:

(a) a deposit equal to [redacted] Dollars (the "**Deposit**") shall be paid to the Receiver's Solicitors, in trust, by wire transfer concurrently with the Purchaser's delivery of this Agreement to the Receiver. The Deposit shall be held by the Receiver's Solicitors, in trust, in a non-interest bearing account as a deposit pending Closing or termination of this Agreement. The Deposit is to be credited towards the Purchase Price upon completion of the Transaction. In the event that the Transaction is not completed for any reason other than the Purchaser's default hereunder, the full amount of the Deposit, without any set-off or deduction, shall be returned forthwith to the Purchaser. If this Agreement is terminated or if the Transaction is not completed as a result of default by the Purchaser, the Deposit shall be retained by the Receiver as liquidated damages without prejudice to any further rights it may have hereunder, at law or in equity;

(b) As part of the Purchase Price the Purchaser shall give and the Vendor shall take back a new First Mortgage in the principal amount of [redacted], the particulars of which and the Additional Security shall be as set out in Schedule "C" attached hereto (the **"VTB"**), which shall be assigned on Closing to First Source Financial Management Inc. (or, in lieu of such assignment, directly registered on Closing in the name of First Source Financial

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Management Inc.);

(c) by the assumption of the Assumed Liabilities; and

(d) the balance of the Purchase Price to the Receiver by wire transfer on Closing. It is further acknowledged and agreed that the amount received by the Receiver in cash on account of the Deposit and balance due on Closing must be sufficient to account for all costs and fees to be paid by the Receiver in connection with the Property and the receivership, including, without limitation, receiver's costs, legal fees, realtor commission, property taxes, operating costs and a reasonable contingency on account of the foregoing. In the event the Receiver is of the reasonable opinion that the cash to be received by it is insufficient to meet such expenses, the Receiver shall be entitled, by notice in writing to the Purchaser, to reduce the principal amount of the VTB as necessary for the Receiver to receive sufficient cash on Closing.

6. APPROVAL AND VESTING ORDER

Following the Acceptance Date, the Receiver shall seek an appointment with the Court for a motion to be heard within thirty (30) days thereof, or otherwise as soon as reasonably possible, to seek the Approval and Vesting Order. The Purchaser shall, at its sole cost and expense, promptly provide to the Receiver all such information and assistance as the Receiver may reasonably require to obtain the Approval and Vesting Order.

7. CLOSING ADJUSTMENTS

Adjustments shall be made as of 12:01 A.M. (Eastern Daylight Time) on the Closing Date, for all realty taxes, local improvement rates, municipal/provincial levies and charges, water and assessment rates and any other items which are usually adjusted in purchase transactions involving assets similar to the Property in the context of a receivership sale. The day of Closing shall be for the account of the Purchaser. Other than as provided for in this Section 7, there shall be no adjustments to the Purchase Price.

To the extent that there are any Leases, the Parties shall adjust for any rents, prepaid rent and security deposits only to the extent that such rent, prepaid rent or security deposits have actually been paid to and received by the Receiver. No other adjustments shall be made with respect to the Leases, regardless of whether such tenants have claims against the registered or beneficial owner of the Property, the Receiver or otherwise.

8. ASSUMED LIABILITIES

(a) On Closing, the Purchaser shall assume and be liable for payment and performance of the Permitted Encumbrances from and after Closing (in such capacity, the "**Assumed Liabilities**").

(b) The Purchaser is not assuming, and shall not be deemed to have assumed, any Liabilities of the Debtor other than the Assumed Liabilities, including without limitation any Liabilities arising or accruing from the ownership or use of the Property prior to the Closing.

9. CLOSING DATE

The Transaction shall be completed thirty (30) days immediately following the date on which the Approval and Vesting Order is granted, but no later than December 15th, 2025 (the "**Closing Date**" or "**Closing**") or such other date as the Purchaser and the Receiver may agree in writing. If, prior to the Closing Date, the Approval and Vesting Order (or any orders dismissing appeals thereof) shall have been appealed or a proceeding shall have been commenced to restrain or prevent the completion of the Transaction, then the Closing Date shall mean the day that is thirty (30) days immediately following the date on which any such

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appeals and/or proceedings are dismissed. Provided that if the Court at any time declines to grant the Approval and Vesting Order, this Agreement shall be terminated and of no further force and effect, subject to and in accordance with the provisions set forth in Section 18 hereof.

10. ELECTRONIC REGISTRATION

The Parties hereby acknowledge and agree that:

(a) the Purchaser shall:

(i) be obliged to retain a solicitor who is both an authorized user of the electronic registration system ("**TERS**") and is in good standing with the Law Society of Ontario to represent the Purchaser in connection with the completion of the Transaction; and

(ii) authorize such solicitor to enter into a document registration agreement with the Receiver's Solicitors in the form as agreed by the Purchaser's Solicitors and the Receiver's Solicitors (the "**DRA**"), establishing the procedures and timing for completing the Transaction;

(b) the delivery and exchange of the closing documents:

(i) shall not occur contemporaneously with the registration of the Application for Vesting Order and other registerable documentation; and

(ii) shall be governed by the DRA, pursuant to which the Receiver's Solicitors and Purchaser's Solicitors shall hold all closing documents in escrow, and will not be entitled to release them except in strict accordance with the provisions of the DRA;

(c) the Receiver will not release the Receiver's Certificate confirming the effectiveness of the Approval and Vesting Order until the balance of funds due on Closing, in accordance with the Statement of Adjustments, are remitted by wire transfer to the Receiver's Solicitors (or in such other manner as the Receiver or Receiver's Solicitors may in writing direct);

(d) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Receiver upon the Purchaser when the Receiver's Solicitors have:

(i) delivered all documents required to be delivered by the Receiver to the Purchaser pursuant to Section 23 hereof; and

(ii) advised the Purchaser's Solicitors in writing that the Receiver is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement;

without the necessity of personally attending upon the Purchaser or the Purchaser's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing;

(e) notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed by the Parties that an effective tender shall be deemed to have been made by the Purchaser upon the Receiver, when the Purchaser's Solicitors have:

(i) delivered the balance due at Closing and all the documents required to be delivered by the Purchaser to the Receiver pursuant to Section 24 hereof;

(ii) advised the Receiver's Solicitors in writing that the Purchaser is ready, willing and able to complete the Transaction in accordance with the terms and provisions of this Agreement; and

(iii) completed all steps required by TERS to complete the Transaction that can be performed or undertaken by the Purchaser's Solicitors without the cooperation or participation of the Receiver's Solicitors, and specifically when the "completeness signatory" for the Application for Vesting Order has been electronically "signed" by the Purchaser's Solicitors,

without the necessity of personally attending upon the Receiver or the Receiver's Solicitors with the closing documents, and without any requirement to have an independent witness evidencing the foregoing; and

(f) if through no fault of the Purchaser's Solicitors or the Receiver's Solicitors TERS is unavailable on the Closing Date, such that the Purchaser's Solicitors are unable to register the Application for Vesting Order, then the Transaction shall be completed in escrow in accordance with the terms of the DRA which shall apply until such time as TERS becomes available. Upon TERS becoming available, the Receiver's Solicitors shall advise the Purchaser's Solicitors forthwith and the Parties shall arrange to complete the registration of the Approval and Vesting Order as expeditiously as possible, whereupon the escrow shall be released.

In the event of any conflict or inconsistency between the terms of this Section 10 and the terms of the DRA, the terms of this Section 10 shall prevail.

11. PRE-CLOSING RISK

The Property is and shall remain at the Receiver's risk until Closing and the Receiver shall hold all insurance policies and the proceeds thereunder, in trust, for the Parties as their respective interests may appear pending Closing.

12. PURCHASER'S REPRESENTATIONS AND WARRANTIES

As a material inducement to the Receiver entering into this Agreement and completing the Transaction, acknowledging that the Receiver is entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 12, the Purchaser represents and warrants to the Receiver as follows:

(a) it is a corporation duly incorporated, organized and validly subsisting under the laws of the Province of Ontario and has all requisite corporate power, authority and capacity to execute and deliver and to perform each of its obligations pursuant to this Agreement; neither the execution of this Agreement nor the performance (such performance shall include, without limitation, the exercise of any of the Purchaser's rights and compliance with each of the Purchaser's obligations hereunder) by the Purchaser of the Transaction will violate:

(i) the Purchaser's articles of incorporation and/or by-laws;

(ii) any agreement to which the Purchaser is bound;

(iii) any judgement or order of a court of competent authority or any Government Authority; or

(iv) any Applicable Law;

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and it has duly taken, or has caused to be taken, all requisite corporate action required to be taken by it to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;

(b) this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms;

(c) there are no orders or proceedings pending before any Government Authority, or threatened to be brought by or before any Government Authority by or against the Purchaser, affecting the legality, validity or enforceability of this Agreement or the consummation of the Transaction contemplated hereby by the Purchaser;

(d) it has made adequate arrangements to have sufficient funds available to satisfy its obligations to pay the cash portion of the Purchase Price to the Receiver on Closing;

(e) it will be responsible for and will remit to or reimburse, as applicable, all taxes, including without limitation land transfer tax, levies or the like that arise from the sale of the Property unless otherwise specified in this Agreement;

(f) it is a registrant under Part IX of the ETA, if required;

(g) it is (i) not a non-resident, as defined in section 116 of the *Income Tax Act* (Canada) and (ii) not a non-Canadian, as defined in the *Investment Canada Act* (Canada) and the *Prohibition on the Purchase of Residential Property by Non-Canadians Act* (Canada);

(h) it acknowledges that it is responsible for conducting its own searches and investigations of the current and past uses of the Property;

(i) it is satisfied with the Property and all matters and things connected therewith or in any way related thereto; and

(j) it relies entirely on its own judgment, inspection and investigation of the Property, and any documentation relating to the Property obtained from the Receiver has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of this Agreement.

13. RECEIVER'S REPRESENTATIONS AND WARRANTIES

As a material inducement to the Purchaser entering into this Agreement and completing the Transaction, acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Receiver set out in this Section 13, the Receiver represents and warrants to the Purchaser as follows:

(a) subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Receiver, enforceable against the Receiver, in accordance with its terms;

(b) it is a registrant under Part IX of the ETA;

(c) it is not a non-resident within the meaning of the *Income Tax Act* (Canada); and

(d) the Receivership Order is in full force and effect.

14. "AS IS, WHERE IS" ACKNOWLEDGEMENT

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The Purchaser acknowledges that the Receiver is selling the Property on an "as is, where is" and "without recourse" basis. Other than as specifically indicated herein, neither the Receiver nor any of its directors, officers, employees, professional consultants or advisors, agents or representatives make or grant any representations, warranties, terms, conditions, understandings or collateral agreements, express or implied, statutory or otherwise, including, without limitation, under the *Sale of Goods Act* (Ontario) and/or all Applicable Law, all of which are expressly waived by the Purchaser, with respect to title, encumbrances, outstanding liens, assignability, merchantability, condition, description, present or future uses, fitness for purpose or use, quality, quantity, marketability, zoning, the existence of any work orders or open permits, location and/or size, cost, or as to any other matter whatsoever regarding the Property and/or the Debtor, either stated or implied. Without limiting the generality of the foregoing, the Purchaser acknowledges having conducted its own due diligence and investigations in respect of the Property, including without limitation the environmental state thereof, the existence, nature, kind, state or identity of any Hazardous Materials on, under, or about the Property, the existence, state, nature, kind, identity, extent and effect of any administrative order, control order, stop order, compliance order or any other orders, proceedings or actions under any Environmental Law, and the existence, nature, kind, state or identity, extent and effect of any liability to fulfill any obligation to compensate any third party for any costs incurred in connection with or damages suffered as a result of any discharge of any Hazardous Materials whether on, under or about the Property or elsewhere. The Purchaser has relied entirely on its own judgment, inspection and investigation of the Property, and further acknowledges that, at its own expense, it has inspected the Property and in entering into this Agreement and proceeding with and completing its purchase of the Property pursuant hereto, it is satisfied with and has relied entirely on its own inspection, investigations and judgment. Notwithstanding anything contained herein to the contrary, the Purchaser further hereby covenants and agrees to release the Receiver of and from all claims and Liabilities which the Purchaser may have against the Receiver in regard to any matter relating to the Property. The provisions of this Section 14 shall not merge on Closing but shall remain in effect thereafter without limitation.

15. LEASES

The Purchaser acknowledges that the Property may be subject to existing Leases or be otherwise occupied and the Purchaser accepts the Property subject to any and all such Leases and occupancies (whether legal or illegal, permitted or not). The Receiver shall provide the Purchaser with any information in its possession with respect to such Leases, if any, which information is provided on an "as is" basis. The Parties shall adjust on the statement of adjustments for any rents, prepaid rent and security deposits only to extent that such rent, prepaid rent or security deposits has actually been paid to and received by the Receiver. There shall be no adjustment for any rent, prepaid rent or security deposit which has been paid to the registered or beneficial owner of the Property. No other adjustments shall be made with respect to Leases or other occupancies at the Property, regardless of whether such tenants or occupants have claims against the registered or beneficial owner of the Property, the Receiver or otherwise. The Receiver shall not be required to provide any estoppel certificates, declarations or other confirmations of the status of the Leases and tenancies at the Property. The Purchaser shall satisfy itself as to the terms and good standing of the Leases and tenancies at the Property. On Closing, the Receiver shall assign any right, title and interest it may have in such Leases to the Purchaser, in which assignment the Purchaser will indemnify the Receiver for any Claims which the Tenants may make against the Receiver for matters arising post-closing (and for clarity, no reciprocal indemnity shall be made by the Receiver) (the "**Assignment and Assumption of Leases**"). The Purchaser, shall be responsible for and shall further indemnify the Receiver from and against all commissions, inducements, allowances, rent free periods, costs of landlord's work and other landlord's costs and expenses in connection with any Leases and, if any such items have been paid or incurred by the Receiver prior to Closing, they shall be adjusted for as a credit in favour of the Receiver on Closing.

16. ENCROACHMENTS

The Purchaser acknowledges agrees that the Receiver shall not be responsible for any matters relating to encroachments on or to the Property and/or the adjoining lands, or to remove same or for any matters relating to any Applicable Law in existence now or in the future affecting any of the Property.

17. INDEMNIFICATION AND RELEASE BY PURCHASER

The Purchaser hereby acknowledges and agrees that:

(a) it shall indemnify and save harmless the Receiver and its directors, officers, employees, shareholders, agents and representatives and their respective heirs, successors and assigns (collectively, the "**Indemnitees**") from and against any and all Liabilities incurred by or asserted against them arising out of or in connection with the Property from and after the Closing Date;

(b) it shall release and discharge the Indemnitees from any Liabilities that the Purchaser may make, suffer, sustain or incur in regard to any Hazardous Materials relating to the Property. The Purchaser further agrees that the Purchaser will not, directly or indirectly, attempt to compel the Receiver to clean up or remove or pay for the cleanup or removal of any Hazardous Materials, remediate any condition or matter in, on, under or in the vicinity of the Property, or seek an abatement in the Purchase Price or damages in connection with any Hazardous Materials; and

(c) the foregoing provisions shall not merge on Closing and shall remain in effect thereafter without limitation.

18. TERMINATION DUE TO APPROVAL AND VESTING ORDER NOT BEING GRANTED

The Parties hereby acknowledge and agree that in the event that the Court does not grant the Approval and Vesting Order for any reason whatsoever, this Agreement shall be terminated and of no further force and effect and:

(a) the Receiver shall return the Deposit (without deduction and/or set-off) to the Purchaser forthwith; and

(b) the Purchaser shall have no further rights or remedies against the Receiver arising out of the termination of this Agreement.

19. NON-REGISTRATION

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caution, certificate of pending litigation, or any other document, instrument or court order or judgement providing evidence of this Agreement against title to Property. Should the Purchaser be in default of its obligations under this Section 19, the Receiver may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caution, certificate of pending litigation or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Receiver as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caution, certificate of pending litigation or any other document or instrument whatsoever from title to the Property. The Purchaser acknowledges and agrees that the Receiver may rely on the terms of this Section 19 as a full estoppel to any proceeding, suit, claim, motion or other action brought by the Purchaser in order to obtain and attempt to register against the title to the Property any of the items set out in this Section 19.

20. MUTUAL CONDITIONS

(a) This Agreement is conditional upon:

(i) the Court granting the Approval and Vesting Order; and

(ii) the Approval and Vesting Order being Final.

(b) The foregoing conditions contained in this Section 20 are inserted for the mutual benefit of

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Parties and cannot be waived by either one of them. If any of the conditions contained in this Section 20 are not fulfilled or complied with at or prior to the Closing Date, either Party may terminate this Agreement by notice in writing to the other.

21. RECEIVER'S CLOSING CONDITIONS

The Receiver shall not be obliged to complete the Transaction unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Receiver and may be waived in writing in whole or in part by the Purchaser at any time:

(a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Purchaser, dated as of the Closing Date, to that effect shall have been delivered to the Receiver, such certificate to be in a form and substance satisfactory to the Receiver, acting reasonably;

(b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Purchaser on or before the Closing Date shall have been complied with or performed by the Purchaser;

(c) no court order restraining or prohibiting Closing shall have been made;

(d) the Property shall not have been removed from the Receiver's control; and

(e) the Purchaser delivers the documents referenced in Section 24 to the Receiver.

22. PURCHASER'S CLOSING CONDITIONS

The Purchaser shall not be obliged to complete the Transaction unless, on or before the Closing Date, the following conditions shall have been satisfied, it being understood that the conditions are included for the exclusive benefit of the Purchaser and may be waived in writing in whole or in part by the Purchaser at any time:

(a) all the representations and warranties of the Receiver contained in this Agreement shall be true and correct on the Closing Date with the same force and effect as if such representations and warranties were made at such time, and a certificate of the Receiver, dated as of the Closing Date, to that effect shall have been delivered to the Purchaser, such certificate to be in a form and substance satisfactory to the Purchaser, acting reasonably;

(b) all of the terms, covenants and agreements set forth in this Agreement to be complied with or performed by the Receiver on or before the Closing Date shall have been complied with or performed by the Receiver;

(c) no court order restraining or prohibiting Closing shall have been made and no legal proceeding shall be pending which enjoins, restricts or prohibits the purchase and sale of the Property contemplated hereby; and

(d) the Receiver delivers the documents referenced in Section 23 to the Purchaser (provided that the Receiver's Certificate shall only be delivered following receipt of the balance due at Closing).

23. RECEIVER'S CLOSING DELIVERIES

The Receiver covenants to execute, where applicable, and deliver the following to the Purchaser at Closing or on such other date expressly provided herein:

(a) the Approval and Vesting Order;

(b) the Receiver's Certificate;

(c) a direction of funds;

(d) a statement of adjustments prepared in accordance with Section 7 ("**Statement of Adjustments**") not less than one (1) Business Day prior to the Closing Date;

(e) an undertaking to readjust any item on, or omitted, from the Statement of Adjustments within ninety (90) days of Closing, or such longer period as the Receiver and the Purchaser shall mutually agree in writing. After the expiry of such date, all adjustments shall be final and binding;

(f) a general conveyance and assumption of liabilities with respect to Property and the Assumed Liabilities, to the extent applicable;

(g) the Receiver's certificate setting out that the Receiver is not a "non-resident" of Canada within the meaning and purpose of Section 116 of the *Income Tax Act* (Canada);

(h) an application for vesting order in Teraview, prepared by the Receiver's Solicitors, in accordance with the Purchaser's direction re title (provided that same is received no less than ten (10) Business Days prior to the hearing date for the motion to obtain the Approval and Vesting Order);

(i) the Assignment and Assumption of Leases;

(j) Assignment of all Warranties and Guarantees;

(k) a Direction to Tenants confirming that the Purchaser has become the owner of the Property, which direction will confirm that payments may continue to be made to the property manager under the existing payment arrangements;

(l) rent roll setting out details of the Leases in form and substance similar to Schedule "D" attached hereto;

(m) an assignment and assumption of all right, title and interest of the Receiver with respect to the contracts listed in Schedule "E", in which assignment the Purchaser will indemnify the Receiver for any Claims which the contracting parties may make against the Receiver for matters arising post-closing (and for clarity, no reciprocal indemnity shall be made by the Receiver) (the "**Assignment and Assumption of Contracts**");

(n) cash received by the Receiver on account of Letters of Credit or reductions thereof following the Acceptance Date;

(o) assignment of the VTB to First Source Financial Management Inc. (or, in lieu thereof, a direction to register the VTB directly in the name of First Source Financial Management Inc.);

(p) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Receiver contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the

Closing Date.

24. PURCHASER'S CLOSING DELIVERIES

The Purchaser covenants to execute, where applicable, and deliver the following to the Receiver at or prior to Closing:

(a) the balance of the Purchase Price described in Section 4 hereof;

(b) the HST Indemnity;

(c) an undertaking to readjust any item on, or omitted, from the Statement of Adjustments within ninety (90) days of Closing, or such longer period as the Receiver and the Purchaser shall mutually agree in writing. After the expiry of such date, all adjustments shall be final and binding;

(d) a general conveyance and assumption of liabilities with respect to Property and the Assumed Liabilities, to the extent applicable;

(e) an undertaking with respect to refunds and/or reassessments of all realty taxes attributable to the period prior to the Closing Date;

(f) a direction re title to confirm the name in which title to the Property will be taken, provided that such direction must be provided to the Receiver no less than ten (10) Business Days prior to the hearing date for the motion to obtain the Approval and Vesting Order;

(g) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;

(h) the Assignment and Assumption of Leases;

(i) the Assignment and Assumption of Contracts;

(j) the VTB; and

(k) any other documentation relative to the completion of this Agreement as may reasonably be required by the Receiver or the Receiver's Solicitors.

25. DOCUMENTATION PREPARATION AND REGISTRATION

The Receiver shall prepare or cause to be prepared all documentation described in Sections 23 and 24 hereof and shall deliver draft documentation to the Purchaser not less than five (5) Business Days prior to Closing. Except as otherwise expressly provided in this Agreement, all such documentation shall be in form and substance satisfactory to the Parties, acting reasonably. The Purchaser shall be responsible for and pay all registration costs incurred in connection with the Transaction. Except as otherwise expressly provided in this Agreement, each of the Parties shall be responsible for and pay all legal and other professional/consultant fees and disbursements incurred by it, directly or indirectly, in connection with this Agreement.

26. LAND TRANSFER TAXES

The Purchaser shall pay all land transfer taxes as required pursuant to the *Land Transfer Tax Act* (Ontario) in connection with the transfer of the Property pursuant to this Agreement.

27. HARMONIZED SALES TAX

The Purchaser acknowledges and agrees that the Receiver shall not supply any warranty, statutory declaration or certificate with respect to the property's status as a used residential property (if applicable) or as to whether this transaction is an exempt supply in accordance with the provisions of the ETA. No goods and services tax and harmonized sales tax (collectively, "**HST**") shall be collected by the Receiver if the Purchaser satisfies the Receiver, acting reasonably, that the Receiver is not required to collect HST pursuant to the provisions of the ETA and provides an indemnity on Closing in Seller's solicitor's form (the "**HST Indemnity**"), which shall include, the following:

(a) The Purchaser shall indemnify and save harmless the Receiver and its shareholders, directors, officers, employees, advisors and agents from all Liabilities and other expenses incurred, suffered or sustained, directly or indirectly, as a result of a failure by the Purchaser:

(i) to pay any federal, provincial or other taxes payable by the Purchaser in connection with the conveyance or transfer of the Property whether arising from a reassessment or otherwise, including provincial retail sales tax, if applicable, and HST; and/or

(ii) to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the conveyance or transfer of the Property.

(b) The Purchaser shall confirm that the Purchaser is not purchasing any interest in the Property for another Person.

If the Purchaser shall fail to satisfy the Receiver as to whether this transaction is an exempt supply or shall fail to deliver the HST Indemnity, then the Purchaser shall tender to the Receiver, at Closing, in addition to the balance otherwise due at Closing, an amount equal to the HST that the Receiver shall be obligated to collect and remit in connection with the transaction.

28. *PLANNING ACT* (ONTARIO)

This Agreement shall be effective to create an interest in the Property for the Purchaser only if Part VI of the *Planning Act* (Ontario) is complied with prior to Closing.

29. NOTICE

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally (ii) sent by prepaid courier service or (iii) sent by electronic transmission, in each case to the applicable address set out below:

(a) in the case of the Purchaser at:

Penetang Shores Inc.
2 Sheppard Avenue East, Suite 605
Toronto, Ontario M2N 5Y7

Attn: Steven Walters
Email: swalters@firstsourcemortgage.ca

with a copy to the Purchaser's Solicitors:

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

Attn: Barry Rotenberg
Email: brotenberg@chaitons.com

(b) in the case of the Receiver at:

TDB Restructuring Limited
11 King Street West, Suite 700, Box 27
Toronto, Ontario M5H 4C7

Attention: Bryan Tannenbaum
Email: Btannenbaum@tdbadvisory.ca

with a copy to the Receiver's Solicitors:

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

Attention: Dominique Michaud
Email: Dmichaud@robapp.com

Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic transmission, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 4:30 P.M. (Eastern Daylight Time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt. Either Party may from time to time change its address under this Section 29 by notice to the other Party given in the manner provided by this Section.

30. WAIVER OF CONDITIONS

Except as otherwise provided in this Agreement, all conditions contained herein have been inserted for the benefit of either the Receiver or the Purchaser, as indicated, and are conditions of the obligations of such Party to complete the Transaction at Closing. Subject to and in accordance with the terms and conditions contained in this Agreement, any one or more of the said conditions may be waived, in writing, in whole or in part, by the benefiting Party without prejudice to the benefiting Party's right of termination in the event of the non-fulfilment of any other condition, and, if so waived, this Agreement shall be read exclusive of the said condition or conditions so waived. For greater certainty, the Closing of the Transaction by a Party shall be deemed to be a waiver by such Party of compliance with any condition inserted for its benefit and not satisfied at Closing. For greater certainty, the conditions under Section 20 cannot be waived by either Party.

31. SEVERABILITY

If any provision contained in this Agreement or the application thereof to any Person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Agreement and the application of such provision to Persons or circumstances other than those to whom/which it is held invalid or unenforceable, shall not be affected thereby and each provision contained in this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

32. DIVISION/HEADINGS

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The division of this Agreement into Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings or captions are for convenience of reference only and shall not affect the construction or interpretation of this Agreement or any part hereof.

33. ENTIRE AGREEMENT

This Agreement, together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties relating to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement. This Agreement is intended to create binding obligations on the part of the Receiver as set forth herein and on acceptance by the Purchaser, is intended to create binding obligations on the part of the Purchaser, as set out herein.

34. CUMULATIVE REMEDIES

No remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

35. DAMAGES

Under no circumstance shall any of the Parties or their respective representatives be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction.

36. INTERPRETATION

This Agreement shall be read with all changes of gender and number as required by the context.

37. STATUTE AND SECTION REFERENCES

Except as otherwise provided in this Agreement, references to any statute herein shall be deemed to be a reference to such statute and any and all regulations from time to time promulgated thereunder and to such statute and regulations as amended or re-enacted from time to time. Any reference herein to a specific section or sections, paragraph or paragraphs and/or clause or clauses of any statute or regulations promulgated thereunder shall be deemed to include a reference to any corresponding provision of future law.

38. AMENDMENTS

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

39. PARAMOUNTCY

In the event of any conflict or inconsistency between the provisions of this Agreement and any other agreement, document or instrument executed or delivered in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

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40. TIME OF ESSENCE

Time shall in all respects be of the essence hereof provided that the time for the doing or completing of any matter referred to herein may be extended or abridged by an agreement, in writing, executed by the Parties or their respective solicitors who are hereby expressly appointed for that purpose.

41. CURRENCY AND PAYMENT OBLIGATIONS

Except as otherwise provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian Dollars and any payment contemplated by this Agreement shall be made by certified cheque, bank draft or wire transfer.

42. TENDER

Any tender of notices, documents and/or monies hereunder may be made upon the Receiver or the Purchaser and/or their respective solicitors.

43. FURTHER ASSURANCES

Except as otherwise expressed herein to the contrary, each Party shall, without receiving additional consideration therefor, co-operate with and take such additional actions as may be requested by the other party, acting reasonably, in order to carry out the purpose and intent of this Agreement.

44. CONFIDENTIALITY

The Purchaser agrees that all information and documents supplied by the Receiver or anyone on its behalf to the Purchaser or anyone on the Purchaser's behalf (including but not limited to information in the schedules hereto) shall, unless and until Closing occurs, be received and kept by the Purchaser and anyone acting on the Purchaser's behalf on a confidential basis and, without the Receiver's prior written consent shall not be disclosed to any third-party. If for any reason Closing does not occur, all such documents shall forthwith be returned intact to the Receiver and no copies (physical or digital) and/or details thereof shall be retained by the Purchaser or anyone acting on its behalf. The Purchaser and Receiver further agree that unless and until the terms of this Agreement become public knowledge in connection with an application to the Court, the Purchaser shall keep such terms confidential and shall not disclose them to anyone except the Purchaser's Solicitors, agents or lenders acting in connection herewith and then only on the basis that such Persons also keep such terms confidential as aforesaid.

45. NON-BUSINESS DAYS

In the event that any date specified, or any date contemplated in this Agreement shall fall upon a day other than a Business Day, then such date shall be deemed to be the next following Business Day.

46. GOVERNING LAWS

This Agreement has been executed in the Province of Ontario and, for all purposes, shall be construed in accordance with and governed by the laws in effect within the Province of Ontario. The Parties consent to the jurisdiction and venue of the Court for the resolution of any disputes under this Agreement.

47. ASSIGNMENT

No Party may assign (or have adopted) its rights or obligations under this Agreement without the prior written consent of the other Party (which shall be arbitrarily withheld), provided that any request by the Purchaser to assign (or have adopted) this transaction must be made upon written notice to the Receiver's Solicitors delivered not less than ten (10) Business Days prior to the motion to be heard in respect of the Approval and Vesting Order, to assign (or adopt, as the case may be), in whole or part, its rights to acquire

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the Property hereunder to any company or companies affiliated (as that term is defined in the *Business Corporations Act* (Ontario)) with the Purchaser. Provided that notwithstanding the foregoing, in no event shall any assignment (or adoption) relieve the Purchaser of any of its obligations under this Agreement to and including Closing and the Purchaser shall remain jointly and severally liable with any such assignee for the performance of all of the terms and conditions on the part of the Purchaser to be performed pursuant to the terms and conditions of this Agreement including the execution of all closing documents up to and including the Closing Date.

48. RECEIVER'S CAPACITY

It is acknowledged by the Purchaser that the Receiver is entering into this Agreement solely in its capacity as Court-Appointed Receiver of the Debtor and that the Receiver shall have no personal or corporate liability under or as a result of this Agreement. Any Liabilities against the Receiver shall be limited to and only enforceable against the property and assets then held by or available to it in its capacity as Receiver of the Debtor and shall not apply to its personal property and other assets held by it in any other capacity. The term "Receiver" as used in this Agreement shall have no inference or reference to the present registered owner of the Property.

49. SUCCESSORS AND ASSIGNS

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

50. THIRD PARTY BENEFICIARIES

Unless where provided to the contrary by the specific terms hereof, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

51. NO INTERMEDIARIES

The Parties acknowledge and agree that the Purchaser shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Receiver. The Parties further acknowledge and agree that the Receiver shall not be liable for any commission or other remuneration payable or alleged to be payable to any broker, agent or other intermediary who purports to act or have acted for the Purchaser.

52. COUNTERPARTS AND ELECTRONIC TRANSMISSION

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or electronic form and the Parties adopt any signatures received by electronic transmission as original signatures of the Parties.

53. IRREVOCABLE

This Agreement shall be irrevocable by the Purchaser until no earlier than 5:00 P.M. (Eastern Daylight Time) on August 18th, 2025.

[*remainder of this page intentionally left blank*]

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DATED as of the date first written above.

PENETANG SHORES INC.

Per: _____
Name: Leonard Zaldener
Title: ASO

I have authority to bind the Corporation.

The Receiver hereby accepts this offer to purchase and agrees with the Purchaser to duly complete the Transaction, subject to the conditions stated above.

DATED this 19th day of August, 2025.

TDB RESTRUCTURING LIMITED, solely in its capacity as court-appointed receiver of the Property

Per: _____
Name: Arif Dhanani, CPA, CA, CIRP, LIT
Title: Managing Director

Per: _____
Name:
Title:

I/We have authority to bind the Receiver.

Docusign Envelope ID: CE9E3B66-A19B-4E08-9DC4-D0792C0E46BB

SCHEDULE "A"

THE PROPERTY

58405-0667 (LT)

Address: 61 Thompsons Road West, Penetanguishene, Ontario

Legal Description: BLOCK 80, PLAN 51M887, PENETANGUISHENE

Docusign Envelope ID: CE9E3B66-A19B-4E08-9DC4-D0792C0E46BB

SCHEDULE "B"

THE PERMITTED ENCUMBRANCES

1. any registered reservations, restrictions, rights of way, easements or covenants that run with the Lands;

2. any registered agreements with a municipality or a supplier of utility service including, without limitation, electricity, water, sewage, gas, telephone or cable television or other telecommunication service;

3. all Applicable Laws, by-laws and regulations and all outstanding work orders, deficiency notices and notices of violation affecting the Lands;

4. any minor easements for the supply of utility service to the Lands or adjacent properties;

5. encroachments disclosed by any errors or omissions in existing surveys of the Lands or neighbouring properties and any title defect, encroachment or breach of a zoning or building by-laws or any other Applicable Law, by-laws or regulations which might be disclosed by a more up-to-date survey of the land and survey matters generally;

6. the exceptions and qualifications set forth in the *Land Titles Act* (Ontario);

7. the reservations contained in the original grant from the Crown;

8. liens for taxes if such taxes are not due and payable;

9. any Leases;

10. the Assigned Contracts;

11. the following instruments:

    (a) Instrument No. SC595670

    (b) Instrument No. 51M887

    (c) Instrument No. SC1770202

Docusign Envelope ID: CE9E3B66-A19B-4E08-9DC4-D0792C0E46BB

SCHEDULE "C"

VTB PROVISIONS

The particulars of the VTB are as follows:

1. Term: One (1) year

2. Interest Rate: The greater of 9.95% per annum or CIBC Bank prime rate plus 5% per annum.

3. The VTB shall be open for repayment, when not in default, in whole or in part, at any time or times without notice or bonus.

4. Interest shall accrue and shall be payable at the end of the then current term.

5. The Chargee under the VTB shall have the unilateral right in its unfettered discretion to extend the term in increments of one (1) year each.

6. The VTB shall be drawn in the face amount of $[redacted] (to permit the Chargee, in its sole and unfettered discretion to advance further funds under the VTB for the benefit of the Property).

7. The VTB and Additional Security shall be in the form that Chaitons LLP utilizes in their current First Source Mortgages and Additional Security.

8. The VTB shall contain the provision that in the event that the Chargee is requested to subordinate its VTB to a construction loan and agrees to, in its unfettered discretion, the Chargee shall be entitled to a profit participation as an additional payment in an amount to be negotiated.

9. In addition, to the VTB, the Chargor/Purchaser shall provide the Receiver/Vendor with the following Additional Security on Closing:
   (a) First Assignment of Rents;
   (b) First General Security Agreement ("GSA") against all personal property of the Chargor;
   (c) First Assignment of Insurance for the Property;
   (d) Assignment of Documents;
   (e) Fraud, Misrepresentation and Environmental Indemnity Agreement;
   (f) First Assignment of material contracts for the Property.

   All of which shall be assigned to First Source Financial Management Inc. on Closing (or in lieu thereof, addressed directly to First Source Financial Management Inc.).

10. The Chargor/Purchaser will acknowledge that the Chargee shall be entitled to a fee of 1% per annum in each year or part of a year that the VTB is outstanding based upon the

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maximum principal amount outstanding each year. These fees shall be deferred and become due and payable at the earlier of repayment of the VTB or maturity.

11. The Receiver acknowledges that the Purchaser is related to First Source Mortgage Corporation.

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SCHEDULE "D"

RENT ROLL

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SCHEDULE "E"

CONTRACTS TO BE ASSUMED

1. Property Management Agreement between Renaissance Property Management and Block 80 Holdings Inc. dated July 1st, 2022.

2. ESP Contracting Inc. Consumer Rental Agreement No. 49369-072023 dated July 23, 2023 together with Lease Addendum dated July 25, 2023.

3. Coinamatic Canada Inc. Laundry Room Lease & Service Agreement ULN ON7020275 dated June 16, 2023

4. Wyse Meter Solutions Inc. Submetering Services Agreement dated September 23, 2021 together with related Services Fee Agreement dated September 23, 2021 and all amendments to such agreements;

5. Huronia Mat Rentals Quotation dated October 6, 2023

6. Georgian Waste Services Inc. Customer Service Agreement dated October 5, 2023 (re waste collection)

7. Kenny Communications Contract



Rent Roll

As of 8/6/2025, 331 - Thompsons Road West(61), Current leases, All units

Prepared By: Renaissance Property Management
74 Cedar Pointe Drive Unit 1007
Barrie ON L4N 5R7

Unit	Tenants	Lease Start	Lease End	Bed/Bath	Rent Cycle	Rent Start	Recurring Rent	Charges	Credits	Total	Deposits Held	Prepayments	Balance Due
331 - Thompsons Road West(61)													
101	Matthew Dorion, Hailee McKinzey	10/5/2024	10/31/2025	1 Bed/1 Bath	Monthly	10/5/2024	1,750.00	1,750.00	0.00	1,750.00	50.00	0.00	(3.00)
						Rent Income		1,700.00					
						Parking Income		50.00					
102	Bernice King	8/3/2024	8/31/2025	1 Bed/1 Bath	Monthly	8/3/2024	1,700.00	1,700.00	0.00	1,700.00	50.00	0.00	0.00
						Rent Income		1,700.00					
103	Marian Gignac	7/15/2024	at-will	1 Bed/1 Bath	Monthly	8/1/2025	1,906.50	1,906.50	0.00	1,906.50	50.00	0.00	(46.50)
						Rent Income		1,906.50					
104	Amanda Finch	10/6/2023	at-will	1 Bed/1 Bath	Monthly	11/1/2024	1,063.95	1,063.95	0.00	1,063.95	50.00	0.00	0.00
						Rent Income		1,063.95					
105	Arthur Chase, Diane Morris	7/1/2025	6/30/2026	2 Bed/2 Bath	Monthly	7/1/2025	1,800.00	1,800.00	0.00	1,800.00	50.00	0.00	0.00
						Rent Income		1,800.00					
106	Scott Langridge, Madison Langridge	7/15/2025	7/14/2026	2 Bed/2 Bath	Monthly	7/15/2025	1,850.00	1,900.00	0.00	1,900.00	50.00	0.00	0.00

Docusign Envelope ID: CE9E3B66-A19B-4E08-9DC4-D0792C0E46BB

Motion Record of the Applicant P. 116

Rent Roll

As of 8/6/2025, 331 - Thompsons Road West(61), Current leases, All units

Prepared By: Renaissance Property Management
74 Cedar Pointe Drive Unit 1007
Barrie ON L4N 5R7

Unit	Tenants	Lease Start	Lease End	Bed/Bath	Rent Cycle	Rent Start	Recurring Rent	Charges	Credits	Total	Deposits Held	Prepayments	Balance Due
						Rent Income		✓1,800.00					
						Parking Income		100.00 50.00					
201	Zoe Baxter	8/1/2025	7/31/2026	1 Bed/1 Bath	Monthly	8/1/2025	1,700.00	1,700.00	0.00	1,700.00	50.00	0.00	0.00
						Rent Income		✓1,700.00					
202	Debra Trimble	7/1/2025	6/30/2026	1 Bed/1 Bath	Monthly	7/1/2025	1,700.00	1,700.00	0.00	1,700.00	50.00	0.00	(1,700.00)
						Rent Income		1,700.00					
203	Cory Leduc	7/1/2025	6/30/2026	1 Bed/1 Bath	Monthly	7/1/2025	1,600.00 1450.00	1,600.00	0.00	1,600.00	50.00	0.00	150.00
						Rent Income		1,600.00					
204	VACANT			1 Bed/1 Bath			--	0.00	0.00	0.00	0.00	0.00	0.00
205	Delia Desroches	7/15/2025	7/31/2026	2 Bed/2 Bath	Monthly	7/15/2025	2,200.00	2,200.00	0.00	2,200.00	50.00	0.00	0.00
						Rent Income		✓2,200.00					
206	Lucy Karikuki	3/12/2025	3/31/2026	2 Bed/2 Bath	Monthly	3/12/2025	1,850.00	1,850.00	0.00	1,850.00	50.00	0.00	(0.40)
						Rent Income		✓1,850.00					
301	Halle Caldwell	8/1/2024	at-will	1 Bed/1 Bath	Monthly	8/1/2025	1,870.63	1,870.63	0.00	1,870.63	50.00	0.00	0.00
						Rent Income		1,870.63					

$1800.00 LMR Deposit
$928.96 pro-rated July 15-31st
$50 parking for LMR

$1700.00 LMR Deposit

pre-paid last month

$2,200.00 LMR Deposit
$1206.32 pro-rated July 15-31st)

on LMR Deposit.

Docusign Envelope ID: CE9E3B66-A19B-4E08-9DC4-D0792C0E46BB

Motion Record of the Applicant P. 117

Rent Roll

As of 8/6/2025, 331 - Thompsons Road West(61), Current leases, All units

Prepared By: Renaissance Property Management
74 Cedar Pointe Drive Unit 1007
Barrie ON L4N 5R7

Unit	Tenants	Lease Start	Lease End	Bed/Bath	Rent Cycle	Rent Start	Rent	Recurring Charges	Credits	Total	Deposits Held	Prepayments	Balance Due
302	Shelly Vanderzee	2/1/2025	1/31/2026	1 Bed/1 Bath	Monthly	2/1/2025	1,800.00	1,800.00	0.00	1,800.00	50.00	0.00	0.00
						Rent Income		1,800.00					
303	VACANT			1 Bed/1 Bath			--	0.00	0.00	0.00	0.00	0.00	0.00
304	VACANT			1 Bed/1 Bath			--	0.00	0.00	0.00	0.00	0.00	0.00
305	Marc Brunelle, Charmane Brunelle	4/1/2025	3/31/2026	2 Bed/2 Bath	Monthly	4/1/2025	2,200.00	2,200.00	0.00	2,200.00	50.00	0.00	0.00
						Rent Income		2,200.00					
306	Laura Ball	12/18/2023	at-will	2 Bed/2 Bath	Monthly	1/1/2025	2,203.75	2,203.75	0.00	2,203.75	50.00	0.00	0.00
						Rent Income		2,203.75					
Total for 331 - Thompsons Road West(61)							**$27,194.83**	**$27,244.83**	**$0.00**	**$27,244.83**	**$750.00**	**$0.00**	**($1,599.90)**

Motion Record of the Applicant P. 118

Docusign Envelope ID: CE9E3B66-A19B-4E08-9DC4-D0792C0E46BB

APPENDIX C

PROPERTY DESCRIPTION: BLOCK 80, PLAN 51M887, PENETANGUISHENE.

PROPERTY REMARKS:

ESTATE/QUALIFIER: FEE SIMPLE ABSOLUTE

RECENTLY: SUBDIVISION FROM 58405-0586

PIN CREATION DATE: 2007/11/14

OWNERS' NAMES: BLOCK 80 HOLDINGS INC.

CAPACITY: ROWN

SHARE:

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/11/14 **						
SC543793	2007/05/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** SHERCO PROPERTIES INC.	BANK OF MONTREAL	
SC595670	2007/10/25	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF PENETANGUISHENE	SHERCO PROPERTIES INC.	C
SC595671	2007/10/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	
REMARKS: SC543793 TO SC595670						
51M887	2007/10/25	PLAN SUBDIVISION				C
SC1005969	2012/08/22	TRANSFER	$380,000	SHERCO PROPERTIES INC.	BLOCK 80 HOLDINGS INC.	C
REMARKS: PLANNING ACT STATEMENTS						
SC1005970	2012/08/22	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	BONELLO HOLDINGS LIMITED	
SC1005972	2012/08/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: SC543793.						
SC1097307	2013/11/05	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	DEERFIELD DEVELOPMENTS INC.	
SC1097308	2013/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** BONELLO HOLDINGS LIMITED		
REMARKS: SC1005970.						
SC1182931	2014/12/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** DEERFIELD DEVELOPMENTS INC.	INTERGALACTIC LENDERS LIMITED	
REMARKS: SC1097307.						
SC1406851	2017/05/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** INTERGALACTIC LENDERS LIMITED		

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.

Motion Record of the Applicant P. 120

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: SC1097307.						
SC1670483	2020/03/26	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	DEERFIELD DEVELOPMENTS INC.	
SC1768805	2021/04/06	CHARGE	$3,942,000	BLOCK 80 HOLDINGS INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
SC1768806	2021/04/06	NO ASSGN RENT GEN		BLOCK 80 HOLDINGS INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: SC1768805						
SC1769031	2021/04/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** DEERFIELD DEVELOPMENTS INC.		
REMARKS: SC1670483.						
SC1770202	2021/04/09	NOTICE	$2	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	BLOCK 80 HOLDINGS INC.	C
SC1770203	2021/04/09	POSTPONEMENT		FIRST SOURCE FINANCIAL MANAGEMENT INC.	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	C
REMARKS: SC1768805 TO SC1770202						
SC1883937	2022/04/04	NOTICE	$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	BLOCK 80 HOLDINGS INC.	C
REMARKS: SC1768805						
SC1958918	2023/01/23	NOTICE	$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	BLOCK 80 HOLDINGS INC.	C
REMARKS: SC1768805						
SC1962558	2023/02/10	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FINE AIR MECHANICAL LTD.		
SC1967356	2023/03/14	APL DEL CONST LIEN		*** COMPLETELY DELETED *** FINE AIR MECHANICAL LTD.		
REMARKS: SC1962558.						
SC1971266	2023/04/03	CHARGE	$500,000	BLOCK 80 HOLDINGS INC.	2070409 ONTARIO INC.	C
SC1971267	2023/04/03	NO ASSGN RENT GEN		BLOCK 80 HOLDINGS INC.	2070409 ONTARIO INC.	C
REMARKS: SC1971266 RENTS						
SC2063393	2024/06/19	CONSTRUCTION LIEN	$804,997	GEORGIAN BAY CONTRACTING SERVICES INC.		C

Motion Record of the Applicant P. 121

APPENDIX D

Arif Dhanani

From: Arif Dhanani
Sent: Wednesday, August 20, 2025 5:19 PM
To: Howard Manis; Dominique Michaud
Subject: Re: Block 80 Receivership - GBCSI Lien

Good Afternoon Howard,

The date of the order was either July 5th or July 8th. You are right about the stay; however, there is a carve out in the order for registration of liens. What I mean is that someone can register and perfect with the Receiver's consent or leave of the Court. We get requests from lien claimants' counsel all the time for consent to register and perfect within the timelines set out in the CLA on most of our real estate files and we consent because it's the prudent thing to do.

In this particular case, we never received such a request.

Thanks,

Arif

TDB Restructuring Limited
Licensed Insolvency Trustee

Arif Dhanani, CPA, CA, CIRP, LIT
Managing Director

adhanani@tdbadvisory.ca
647-725-0183
416-915-6228
11 King St. West, Suite 700
Toronto, ON M5H 4C7

tdbadvisory.ca
Integrity. Leadership. Excellence.

From: Howard Manis <hmanis@manislaw.ca>
Sent: Wednesday, August 20, 2025 4:56:37 PM
To: Dominique Michaud <dmichaud@robapp.com>
Cc: Arif Dhanani <adhanani@tdbadvisory.ca>
Subject: RE: Block 80 Receivership - GBCSI Lien

External sender

Dom or Arif,

What was the date of the Receivership Order?

I am thinking that there would have been a stay of proceedings which would have prevented our client from perfecting the lien.

Howard

Howard F. Manis
MANIS LAW
• Bankruptcy & Insolvency • Commercial & Civil Litigation • Corporate Law
(416) 417-7257
hmanis@manislaw.ca
www.ManisLaw.ca
2300 Yonge Street, Suite 1600, Toronto, Ontario, M4P 1E4 Canada

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From: Dominique Michaud <dmichaud@robapp.com>
Sent: August 20, 2025 2:34 PM
To: Howard Manis <hmanis@manislaw.ca>
Cc: Arif Dhanani <adhanani@tdbadvisory.ca>
Subject: Block 80 Receivership - GBCSI Lien

Howard:

I understand from Arif at TDB that you are retained by the lien claimant in the above matter. We are counsel for TDB.

We are looking into the lien issue and noticed that your client appears to have failed to perfect its lien as it did not commence an action and register a certificate of action on title as required by the *Construction Act*. If the lien was not perfected, the lien will have expired and will not be valid. Can you please confirm the status of this lien as soon as possible.

The Receiver is looking to schedule a motion to approve a sale and we will address your client's lien as part of this motion.

I look forward to hearing from you soon. If you wish to have a call to discuss, please let me know and I will circulate an invitation.

Dom

Dominique Michaud
Partner

ROBINS APPLEBY LLP

E: dmichaud@robapp.com
T: 416.360.3795
W: www.robapp.com

Robins Appleby LLP | 2600-120 Adelaide St.W., Toronto, ON M5H 1T1 | https://www.robinsappleby.com/

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APPENDIX E

ROBINS APPLEBY LLP

Dominique Michaud
T. 416.360.3795
E. dmichaud@robapp.com
F. 416.868.0306

Delivered by: E-Mail
File No.: 2400643

September 18, 2025

TDB Restructuring Limited
11 King St. W., Suite 700
Toronto, ON M5H 4C7

Dear Sirs:

Re: Opinion to TDB Restructuring Limited ("TDB" or the "Receiver") as Court-Appointed Receiver and Manager of all of the assets, undertakings and properties of Block 80 Holdings Inc. (the "Borrower"), regarding, *inter alia*, the validity and enforceability of the construction lien registered in the amount of $804,997.00 by Georgian Bay Contracting Services Inc. ("GBCS"), bearing instrument number SC2063393 (the "GBCS Lien"), on title to the real property having the legal description set out in Schedule "A" (the "Property")

We have been provided with (i) a copy of an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), made July 8, 2024 (the "**Appointment Order**"), appointing TDB as Receiver and Manager of all of the assets, undertakings and properties of the Borrower acquired for or used in relation to a business carried on by the Borrower, including the Property (the "**Receivership**") (ii) a copy of the Lender's Application Record dated June 10, 2024 (the "**Application**"), which contains a Notice of Application issued May 24, 2024, and the Affidavit of Kunj Patel, affirmed June 7, 2024 (the "**Affidavit**") and (iii) a copy of a judgment of the Court made July 8, 2024, declaring, *inter alia,* that the Borrower and Andre Sherman are jointly and severally liable to pay the Lender the sum of $6,002,774.66 plus interest and costs (the "**Judgment**" and collectively, the "**Documents**").

We have previously provided the Receiver with an opinion with respect to the first mortgage registered on title to the Property. You have now requested our opinion regarding the validity and enforceability of the GBCS Lien in the Province of Ontario.

We confirm that we do not act for the Borrower, Andre Sherman, First Source Financial Management Inc. (the "**Lender**") or GBCS in this matter, or any other party that holds security over the Property, and did not act in the preparation of the GBCS Lien or its registration.

Examination of Documents

In preparing this letter, we have examined:

a) copy of the parcel register for the Property, contained in **Schedule "B"** to this letter ("**Title**")**;**

b) copy of the GBCS Lien, contained in **Schedule "C"** to this letter; and

c) such statutes and public records, original or copies (certified or otherwise identified to our satisfaction) of corporate records, certificates and such other instruments as we have deemed necessary or appropriate for the purposes of this opinion.

Assumptions and Reliances

For the purposes of the opinions set out below, we have reviewed the relevant questions of law, conducted such searches and investigations as we deemed appropriate, and examined originals or copies (whether certified or otherwise identified to our satisfaction) of certificates of public officials, as well as other certificates, documents, and records that we considered necessary or relevant. In doing so, we have relied, without independent verification or investigation, on all factual statements contained in the certificates, documents, and records reviewed.

Overview of Law on Preservation and Perfection of Construction Liens in Ontario

The law governing preservation and perfection of construction liens in Ontario is set out in the *Construction Act*, R.S.O. 1990, c. C.30 (the "**Act**"). A construction lien arises by operation of law as services or materials are supplied to an improvement, creating an equitable charge against the owner's interest in the premises. However, in order to enforce this right, the lien must be both preserved and perfected within strict time limits under the Act:

a) **preservation**: a lien must be preserved by registering a claim for lien within the prescribed time after the last supply of services or materials.[1] For most contracts entered after July 1, 2018, this period is sixty (60) days; for earlier contracts, it was forty-five (45) days[2]; and

b) **perfection:** once preserved, the lien must be perfected by commencing an action to enforce the lien, and where it attaches to the premises, by registering a certificate of action on title, both of which must be done within ninety (90) days of the last day that the lien could have been preserved. If the lien is not perfected within this period, it expires. The perfection of a lien is incomplete until both the corresponding action is commenced, and certificate of action is registered.[3] A preserved lien can also be perfected by sheltering under another lien that has been perfected in respect of the same improvement.[4]

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[1] S. 34 of the Act
[2] Section 87.3(1) of the Act, *HVAC Depot & Metal Mfg. Inc. v. Global HVAC & Automation Inc.*, 2024 ONSC 5752
[3] S. 36(1), 36(2), 36(3) of the Act
[4] S. 36(4) of the Act

If both preservation and perfection do not occur within the statutory timelines established by the Act, the lien remedy is lost by the lien claimant.[5]

If a lien has been registered against a property that is then subject to receivership proceedings, the lien claimant will need to obtain an order from the Court to lift the stay imposed by the receivership in order to perfect it. A failure to do so can cause the lien to expire.[6]

Factual Overview of GBCS Lien

Our examination of the Title documents and the GBCS Lien reveals that the GBCS Lien was registered on June 19, 2024 for services or materials supplied from December 1, 2020 to May 17, 2024. The amount claimed in respect of services or materials that have been supplied is claimed to be $804,997.00. The GBCS Lien was registered on behalf of GBCS by Robert John Maki of Maki Law PC.

No certificate of action has been registered on title to the Property, and we are not aware of any proceeding commenced in the Ontario Superior Court of Justice with respect to the GBCS Lien.

We understand that the Receiver was not contacted regarding court proceedings to obtain leave to perfect the GBCS Lien, and that the Receiver has also not received any request from GBCS or its counsel regarding consent to the registration of a certificate of action on title to the Property. Our office contacted Manis Law, counsel for GBCS, to inquire about the perfection of GBCS' lien, on August 20, 2025, and we have been advised that no court proceedings have been commenced by GBCS with respect to the GBCS Lien.

Lastly, there are no other construction liens registered on title to the Property.

Opinion as to Validity and Enforceability of the GBCS Lien

Applying these principles to the GBCS Lien, the lien was registered on June 19, 2024, for services and materials supplied until May 17, 2024. As such, the last day for preservation would have been 60 days after May 17, 2024, which is approximately July 16, 2024. The registration on June 19, 2024, appears to have properly preserved the lien within this period.

However, the GBCS Lien was not perfected. In this case, perfection had to occur by October 14, 2024 and required both the commencement of an action to enforce the lien and the registration of a certificate of action on title. To date, no certificate of action has been registered, and there is no evidence that an action has been commenced in the Ontario Superior Court of Justice. Moreover, no steps have been taken to seek leave of the Court to lift a stay of the receivership proceedings, or to obtain consent from the Receiver regarding registration of a certificate of

---

[5] *Prekas v. Patrikakis*, 2004 CanLII 43917 (ON SC)
[6] *Peoples Trust Company v. Rose of Sharon (Ontario) Retirement Community*, 2012 ONSC 7319.

action. As a result, the statutory requirements for perfection have not been met, and the lien expired automatically by operation of law on October 14, 2024. Accordingly, in our view, the lien has expired and does not constitute a valid encumbrance against the Property and cannot be enforced under the Act.

This opinion is solely for the benefit of the Receiver in connection with the Receivership. This opinion may not be relied upon in any manner by any other person and may not be disclosed, quoted, filed with a government agency or otherwise referred to without our prior consent, other than being filed with the Court as part of the Receivership proceedings.

Yours very truly,

ROBINS APPLEBY LLP



Dominique Michaud
DM:as
Encls.

Schedule “A”

PIN:	**58405-0667 (LT)**
Description:	**BLOCK 80, PLAN 51M887, PENETANGUISHENE.**
Address:	**Block 80, Bellisle Heights, 61 Thompson Road West, Penetanguishene, Ontario**

Schedule “B”

PROPERTY DESCRIPTION: BLOCK 80, PLAN 51M887, PENETANGUISHENE.

PROPERTY REMARKS:

ESTATE/QUALIFIER:	RECENTLY:	PIN CREATION DATE:
FEE SIMPLE ABSOLUTE	SUBDIVISION FROM 58405-0586	2007/11/14

OWNERS' NAMES	CAPACITY	SHARE
BLOCK 80 HOLDINGS INC.	ROWN	

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/11/14 **						
SC543793	2007/05/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** SHERCO PROPERTIES INC.	BANK OF MONTREAL	
SC595670	2007/10/25	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF PENETANGUISHENE	SHERCO PROPERTIES INC.	C
SC595671	2007/10/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	
REMARKS: SC543793 TO SC595670						
51M887	2007/10/25	PLAN SUBDIVISION				C
SC1005969	2012/08/22	TRANSFER	$380,000	SHERCO PROPERTIES INC.	BLOCK 80 HOLDINGS INC.	C
REMARKS: PLANNING ACT STATEMENTS						
SC1005970	2012/08/22	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	BONELLO HOLDINGS LIMITED	
SC1005972	2012/08/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
REMARKS: SC543793.						
SC1097307	2013/11/05	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	DEERFIELD DEVELOPMENTS INC.	
SC1097308	2013/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** BONELLO HOLDINGS LIMITED		
REMARKS: SC1005970.						
SC1182931	2014/12/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** DEERFIELD DEVELOPMENTS INC.	INTERGALACTIC LENDERS LIMITED	
REMARKS: SC1097307.						
SC1406851	2017/05/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** INTERGALACTIC LENDERS LIMITED		

Motion Record of the Applicant P. 133

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
REMARKS: SC1097307.						
SC1670483	2020/03/26	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	DEERFIELD DEVELOPMENTS INC.	
SC1768805	2021/04/06	CHARGE	$3,942,000	BLOCK 80 HOLDINGS INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
SC1768806	2021/04/06	NO ASSGN RENT GEN		BLOCK 80 HOLDINGS INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: SC1768805						
SC1769031	2021/04/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** DEERFIELD DEVELOPMENTS INC.		
REMARKS: SC1670483.						
SC1770202	2021/04/09	NOTICE	$2	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	BLOCK 80 HOLDINGS INC.	C
SC1770203	2021/04/09	POSTPONEMENT		FIRST SOURCE FINANCIAL MANAGEMENT INC.	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	C
REMARKS: SC1768805 TO SC1770202						
SC1883937	2022/04/04	NOTICE	$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	BLOCK 80 HOLDINGS INC.	C
REMARKS: SC1768805						
SC1958918	2023/01/23	NOTICE	$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	BLOCK 80 HOLDINGS INC.	C
REMARKS: SC1768805						
SC1962558	2023/02/10	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FINE AIR MECHANICAL LTD.		
SC1967356	2023/03/14	APL DEL CONST LIEN		*** COMPLETELY DELETED *** FINE AIR MECHANICAL LTD.		
REMARKS: SC1962558.						
SC1971266	2023/04/03	CHARGE	$500,000	BLOCK 80 HOLDINGS INC.	2070409 ONTARIO INC.	C
SC1971267	2023/04/03	NO ASSGN RENT GEN		BLOCK 80 HOLDINGS INC.	2070409 ONTARIO INC.	C
REMARKS: SC1971266 RENTS						
SC2063393	2024/06/19	CONSTRUCTION LIEN	$804,997	GEORGIAN BAY CONTRACTING SERVICES INC.		C

Motion Record of the Applicant P. 134

Schedule “C”

LRO # 51 **Construction Lien** **Registered as SC2063393** on 2024 06 19 at 16:23

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

Properties

PIN 58405 - 0667 LT

Description BLOCK 80, PLAN 51M887, PENETANGUISHENE.

Address 61 THOMPSON RD WEST
PENETANGUISHENE

Consideration

Consideration $804,997.00

Claimant(s)

Name GEORGIAN BAY CONTRACTING SERVICES INC.

Address for Service 171 Robert St E Unit 8,
Penetanguishene, ON L9M 1G9

I am the lien claimant and the facts stated in the claim for lien are 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

Name and Address of Owner BLOCK 80 HOLDINGS INC. 61 Thompsons Road West, Penetanguishene, ON, L9M 0W2 Name and address of person to whom lien claimant supplied services or materials Andre Sherman Architect 135 Holmes Avenue Toronto, Ontario, M2N 4M5 Time within which services or materials were supplied from 2020/12/01 to 2024/05/17 Short description of services or materials that have been supplied General Contracting, Development, Building Contract price or subcontract price $4,055,048.12 Amount claimed as owing in respect of services or materials that have been supplied $804,997.00

The lien claimant claims a lien against the interest of every person identified as an owner of the premises described in said PIN to this lien

Signed By

Robert John Maki	63 Galaxy Blvd, Unit 1 Toronto M9W 5R7	acting for Applicant(s)	Signed	2024 06 19

Tel 226-505-9655

Fax

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

Submitted By

MAKI LAW P.C.	63 Galaxy Blvd, Unit 1 Toronto M9W 5R7	2024 06 19

Tel 226-505-9655

Fax

Fees/Taxes/Payment

Statutory Registration Fee	$69.95
Total Paid	$69.95

APPENDIX F

Ontario

- Web Page ID: **WEnqResult**
- System Date: **18APR2024**
- Last Modified: February 21, 2024

Note: All pages have been returned.

Type of Search	Business Debtor						
Search Conducted On	BLOCK 80 HOLDINGS INC.						
File Currency	17APR 2024						
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**
	771151194	1	1	1	1	01APR 2028	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**	**Registration Number**	**Registered Under**	**Registration Period**
771151194		001	1		20210401 1149 1590 7864	P PPSA	7

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	BLOCK 80 HOLDINGS INC.				
	Address		**City**	**Province**	**Postal Code**
	135 HOLMES AVENUE		TORONTO	ON	M2N 4M5

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	Address		**City**	**Province**	**Postal Code**

Secured Party	**Secured Party / Lien Claimant**			
	FIRST SOURCE FINANCIAL MANAGEMENT INC.			
	Address	**City**	**Province**	**Postal Code**
	2235 SHEPPARD AVENUE EAST, SUITE 1202	TORONTO	ON	M2J 5B5

Collateral Classification	**Consumer Goods**	**Inventory**	**Equipment**	**Accounts**	**Other**	**Motor Vehicle Included**	**Amount**	**Date of Maturity or**	**No Fixed Maturity Date**
		X	X	X	X				

Motor Vehicle Description	**Year**	**Make**	**Model**	**V.I.N.**

General Collateral Description	**General Collateral Description**
	PROPERTY USED IN CONNECTION WITH OR SITUATE AT OR ARISING FROM THE
	OWNERSHIP, DEVELOPMENT, USE OR DISPOSITION OF THE LANDS LOCATED AT 61
	THOMPSON ROAD WEST, TOWN OF PENETANGUISHENE

Registering Agent	**Registering Agent**			
	CHAITONS LLP BARRY ROTENBERG			
	Address	**City**	**Province**	**Postal Code**
	5000 YONGE STREET, 10TH FLOOR	TORONTO	ON	M2N 7E9

LAST PAGE

Note: All pages have been returned.

APPENDIX G

ROBINS APPLEBY
BARRISTERS + SOLICITORS

Ladislav Kovac
T. 416.360.3707
E. Lkovac@robapp.com
F. 416.868.0306

File No.: 2400643

May 1, 2025

TDB Restructuring Limited
11 King Street West
Suite 700, Box 27
Toronto, Ontario
M5H 4C7

Attention: Bryan A. Tannenbaum and Arif Dhanani

Dear Bryan A. Tannenbaum and Arif Dhanani:

Re: Block 80 Holdings Inc. (the "**Debtor**")
61 Thompsons Road West, Penetanguishene, Ontario and legally described as set out on Schedule "A" (the "**Property**")
TDB Restructuring Limited as Court appointed Receiver of the Property (the "**Receiver**")

You requested that we review and provide you with our opinion as to the validity, enforceability and priority of certain security interests granted by the Debtor as follows:

1. the Charge/Mortgage charging the Property in favour of First Source Financial Management Inc. ("**First Source**") registered as Instrument Number SC1768805 in the Land Registry Office at Simcoe (No. 51) (the "**LRO**") on April 6, 2021 (the "**FS Mortgage**").

In forming the opinions expressed below, we have examined the following:

1. a copy of the title abstract for the Property obtained from the LRO on April 29, 2025;

2. clear search of Writs of Execution against the Debtor dated April 29, 2025;

3. a corporate profile report for the Debtor dated April 29, 2025 issued by the Ministry of Government and Consumer Services;

4. a certificate of status for the Debtor dated April 29, 2025;

5. other loan documentation as we deemed appropriate to give this opinion;

In expressing our opinions, we have therefore assumed, without further independent verification by us:

(a) the genuineness of all signatures authorizing the registration of, and the authenticity and completeness of the FS Mortgage and any related security pertaining to the Property (collectively, the "**Security**");

(b) the completeness, truth, accuracy and currency of the indices and filing systems maintained by the public offices and registries where we have searched or enquired or have caused searches or enquiries to be made and upon the information and advice provided to us by appropriate government, regulatory or other like officials with respect to those matters referred to herein;

(c) the Debtor, at the time of authorization, execution and delivery of the Security, had the corporate power and authority to execute, deliver and perform its obligations under the Security, has taken all necessary corporate action to authorize the execution, delivery and the performance of its obligations under the Security and has duly executed and delivered each of the Security;

(d) the Security has been unconditionally delivered by the Debtor to each applicable secured party;

(e) the Debtor is and was indebted to the holders of the Security and received adequate consideration for the grant of the Security;

(f) there are no agreements, judgments, rulings, instruments, facts or understandings affecting or concerning either of the Security or the principal obligations with respect to which each security has been granted, or statutory or regulatory prohibitions on the execution and delivery of any of the Security or the security interests granted thereunder by the Debtor which were not apparent from a review of each security and which would or might affect the validity or enforceability thereof;

(g) the holders of the Security did not know and did not have any reason to believe at the time of the creation of the charges and security interests in the collateral described in the Security that the Debtor was in contravention of any agreement by which the Debtor or its property or assets were bound, if there were such a contravention;

(h) that the execution, delivery and performance of obligations under each of the Security did and do not constitute a preference, fraudulent, preference, conveyance, fraudulent conveyance, settlement or reviewable transaction under the relevant provisions of the *Bankruptcy and Insolvency Act*, (Canada) ("**BIA**") and *Fraudulent Conveyances Act* (Ontario), the *Assignment and Preferences Act* (Ontario) or any other similar legislation;

(i) that a final report was obtained at the operative time from a law firm in good standing authorized to practice in the Province of Ontario indicating that each of

the Security were valid and enforceable in accordance with their terms, and that such report is true and accurate; and

(j) there are no unregistered agreements affecting the priority of the Security.

Based and relying upon the foregoing and subject to the qualifications, exceptions and limitations herein expressed, we are of the opinion that:

1. under the laws of the Province of Ontario, the FS Mortgage constitutes a first priority financial charge against title to the Property, subject only to:

   (a) any outstanding realty taxes as of the date hereof;

   (b) any amounts which may be claimed to be in priority pursuant to the construction lien registered as Instrument No. SC2063393 on June 19, 2024 by Georgian Bay Contracting Services Inc. (the "**Georgian Lien**"), it being our opinion that the maximum priority which the Georgian Lien is entitled to claim over the FS Mortgage is limited to any deficiency in the holdbacks required to be retained by the owner of the Property.

2. the Security constitute legal, valid and binding obligations of the Debtor, enforceable against the Debtor in accordance with their terms; and

3. the Security each create valid security interest against the Property under the laws of the Province of Ontario.

Executions

We searched executions against the Debtor filed with the Sheriff of the Municipality of Muskoka and found no registrations in that regard. We have assumed that such search was clear at the time of the registration of and advances pursuant to the Security.

The opinions set forth herein are also subject to the following qualifications and limitations:

1. The enforceability of the Security and the rights and remedies set out therein or any judgment arising out of or in connection therewith may be limited by applicable bankruptcy, insolvency, winding up, reorganization, arrangement, moratorium or other laws affecting creditors' rights generally.

2. The enforceability of any of the Security and the rights and remedies set out therein may be limited by general principles of equity including and without limitation:

   (a) the enforceability of each of the Security is subject to the discretion of a court of competent jurisdiction to impose restrictions on the rights of creditors to enforce immediate payment of amounts to be payable on demand;

   (b) the applicable lender will be required to give a reasonable time to the Debtor to meet any demand for payment of its obligations before enforcing security granted to the applicable lender;

(c) the ability to recover or claim for certain costs or expenses may be subject to judicial discretion; and

(d) the enforceability of the Security is subject to the powers of the court of competent jurisdiction to grant relief from forfeiture, to stay proceedings before it and to stay executions on judgment.

3. A receiver or a receiver and a manager appointed pursuant to the provisions of any of the Security may, for certain purposes, be treated by a court as being the agent of the secured party and not solely the agent of a debtor (and the secured party may not be deemed to be acting as the agent and attorney of the debtor in making such appointment), notwithstanding any agreement to the contrary.

4. We express no opinion as to the right, title or interest of the Debtor in or to any of the assets, undertakings and properties of the Debtor.

5. We express no opinion on whether any secured party may have a perfected purchase money security interest which may exist in respect of any of the assets, undertakings and properties of the Debtor.

6. We express no opinion as to whether a security interest was created in the following property:

(a) property consisting of a receivable, license, approval, privilege, franchise, permit, lease or agreement to the extent that the terms of such property or any applicable law prohibit its assignment or require, as a condition of its assignability, a consent, approval or other authorization or registration which has not been made or given;

(b) permits, quotas or licenses which are held by or issued to the Debtor;

(c) federal crown debts; and

(d) any real property or interest therein.

7. We have made no searches under applicable statutes, including the *Copyright Act* (Canada), the *Patent Act* (Canada) and the *Trade-marks Act* (Canada), to confirm that First Source has made registrations that may be necessary to perfect its security interests, if any, in intellectual property.

8. We express no opinion as to the application of the *Securities Act* (Ontario).

9. We are solicitors qualified to carry on the practice of law in the province of Ontario and are not qualified to express any opinion as to the laws or any matter governed by the laws of any jurisdiction other than the province of Ontario and the laws of Canada applicable therein.

The opinions expressed herein are provided solely for the benefit of the party to whom it was delivered and may not be relied on or used by any other person for any reason whatsoever.

Yours very truly,

ROBINS APPLEBY LLP
Per:



LK

SCHEDULE "A"
PROPERTY DESCRIPTION

58405-0667 (LT)

Address: 61 Thompsons Road West, Penetanguishene, Ontario

Legal Description: BLOCK 80, PLAN 51M887, PENETANGUISHENE

APPENDIX H

TDB RESTRUCTURING LIMITED
IN THE MATTER OF THE RECEIVERSHIP OF
THE PROPERTY MUNICIPALLY KNOWN AS
61 THOMPSONS ROAD WEST, PENETANGUISHENE, ONTARIO
RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD FROM JULY 8, 2024 TO SEPTEMBER 30, 2025

RECEIPTS			**NOTES**
Advance from secured creditor	$	750,000	1
Rental income		334,645	
Other income (Coinamatic)		1,650	
Interest		3,347	
Total receipts	**$**	**1,089,642**	
DISBURSEMENTS			
Construction costs	$	545,867	
Repairs, maintenance, janitorial, waste removal, landscaping and snow removal		50,596	
Insurance		75,722	
Property management fees		34,406	
Utilities (telephone, gas, hydro, water)		14,609	
Water heater rental		6,667	
Advertising		1,420	
Miscellaneous (OSB filing fee, postage, bank charges, Ascend license fee, photocopies)		839	
Receiver's fees and costs		140,780	
Legal Fees/Disbursements		9,173	
HST/PST paid		106,894	
Total disbursements	**$**	**986,973**	
EXCESS OF RECEIPTS OVER DISBURSEMENTS	**$**	**102,670**	

Notes:

1 First Source Financial Management Inc. ("**First Source**") advanced $750,000 to the Receiver for completion of the property and certain additional construction requested by the Town of Penetanguishene. Pursuant to the Reciever's Appointment Order, the Receiver is authorized to borrow up to a maximum of $500,000. The Receiver intends to attend in Court to request that its borrowing charge be increased to include the additional $250,000 advanced by First Source.

APPENDIX I

Court File No. CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

BLOCK 80 HOLDINGS INC and ANDRE SHERMAN

Respondents

AFFIDAVIT OF ARIF DHANANI

(Sworn October 1, 2025)

I, **ARIF DHANANI**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY**:

1. I am a Managing Director of TDB Restructuring Limited ("**TDB**") and as such I have personal knowledge of the matters to which I hereinafter depose, save and except those matters based upon information and belief, in which case I have stated the source of such facts, all of which I verily believe to be true. Pursuant to an order of the Court dated July 8, 2024 (the "**Appointment Order**"), TDB Restructuring Limited was appointed receiver (the "**Receiver**"), without security, of the lands and premises municipally known as Block 80, Bellisle Heights, 61 Thompsons Rd. West, Penetanguishene, Ontario (the "**Penetanguishene Property**").

2. Attached hereto and marked as **Exhibit "A"** to this my affidavit are copies of invoices issued by the Receiver for fees and disbursements incurred by the Receiver in respect of the receivership proceedings from May 1, 2024 to September 30, 2025 (the "**Period**"). The total fees charged for the Period are $209,074.14, plus disbursements of $65.11 and HST of $27,188.10 for a total of $236,327.35. The average hourly rate charged during the Period was $489.86.

3. The invoices are a fair and accurate description of the services provided and the amounts charged by the Receiver for the Period.

4. As set out in its First Report, the Receiver is seeking approval of its estimated fees of up to $50,000.00 plus HST to complete its administration of the receivership.

5. The Receiver is therefore seeking at this time approval of the Court for its fees and disbursements, including HST, set out above of $236,327.35, plus the Receiver's estimate to complete the administration of the receivership of up to $56,500.00, including HST.

6. Attached hereto and marked as **Exhibit "B"** is a schedule summarizing the invoices in Exhibit "A", the total billable hours charged, the total fees charged and the average hourly rate charged.

7. I make this affidavit in support of a motion for an Order approving the Receiver's fees and disbursements and for no other or improper purpose.

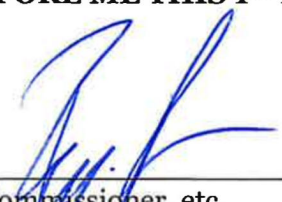
SWORN BEFORE ME by Arif Dhanani in the City of Toronto in the Province of Ontario on October 1, 2025.

ARIF DHANANI

A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario,
for TDB Restructuring Limited.
Expires March 6, 2027.

THIS IS EXHIBIT "A" REFERRED TO IN THE AFFIDAVIT OF ARIF DHANANI SWORN BEFORE ME THIS 1ST DAY OF OCTOBER, 2025



A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario,
for TDB Restructuring Limited.
Expires March 6, 2027.

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date September 16, 2024

Client File 2-004
Invoice No. TDB #1
2409016

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period May 1, 2024 to August 31, 2024.

Date	Professional	Description
5/1/2024	Jeff Berger	Receipt and review of application materials re Block 80 Holdings Inc.; prepare Receiver's consent re same.
5/21/2024	Jeff Berger	Draft updated consent re Block 80 Holdings Inc. (Real Property) and send same to Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland").
7/8/2024	Arif Dhanani	Attend court hearing for appointment of Receiver; review court order and application record; draft information request listing and email same to principal of Block 80 Holdings Inc.; draft Receiver's S.245/246 notice, pending receipt of information from the principal of Block 80 Holdings Inc.; draft preamble to Receiver's webpage for receivership administration and send same with documents to be posted to webpage to D. Nishimura.
7/8/2024	Donna Nishimura	Create webpage on TDB website and upload documents.
7/8/2024	Bryan Tannenbaum	Receipt and review of Endorsement and Appointment Order of Justice W.D. Black.
7/9/2024	Arif Dhanani	Review draft email from J. Hornbostel to BMO re opening Receiver's trust account and comment on same.
7/9/2024	Jennifer Hornbostel	Draft and send letter to open trust account.
7/10/2024	Nisan Thurairatnam	To internal correspondence regarding the case website.
7/10/2024	Arif Dhanani	Complete documentation to open Receiver's trust account; review and respond to email from A. Sherman re information required urgently by Receiver.
7/10/2024	Jennifer Hornbostel	Set up banking and templates.
7/11/2024	Arif Dhanani	Call with K. Patel and L. Zaidener of First Source Financial Management Inc. ("First Source") and B. Tannenbaum; call with B. Tannenbaum re priorities and staffing.
7/11/2024	Bryan Tannenbaum	Initial organizational Teams call with First Source (K. Patel/L. Zaidener) and A. Dhanani.

Date	Professional	Description
7/12/2024	Arif Dhanani	Review email from K. Patel of First Source; download materials from link provided by First Source; draft email to T. Irshad with summary of call with First Source, other items, and instructions on urgent matters to be attended to.
7/12/2024	Tanveel Irshad	Review email from A. Dhanani re items to complete; review documents provided by First Source; draft creditor contact and insurance contact schedules.
7/13/2024	Tanveel Irshad	Prepare creditor list for S.245/246 notice, finalize insurance contact information and tenant contact information schedules.
7/15/2024	Arif Dhanani	Review of emails from T. Irshad and respond thereto; draft and send email to J. Barrow requesting call with same; review of creditor list provided by A. Sherman; reformat creditor list for S.245/246 notice; amend S.245/246 notice and send same to B. Tannenbaum for comments; review of rent attornment letter drafted by T. Irshad and comment on same, provide instructions to T. Irshad re sending out letters.
7/15/2024	Jeff Berger	Exchange emails with T. Irshad re attornment of rent and discuss same with T. Irshad.
7/15/2024	Tanveel Irshad	Prepare rent attornment letter; update creditor list for S.245/246 notice; correspond with A. Dhanani re tenant leases and update tenant contact information schedule; update insurance contact information schedule; draft email to insurance broker for A. Dhanani's review and send email to broker; review rent attornment letters with tenant information; correspond with D. Nishimura re mails to be sent to tenants; email rent attornment letter to tenants.
7/15/2024	Donna Nishimura	Assemble rent attornment letters attaching Appointment Order and mail out to tenants.
7/15/2024	Nisan Thurairatnam	Review email from A. Dhanani in regard to all aspects of the mandate; review of the Appointment Order, Application Record and Affidavit of the Applicant.
7/15/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani email to Mr. Barrow; review Mr. Barrow's response for a meeting; review A. Sherman email attaching creditor list.
7/17/2024	Arif Dhanani	Email to D. Nishimura to correct Receiver's webpage for address of property; review, finalize and execute Receiver's S.245/246 notice and send same to D. Nishimura for mail out on July 18, 2024; call with J. Barrow, general contractor, and B. Tannenbaum re priorities for completion of property.
7/17/2024	Bryan Tannenbaum	Review S.245/246 Notice; teams call with general contractor and A. Dhanani regarding status and costs to complete.
7/18/2024	Tanveel Irshad	Follow up with insurance broker re policy changes.
7/18/2024	Arif Dhanani	Email from D. Nishimura re posting Receiver's S.245/246 notice on Receiver's webpage and respond thereto.
7/18/2024	Donna Nishimura	Assemble and mail out Notice and Statement of Receiver; prepare Affidavit of Mailing; upload document to the webpage on the TDB website; fax S.245/246 Notice and Statement of the Receiver with Court Order to the Office of the Superintendent of Bankruptcy.
7/19/2024	Tanveel Irshad	Update interview section in Ascend with file information.
7/22/2024	Tanveel Irshad	Prepare an index for all information/documents pertaining to the Debtor; review, organize and rename information/documents in iManage; correspond with A. Dhanani re property management; call with property manager re utility bills, background on property management team's operations with the Debtor; draft email to Mr. Sherman re water and gas bills; prepare email to property management team re utilities, leases; review property management contract; correspond with J. Hornbostel re bank account details; follow up with insurance broker re policy changes.

Date	Professional	Description
7/22/2024	Arif Dhanani	Download documents/folders sent by A. Sherman on July 19, 2024; email to T. Irshad to review documents and create index of same; discussion with T. Irshad re contacting property manager for utilities bills; review of T. Irshad email to property manager and comment on same.
7/22/2024	Bryan Tannenbaum	Telephone calls from Mrs. Gupta re prospective purchaser; receipt and review of cost to complete quotation from J. Barrow.
7/23/2024	Tanveel Irshad	Review and save documents such as rent roll, income statements, invoices from property manager; correspond with A. Dhanani re utility service providers and inform them of receivership; draft revised rent attornment letter for tenants; discussion with A. Dhanani re process to document cash flow; email Debtor re water and gas bills; update rent attornment letter; prepare email to property manager re next steps and protocol re rent, utilities and correspond with property manager re same; prepare letters to service providers to inform them of receivership; call with Bell to confirm service address.
7/23/2024	Arif Dhanani	Review and respond to emails from T. Irshad re utilities; review and comment on T. Irshad revised rent attornment letter and email to property manager; email exchange with Renaissance Property Management re process and flow of funds for payment of utility bills and other costs; review of email from A. Sherman re additional materials and respond thereto re inability to access documents; set up sharing folder and send link to A. Sherman with request to populate same with documents; meeting with T. Irshad re Bell.
7/24/2024	Tanveel Irshad	Review email from A. Dhanani re Bell employee contact information; call Bell employee to obtain contact information in order to send correspondence re service continuation; update letter to Bell and send to A. Dhanani for review; send letter to Bell via email; update letter to Alectra Utilities and send to A. Dhanani for review; diarize follow up with property management team; call with tenant re rent attornment letter.
7/24/2024	Arif Dhanani	Review and comment on letter to Bell Canada drafted by T. Irshad; review and comment on draft letter to Alectra Utilities sent by T. Irshad.
7/24/2024	Bryan Tannenbaum	General discussions with A. Dhanani re quotation for costs to complete; email from A. Dhanani to J. Larry of Paliare Roland re same and ability to borrow.
7/24/2024	Donna Nishimura	Received post-dated cheques for Bonny Lockhart, scan cheques and note to deposit post-dated cheques.
7/25/2024	Tanveel Irshad	Call with Alectra Utilities to obtain contact information in order to send letter and update to A. Dhanani; update letter and email and fax Alectra Utilities; calls with Alectra Utilities to set up new account and inquire about deposits; correspond with A. Dhanani re deposit for Alectra Utilities; review documents sent from Debtor and organize them in iManage; call with tenant re post-dated cheques; draft email to property managers re outstanding items; call with A. Dhanani to discuss Alectra Utilities and organize documents in iManage from property manager and the Debtor.
7/25/2024	Arif Dhanani	Review draft letter to Alectra Utilities, sign same and send final version to T. Irshad to send to Alectra Utilities; review of email from A. Sherman; email to T. Irshad to review documents sent by A. Sherman; call with J. Larry re completion of required capital items and funding; draft and send email to B. Tannenbaum re discussion with J. Larry; email to K. Patel of First Source re completion of items set out in J. Barrow proposal; review response from K. Patel and respond thereto; call with T. Irshad re utilities and tenants with respect to payment of rent.
7/25/2024	Tanveel Irshad	Call with A. Dhanani to discuss process of paying invoices/bills with property manager.

Date	Professional	Description
7/25/2024	Bryan Tannenbaum	Telephone call from J. Barrow; review J. Barrow email re meeting with the Town; discuss borrowings with A. Dhanani; receipt and review of A. Dhanani email to First Source re contractor's budget and funding; receipt and review of K. Patel responding email.
7/26/2024	Arif Dhanani	Review and comment on email drafted by T. Irshad to property manager.
7/26/2024	Tanveel Irshad	Call with Alectra Utilities to split deposit into first 4 months; calls and email correspondence with Bell Canada to open new account; update and send email to property manager re outstanding items and invoice/bill payment process; call with property manager re utilities; meeting with A. Dhanani re next steps with utilities; email correspondence with property manager.
7/26/2024	Bryan Tannenbaum	Email from L. Zaidener of First Source responding to contractor quote.
7/29/2024	Arif Dhanani	Call with property manager re utility and other payments; send property manager pictures of property and overgrowth to be trimmed; emails from/to property manager re objects on property to be removed/organized.
7/29/2024	Tanveel Irshad	Draft email to Wyse Meter re receivership and next steps with sub metering system and billing; review documents from property manager; meeting with property manager; calls with Kenney Communications re monitoring system; correspond with A. Dhanani and property manager re outstanding invoices.
7/30/2024	Arif Dhanani	Review and comment on email to Wyse Meter drafted by T. Irshad; email to T. Irshad re insurance broker and response therefrom; emails from/to T. Irshad re Bell account for fire alarm panel; email to First Source re proposal from J. Barrow and work to be done and landscaping.
7/30/2024	Tanveel Irshad	Call and leave message to contact at Wyse Meter re utilities; update draft email to Wyse Meter contact for A. Dhanani's review; correspond with A. Dhanani re following up with insurance broker; call with Kenney Communications re phone lines and email update to A. Dhanani; call with insurance broker re status of policy and send update to A. Dhanani; organize information provided by property manager in iManage and update company information index.
7/30/2024	Jennifer Hornbostel	Complete documentation for transfer of funds to estate account for payment of Promeric invoice and fees payable to Office of the Superintendent of Bankruptcy ("OSB").
7/31/2024	Jennifer Hornbostel	Prepare and e-file fees to OSB; post receipt in Ascend.
7/31/2024	Arif Dhanani	Transfer of funds to Receiver's trust account to pay OSB and Promeric fees and email to J. Hornbostel with transfer confirmation; call with T. Irshad re invoices to be paid or not paid by Renaissance Property Management and review of spreadsheet drafted by T. Irshad and various invoices.
7/31/2024	Tanveel Irshad	Call with Bell to open a new account; calls with property manager and Kenny Communications to arrange visit to site for Bell; correspond with A. Dhanani re payment process with property manager and Bell payment; review property manager contract; email Bell to open new account; email A. Dhanani re invoice approval process for property manager; review statement of account from property manager, tie to original invoices and call with A. Dhanani to review; prepare draft email to property manager.
8/1/2024	Arif Dhanani	Review of communication to property manager drafted by T. Irshad and comment on same; email exchange with Renaissance Property Management regarding invoices for period prior to the Receiver's appointment; review invoices in question and prepare spreadsheet of amounts not payable by the Receiver and send same to Renaissance Property Management; call with Renaissance Property Management re amounts to be paid by Receiver and completion of required works; email exchange with First Source re borrowings; complete Receiver's Borrowing Certificate #1 and send same to First Source.

Date	Professional	Description
8/1/2024	Donna Nishimura	Prepare receipts processing form and deposit cheque at the bank.
8/1/2024	Jennifer Hornbostel	Post receipts of rent.
8/2/2024	Arif Dhanani	Call with J. Barrow re approval of funding and commencement of work on building; review and respond to email from T. Irshad re Alectra Utilities; respond to email from Alectra Utilities re deposit refund.
8/6/2024	Tanveel Irshad	Calls with Bell and contractor re set up of phone line at property for fire panel purposes; organize invoices and documents from property manager into iManage and update Company Information Index for future Sales Process.
8/8/2024	Arif Dhanani	Review and respond to email from Renaissance Property Management re Receiver's approval for Georgian Bay Construction to commence work; review of emails regarding new tenant application for move in and correspond with T. Irshad re same.
8/8/2024	Tanveel Irshad	Continue to organize invoices and documents from property manager into iManage and update Company Information Index for future Sales Process; calls with property manager re application process for new tenant; correspond with A. Dhanani re application process for tenant; correspond with property manager re approval of new tenant lease.
8/9/2024	Arif Dhanani	Call with J. Barrow; review of various emails between T. Irshad and Renaissance Property Management; review of emails sent by J. Barrow; email to J. Barrow requesting invoice rather than quote for payment requested and deduction of 10% holdback required by the *Construction Act*; review invoice from J. Barrow and recalculate amounts thereon; email to J. Barrow with revised calculations of invoice, holdback, construction management fee, HST and total; review Receiver's trust account; email to First Source re timing of funding pursuant to executed Receiver's Certificate #1.
8/9/2024	Tanveel Irshad	Correspond with A. Dhanani and property manager re approval of cleaning expense and formal name of Receiver for insertion into lease for prospective tenant; call and leave message for Kenney Communications re fire panel set up.
8/12/2024	Arif Dhanani	Emails from/to Renaissance Property Management re leaky fridge; email to J. Hornbostel re deposits and repayment of borrowings from Trustee re Promeric and OSB fees, approve and make payment to repay Trustee; review of income statement provided by Renaissance Property Management; review invoices provided by Renaissance Property Management and reconcile same to income statement; email to Renaissance Property Management with questions, review reply; complete documentation for recording of rents and expenses paid in Receiver's GL and send same to J. Hornbostel to record; complete documentation for payment of Georgian Bay Contracting Services' invoice and send all to J. Hornbostel to set up payment to be approved on Receiver's on-line banking platform.
8/12/2024	Jennifer Hornbostel	Prepare payment to repay Trustee; post same in Ascend.
8/13/2024	Arif Dhanani	Call with J. Barrow; effect payment to Georgian Bay Contracting Services ("GBCS") for materials related to elevator, electrical and common area work to be done; email payment confirmation to J. Hornbostel to record in Receiver's GL; review email from M. Chang of First Source re request for updated Receiver's Certificate #1, update Certificate and send same to M. Chang.
8/13/2024	Jennifer Hornbostel	Prepare payment to GBCS and documentation therefor and post disbursement.
8/15/2024	Arif Dhanani	Review and respond to email from T. Irshad re successful activation of fire panel in building and status and requirements for activation of intercom system; call with Penetanguishene Fire Department regarding issued order and compliance therewith.

Date	Professional	Description
8/15/2024	Tanveel Irshad	Call with Kenney Communications re fire panel and send update to A. Dhanani.
8/20/2024	Arif Dhanani	Review of letter terminating insurance policy; email to J. Dutton of McDougall Insurance Brokers requesting explanation of termination of insurance policy and breach of court order; call with McDougall Insurance Brokers; follow up email to McDougall Insurance Brokers requesting contact information for the correct individual at The Commonwell Mutual Insurance Group ("Commonwell"); researching contact at Commonwell for email address and write to same.
8/20/2024	Tanveel Irshad	Review of letter terminating insurance policy from insurance broker and review email correspondence between A. Dhanani and insurance broker.
8/20/2024	Tanveel Irshad	Review invoices from service providers and prepare payment requisition form.
8/21/2024	Arif Dhanani	Review of email from Commonwell re reinstatement of insurance policy to November 1, 2024; email to T. Irshad to contact the Receiver's insurer to ask for information required to insure the property after November 1, 2024; review and respond to email from K. Patel with request for status update; email to J. Barrow requesting status update on construction; emails from/to K. Patel re rents and rent rolls.
8/21/2024	Tanveel Irshad	Correspond with A. Dhanani re approval of potential tenant; review email correspondence between A. Dhanani and insurer; left voicemail for insurer and prepare email to insurer.
8/21/2024	Bryan Tannenbaum	Receipt and review of K. Patel email ; review A. Dhanani response re status and report to be delivered on August 22, 2024; email re rent rolls.
8/21/2024	Jennifer Hornbostel	Prepare cheque for Bell Canada.
8/22/2024	Arif Dhanani	Review of construction update email sent by J. Barrow, including pictures; respond to J. Barrow with additional questions and comments thereon; review of responses from J. Barrow; email to First Source re requirement for any additional information and review response therefrom; email to M. Bonnin of Penetanguishene Fire Department with status update on items completed pursuant to order issued.
8/22/2024	Tanveel Irshad	Correspond with A. Dhanani re timeline of interior repairs to property; review email from prospective insurer and correspond with A. Dhanani.
8/22/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani email to J. Barrow re construction status; review A. Dhanani email to K. Patel re information; review of J. Barrow email.
8/23/2024	Arif Dhanani	Review of email from T. Irshad re insurance and respond thereto.
8/23/2024	Tanveel Irshad	Prepare email to property manager re insurance; update insurance documents and send to A. Dhanani for review.
8/26/2024	Arif Dhanani	Review of invoice sent by J. Barrow; email to J. Barrow re invoice does not add; email to First Source re additional borrowings required and initiation of sales process; review and respond to email from Renaissance Property Management re cracked window and quote for same and authorize replacement thereof.
8/26/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani email to K. Patel re borrowing status, construction draw and listing; review K. Patel response.
8/26/2024	Jennifer Hornbostel	Prepare post receipt in Ascend for funds advanced from First Source.
8/27/2024	Tanveel Irshad	Review invoices and statement for the month of August from property manager; update statement with changes and comments; update Tenant Information Schedule.
8/27/2024	Jennifer Hornbostel	Post receipt.
8/28/2024	Arif Dhanani	Review of insurance non-renewal letter from Commonwell; email to Commonwell with request for claims history.

Date	Professional	Description
8/28/2024	Tanveel Irshad	Correspond with A. Dhanani re invoices and email property manager re same; review tenant lease agreement and update Tenant Information Schedule.
8/30/2024	Arif Dhanani	Emails to/from J. Barrow re correcting invoice sent; email to J. Hornbostel to create payment for most recent invoice from Georgian Bay Contracting Services; pay invoice and send confirmation to J. Hornbostel to record same in Receiver's GL; review of email from T. Irshad re tenant move to larger unit and rent therefor and approve same.
8/30/2024	Tanveel Irshad	Correspond with property manager and A. Dhanani re tenant.
8/30/2024	Jennifer Hornbostel	Post transaction.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	4.30	$ 695	$ 2,988.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	28.20	$ 625	17,625.00
Jeff Berger, CPA, CA, CIRP, LIT	Managing Director	1.10	$ 575	632.50
Nisan Thurairatnam, CPA	Manager	1.10	$ 425	467.50
Tanveel Irshad	Associate	41.60	$ 295	12,272.00
Jennifer Hornbostel/Donna Nishimura	Estate Administrator	7.00	$ 150	1,050.00
Total hours and professional fees		**83.30**		$ 35,035.50
Less: Adjustment				(2,644.86)
Adjusted Total				$ 32,390.64
Disbursements				
Postage (Notice & Stmt of Receiver)	$ 24.12			
Photocopies (Notice & Stmt of Receiver)	18.00			
Postage (Rent attornment letters)	22.99			
Total disbursements				65.11
Total professional fees and disbursements				$ 32,455.75
HST @ 13%				4,219.25
Total payable				**$36,675.00**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date October 18, 2024

Client File 2-004
Invoice No. TDB #2
2410014

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period September 1, 2024 to September 30, 2024.

Date	Professional	Description
9/3/2024	Arif Dhanani	Review of emails from/to Penetanguishene Fire Department; email to J. Barrow requesting confirmation of delivery of site report, fire safety plan, commissioning of elevator and scheduling of site attendance to/with Fire Department.
9/3/2024	Donna Nishimura	Prepare receipts processing form and deposit rent cheque at the bank.
9/3/2024	Jennifer Hornbostel	Post receipt for tenant's rent.
9/4/2024	Tanveel Irshad	Call with Wyse Meter and correspond with A. Dhanani.
9/5/2024	Arif Dhanani	Attend call with First Source Financial Management Inc. ("First Source"), Paliare Roland Rosenberg Rothstein LLP ("Paliare Roland"), B. Tannenbaum and J. Berger; email to J. Barrow requesting status update; email exchange with J. Barrow re status of completion of various items.
9/5/2024	Bryan Tannenbaum	Teams meeting for status update with First Source (K. Patel/D. Mandel/ S. Walters/L. Zaidener), Paliare Roland (J. Larry/R. Shah) and J. Berger and A. Dhanani; review A. Dhanani email to J. Barrow re status of construction; review of J. Barrow responding emails.
9/5/2024	Jennifer Hornbostel	Post receipt for funds incorrectly deposited into account.
9/6/2024	Tanveel Irshad	Correspond with A. Dhanani re approval of cleaning services and next steps with property manager; calls with property manager and prepare update to A. Dhanani; review reporting provided by property manager and rent roll and email to A. Dhanani with comments thereon.
9/6/2024	Arif Dhanani	Review email from J. Barrow re Penetanguishene Fire Department order and items to be addressed and respond thereto; review of email from T. Irshad re rent roll and respond thereto with detailed instructions re rent roll and reconciliation to reporting from property manager.
9/6/2024	Bryan Tannenbaum	Receipt and review of J. Barrow email regarding status and matters for construction completion.

Date	Professional	Description
9/9/2024	Tanveel Irshad	Prepare email to property manager re approval of cleaning services.
9/10/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and property manager and communications service provider; call property manager re fire panel; correspond with B. Tannenbaum and prepare email to communications service provider re same.
9/10/2024	Bryan Tannenbaum	Review email from J. Barrow on construction status; review T. Irshad's draft email regarding fire safety plan contacts; discuss with T. Irshad.
9/11/2024	Tanveel Irshad	Cross-reference income statement from property manager with rent amounts received.
9/11/2024	Bryan Tannenbaum	Receipt and review of J. Barrow email regarding status of concrete work.
9/12/2024	Tanveel Irshad	Reconcile property manager income statement to invoices and prepare update email to B. Tannenbaum and A. Dhanani; update Tenant Information Schedule.
9/12/2024	Bryan Tannenbaum	Review of T. Irshad's email on rent receipts from property manager; review BMO account; respond to T. Irshad re same.
9/13/2024	Tanveel Irshad	Draft receipts processing form re property manager's remittance.
9/13/2024	Bryan Tannenbaum	Receipt and review of J. Barrow construction status update with pictures.
9/16/2024	Tanveel Irshad	Correspond with D. Nishimura re format and update receipts processing form; prepare emails to Wyse Meter.
9/16/2024	Bryan Tannenbaum	Review draft email from T. Irshad to Wyse Meter; review of Wyse Meter response.
9/16/2024	Jennifer Hornbostel	Post transaction for payment of Promeric license.
9/17/2024	Arif Dhanani	Review of email from T. Irshad to Wyse Meter re various questions and requests for information; review of further email from T. Irshad to Wyse Meter and response therefrom.
9/17/2024	Tanveel Irshad	Correspond with A. Dhanani re next steps with Wyse Meter and receipts processing form; update receipts processing form.
9/18/2024	Arif Dhanani	Review of breakdown of rental income collected for September 2024 and expenses paid for August 2024 and email to T. Irshad regarding same; review of email from C. Ledyit of Renaissance Property Management re elevator commissioning and respond to same; email to J. Barrow with request for status update on Fire Safety Plan and commissioning of elevator.
9/18/2024	Tanveel Irshad	Email J. Hornbostel re receipt processing form for property manager deposit; review invoice from Bell Canada and correspond with J. Hornbostel.
9/18/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani email response to property manager on elevator installation status; receipt and review of A. Dhanani email to contractor regarding delays and need to get work done.
9/18/2024	Jennifer Hornbostel	Post receipt of deposit of net rent from RPM.
9/19/2024	Arif Dhanani	Review email from K. Patel re LC's held with municipality, review information provided by A. Sherman in relation to property and respond to K. Patel.
9/19/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and First Source re Letters of Credit; call with A. Dhanani and the municipality re same.
9/19/2024	Bryan Tannenbaum	Review J. Barrow email re sodding.
9/20/2024	Tanveel Irshad	Prepare and send email to municipality re letters of credit.
9/23/2024	Tanveel Irshad	Review Alectra Utilities invoice and email J. Hornbostel; review email from property manager re approval of service and prospective tenant application and correspond with A. Dhanani; correspond with property manager re same; draft follow up email to Wyse Meter company.

Date	Professional	Description
9/23/2024	Jennifer Hornbostel	Prepare payment to Alectra Utilities.
9/24/2024	Tanveel Irshad	Send email to Wyse Meter re remittance of funds; send email to property manager re approval of prospective tenant and cleaning fee.
9/24/2024	Arif Dhanani	Review of draft email from T. Irshad to Wyse Meter and comment on same; review supporting documentation for payment to be made to Alectra, approve same and make payment; review of email from J. Barrow re update on construction and respond thereto with questions.
9/24/2024	Bryan Tannenbaum	Various emails from J. Barrow re status of finishing work.
9/24/2024	Jennifer Hornbostel	Post transaction for Alectra Utilities in Receiver's GL.
9/25/2024	Tanveel Irshad	Review email from municipality re letters of credit and correspond with A. Dhanani re same; review tenant application and correspond with A. Dhanani; call with A. Dhanani re shared folders for real estate brokers; create shared folders; assemble property information re same and update A. Dhanani.
9/25/2024	Arif Dhanani	Draft and send email to various real estate brokers requesting listing proposals for sale of the Real Property; draft and send update reporting email to First Source; reconcile Receiver's GL; draft statement of receipts and disbursements and notes thereto; send property manager's monthly income statement and rent roll and Receiver's statement of receipts and disbursements to First Source; review email from the Town of Penetanguishene re security deposits and forward same to First Source; review email from K. Patel re security deposits and respond thereto; draft and send confidentiality agreement ("CA") to counsel for review re to be sent to listing brokers to access confidential information and review of counsel's response; review and respond to email from Lennard Commercial Realty; review and respond to email from CBRE; call with J. Lever of Cushman & Wakefield; review and respond to email from C. Ledyit re rental of unit.
9/25/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani reporting email to First Source on construction status; review of K. Patel response; review of A. Dhanani email to K. Patel attaching rent roll and interim R&D; review of A. Dhanani emails to K. Patel re LC's; review of A. Dhanani email to J. Larry attaching draft CA; review of J. Larry response.
9/26/2024	Arif Dhanani	Call with CBRE; send CA to CBRE and provide access to confidential information to CBRE upon receipt of signed CA; review of email from T. Irshad re expenses paid by property manager; email to T. Irshad with instructions; review of email from T. Irshad to property manager and response thereto; call with Cushman & Wakefield; respond to property manager's email.
9/26/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and property manager re rental application and authorization of payment of invoices; review and tie invoices and statement from property manager and correspond with A. Dhanani; prepare email to property manager re same.
9/27/2024	Arif Dhanani	Send CA to Cushman & Wakefield; review signed CA and provide Cushman & Wakefield access to confidential documentation; review email from Wyse Meter and respond thereto; email to Cushman & Wakefield with contact details for property manager for site attendance.
9/27/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and Wyse Meter re remittance of funds.
9/27/2024	Bryan Tannenbaum	Various emails re Wyse Meter; email from J. Barrow with weekly update on construction status.
9/30/2024	Arif Dhanani	Review and respond to email from J. Perlstein of Lennard Commercial Realty.
9/30/2024	Tanveel Irshad	Look through iManage to find information requested by prospective listing broker; call RPM to find the same; prepare email to broker; correspond with

Date	Professional	Description
		A. Dhanani re Wyse Meter original contract; review email correspondence between A. Dhanani and property manager re approval of expense.
9/30/2024	Anne Baptiste	Prepare August 2024 bank reconciliation.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	4.20	$ 695	$ 2,919.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	8.60	$ 625	5,375.00
Tanveel Irshad	Associate	14.30	$ 295	4,218.50
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	1.30	$ 150	195.00
Total hours and professional fees		**28.40**		$ 12,707.50
HST @ 13%				1,651.98
Total payable				**$ 14,359.48**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date November 21, 2024

Client File 2-004
Invoice No. TDB #3
2411030

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period October 1, 2024 to October 31, 2024.

Date	Professional	Description
10/1/2024	Bryan Tannenbaum	Receipt and review of J. Barrow email attaching Town of Penetanguishene's approved safety plan.
10/1/2024	Donna Nishimura	Prepare receipts processing form and deposit rent cheque at the bank.
10/1/2024	Jennifer Hornbostel	Post receipt of rental income from B. Lockhart.
10/2/2024	Arif Dhanani	Review correspondence for payment of invoice #3 from Georgian Bay Contracting Services, make payment, obtain payment confirmation and send same to J. Hornbostel for recording same in Receiver's GL.
10/2/2024	Jennifer Hornbostel	Prepare payment to Georgian Bay Contracting.
10/2/2024	Tanveel Irshad	Correspond with A. Dhanani re insurance; review email correspondence between A. Dhanani and broker.
10/3/2024	Arif Dhanani	Call with Cushman & Wakefield re questions and concerns regarding property.
10/3/2024	Jennifer Hornbostel	Post payment to Georgian Bay Contracting in Ascend.
10/4/2024	Arif Dhanani	Review and respond to emails from McDougall Insurance Brokers; email to Georgian Bay Contracting Services re payment of invoice #3; email to FCA insurance brokers with claims history and copy of existing insurance policy.
10/4/2024	Tanveel Irshad	Review email correspondence between insurer and A. Dhanani; save letter from insurer to iManage.
10/7/2024	Arif Dhanani	Review and respond to email from C. Ledyit of Renaissance Property Management ("RPM") re elevator; email to J. Barrow in this regard; email to A. Milic of Wyse Meter re information and motion; review of CBRE listing proposal and summarize same; call with Cushman & Wakefield re timing of listing proposal; review of listing proposal received from Lennard Commercial Realty and summarize same; review of email chain sent by C. Ledyit and respond to same; review of email from internal counsel to Wyse Meter; draft cover letter and consent to be signed by tenants in respect of Wyse Meter invoices and payment information and send all to J. Sciamanna of RPM.

Date	Professional	Description
10/7/2024	Tanveel Irshad	Review email correspondence between property manager and A. Dhanani re elevator, intercom and submetering company; correspond with A. Dhanani re intercom and telephone service provider invoices.
10/9/2024	Arif Dhanani	Email exchange with K. Patel of First Source Financial Management Inc. ("First Source") re deposits held by Town of Penetanguishene and listing proposal summary; email to B. Tannenbaum with listing proposal summary and request for comments; email to the Town of Penetanguishene to request details for release of deposits; email summary of listing proposals to First Source; email exchange with K. Patel; save listing proposals to file sharing platform and send links to same to K. Patel and L. Zaidener of First Source.
10/9/2024	Bryan Tannenbaum	Review of broker listing proposals and summary prepared by A. Dhanani; review A. Dhanani email to K. Patel.
10/10/2024	Arif Dhanani	Review and respond to email from RPM re unit inspections.
10/11/2024	Tanveel Irshad	Review and cross reference income statement and rent roll provided by property manager; correspond with A. Dhanani re same; prepare email to property manager re discrepancy in parking charges.
10/11/2024	Arif Dhanani	Review and respond to email from Cushman & Wakefield; review of email from T. Irshad to RPM re parking income and difference from prior month; review and forward consent letters from tenants in connection with Wyse Meter to J. Larry of Paliare Roland Rosenberg Rothstein LLP; review email from internal counsel to Wyse Meter and attachments thereto; forward same to J. Larry and email J. Larry with Receiver's position on amounts owing from Wyse Meter.
10/11/2024	Bryan Tannenbaum	Receipt and review of emails relating to Wyse Meter with J. Larry.
10/14/2024	Arif Dhanani	Review and respond to RPM re broken dryer and respond thereto.
10/15/2024	Arif Dhanani	Review and respond to email from RPM re snow removal contract; review of email from S. Parkin re parking revenue and email to T. Irshad in this regard; further emails to/from RPM re snow removal and questions in respect of contract; review of email from RPM to Georgian Bay Contracting re elevator; further emails with RPM re snow removal, including prior year sign off by Block 80 Holdings Inc. and copies of invoices; sign off on snow removal quote and send same to RPM; review and respond to email from RPM re side door vandalized; respond to internal counsel for Wyse Meter with consents from all tenants with respect to billing and payment records; further emails to/from internal counsel to Wyse Meter re amount to be remitted to the Receiver; call with First Source re status of construction, rentals and listing proposals.
10/15/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and property manager re snow plowing and side door; correspond with A. Dhanani and property manager re parking charges for tenants; review email correspondence from A. Dhanani to counsel re Wyse Meter; review email correspondence between A. Dhanani and Wyse Meter re invoices; correspond with A. Dhanani re same.
10/15/2024	Nisan Thurairatnam	Attend a meeting with First Source, B. Tannenbaum, A. Dhanani and J. Berger re all aspects of mandate; prepare meeting minutes re same.
10/15/2024	Anne Baptiste	Prepare bank reconciliation.
10/15/2024	Bryan Tannenbaum	Review of A. Dhanani email to Wyse Meter with tenant consents; review responses from Wyse Meter; teams call with First Source (D. Mandel/ L. Zaidener/S. Walters/K. Patel), J. Berger, N. Thurairatnam and A. Dhanani for check in on status of file.
10/16/2024	Tanveel Irshad	Correspond with A. Dhanani re Wyse Meter reconciliation; review invoices and agreements from Wyse Meter and prepare reconciliation; correspond with Wyse Meter re invoices; prepare cheque requisitions for insurance premium and

Date	Professional	Description
		Kenney Communications Inc; prepare receipts processing forms for property manager and Wyse Meter.
10/16/2024	Arif Dhanani	Review various emails from RPM re status of elevator operation; review of email from J. Barrow re additional parts needed for elevator and delivery scheduled for end of week; email to Wyse Meter re payment information for invoices rendered to tenants; call with T. Irshad re information provided by Wyse Meter and reconciliation thereof; email to T. Irshad re deposits to Receiver's account, insurance and intercom supplier payments to be made; review of documentation drafted by T. Irshad for same and approve same with email to J. Hornbostel requesting processing of cheques; review and respond to email from K. Patel re listing broker; call to listing broker and leave message for same; review and approve supporting documentation for receipt of net rental income from RPM and submetering remittance from Wyse Meter.
10/16/2024	Bryan Tannenbaum	Review A. Dhanani email regarding elevator still not working; email from K. Patel re proceed with broker listing.
10/16/2024	Jennifer Hornbostel	Prepare cheques for Kenney Communications and Mutual Insurance group.
10/17/2024	Arif Dhanani	Call with T. Henke of Cushman & Wakefield re successful listing proposal, adjustment of various items and request for listing agreement; contacting those brokers that submitted listing proposals, which were unsuccessful to advise of same; review of email from Toronto Hydro and email to T. Irshad in this regard; review of various emails from Cushman & Wakefield re listing agreement, access to data room and respond thereto; review and respond to emails from the Town of Penetanguishene re property taxes and supplementary tax notice.
10/17/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and broker re data room; review email correspondence from between insurer and A. Dhanani re payment of premium; review email correspondence between A. Dhanani and municipality re letters of credit.
10/17/2024	Jennifer Hornbostel	Post receipts from RPM and Wyse Meter.
10/18/2024	Arif Dhanani	Review of email from property manager with listing of items to be investigated/addressed in various units and respond thereto with instructions; email to property manager re intercom for building.
10/21/2024	Arif Dhanani	Email to T. Henke re opinion of value for insurance purposes; email to T. Irshad re completion of insurance forms for FCA; review of opinion of value, sign insurance forms required by FCA and send all to FCA.
10/21/2024	Tanveel Irshad	Correspond with A. Dhanani re insurance forms; email Wyse Meter re invoices; review email correspondence between A. Dhanani and real estate broker re value of the property and listing agreement; correspond with broker re access to data room.
10/21/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani email to T. Henke regarding the wording of the listing agreement.
10/21/2024	Jennifer Hornbostel	Prepare payment to Alectra Utilities.
10/22/2024	Arif Dhanani	Review of Receiver's GL and reconcile same to trust account balance; review documentation prepared by J. Hornbostel to support payment of Alectra Utilities bill and pay same; call with Cushman & Wakefield re listing agreement; meeting with B. Tannenbaum re real estate counsel, call with J. Larry and B. Tannenbaum re same, email to K. Patel re utilization of real estate counsel and review of response thereto; email to B. Tannenbaum re form of APS and confidentiality agreement; emails to/from Cushman & Wakefield re listing agreement and sign off; digitally sign listing agreement with Cushman & Wakefield.

Date	Professional	Description
10/22/2024	Jennifer Hornbostel	Post payment to Alectra Utilities.
10/22/2024	Tanveel Irshad	Access online data room and correspond with broker re same; correspond with A. Dhanani re signature on listing agreement.
10/22/2024	Bryan Tannenbaum	A. Dhanani email to K. Patel re real estate counsel; review of K. Patel response; email to Robins Appleby LLP re real estate counsel.
10/23/2024	Arif Dhanani	Review of email exchange between Robins Appleby and B. Tannenbaum; review of email from B. Tannenbaum re confidentiality agreement for potential purchasers; review of mail received from Canada Revenue Agency ("CRA") in respect of Block 80 Holdings Inc.; email to CRA regarding Receiver's appointment and inability to deal with matters relating to Block 80 Holdings Inc.; forward copy of mail from CRA to A. Sherman.
10/23/2024	Tanveel Irshad	Review mail correspondence from CRA re Debtor's HST account; correspond with A. Dhanani re same; review email correspondence from A. Dhanani to CRA and Debtor re same; review property tax statements and correspond with A. Dhanani re same; prepare email to broker to provide same.
10/24/2024	Arif Dhanani	Review and respond to email from K. Patel re commissions; review and sign MLS data form; call with Robins Appleby and B. Tannenbaum re questions regarding property, sale and methodology, and Receiver's form of APS; email to Robins Appleby with copy of Cushman & Wakefield confidentiality agreement and Receiver's form of confidentiality agreement with request to comment on both; review and respond to email from B. Murray of the Town of Penetanguishene; review of email from Cushman & Wakefield re Town of Penetanguishene incentive programs for real property purchasers and respond thereto with information on timing of a form of Receiver's APS and confidentiality agreement for inclusion in Cushman & Wakefield's data room.
10/24/2024	Bryan Tannenbaum	Teams call with D. Michaud of Robins Appleby and A. Dhanani re background information provided.
10/25/2024	Tanveel Irshad	Review email correspondence and attachments re invoices from Wyse Meter; correspond with A. Dhanani and prepare email to Wyse Meter re same; review email correspondence between A. Dhanani and real estate broker re data room.
10/28/2024	Arif Dhanani	Review of email from B. Murray of the Town of Penetanguishene, including attachment thereto; respond to B. Murray with questions regarding last inspection and timing of same; review of email exchange between RPM and J. Barrow re elevator; review of Receiver's form of APS received from Robins Appleby and email to D. Michaud with question regarding same; review of letter from CRA re Block 80 Holdings Inc. RT0001 HST/GST liability and write to CRA regarding same to confirm that the Receiver is appointed over the 61 Thompsons West property and not Block 80 Holdings Inc.; meeting with T. Irshad to discuss items to be paid by RPM and approve same with exception re payment to Kenney Communications.
10/28/2024	Tanveel Irshad	Review email correspondence from municipality re site plans; email property manager re parking charges; correspond with A. Dhanani re reconciliation of property manager invoices; review and reconcile same; correspond with A. Dhanani and prepare email to property manager re same.
10/29/2024	Tanveel Irshad	Review emails and additional information from property manager re their invoices and parking charges for tenants; correspond with A. Dhanani re same; correspond with A. Dhanani re tenanted units; review email correspondence between A. Dhanani and insurer re placement of policy.
10/29/2024	Arif Dhanani	Review and respond to email from CRA insolvency officer; review of emails from RPM re invoice copies requested for authorization of payment, parking charges and additional move-in on November 1, 2024; review of final form of Receiver's

Date	Professional	Description
		APS from Robins Appleby and forward same to Cushman & Wakefield for inclusion in data room; follow up email to Robins Appleby re form of confidentiality agreement; follow up email to FCA re insurance; review of emails from Wyse Meter re additional information requests of the Receiver; review of email from CRA and respond thereto, forward email chain to counsel to add CRA to Service List; review of further email from FCA and email to property manager to confirm items requested by FCA; further email exchange with RPM re tenants insurance; review and respond to email from A. Sherman re Bell and Enbridge accounts in the name of Block 80 Holdings Inc.
10/29/2024	Bryan Tannenbaum	Various emails re insurance; receipt and review of CRA notice of HST assessment; receipt and review of confidentiality agreement from Robins Appleby.
10/30/2024	Arif Dhanani	Review of confidentiality agreement sent by Robins Appleby for interested parties to access Cushman & Wakefield data room and changes thereto; email to Cushman & Wakefield with confidentiality agreement; email from/to Robins Appleby re CRA HST claim; discussion with T. Irshad re Enbridge; review of email from FCA and email to B. Tannenbaum in this regard; email to FCA to bind insurance coverage effective November 1, 2024; receipt and respond to emails from Robins Appleby and Paliare Roland re CRA HST claim; review of email from RPM re Unit 302 move out date.
10/30/2024	Tanveel Irshad	Email correspondence with Wyse Meter re invoices; update Wyse Meter reconciliation schedule; review email correspondence between A. Dhanani and property manager re information for insurance policy and security camera quotes; review email correspondence between A. Dhanani and insurer re insurance policy; review email correspondence between A. Dhanani and Debtor re utility bills; correspond with A. Dhanani re Enbridge; prepare email to Enbridge re new account; call and leave message to Enbridge re same; review email correspondence from property manager re notice to vacate and forward to A. Dhanani.
10/30/2024	Bryan Tannenbaum	Receipt and review of D. Michaud email re priority of HST claim; review and respond to A. Dhanani regarding insurance coverage; review of A. Dhanani email to counsel re questioning HST claim ranking ahead of fixed charge mortgage; review of J. Larry response; review emails re same between J. Larry and A. Dhanani re timing of HST liability.
10/31/2024	Arif Dhanani	Review of email from C. Ledyit re handicapped resident, hotel and elevator not working yet, review of bills from Georgian Bay Contracting Services Inc., respond to C. Ledyit and J. Barrow re source of funds to pay for hotel; review and respond to email from Robins Appleby re property tax bills and payment of same.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	3.70	$ 695	$ 2,571.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	19.40	$ 625	12,125.00
Nisan Thurairatnam, CPA	Manager	0.20	$ 425	85.00
Tanveel Irshad	Associate	12.60	$ 295	3,717.00
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	1.50	$ 150	225.00
Total hours and professional fees		**37.40**		$ 18,723.50
HST @ 13%				2,434.06
Total payable				**$ 21,157.56**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date December 17, 2024

Client File 2-004
Invoice No. TDB #4
2412010

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period November 1, 2024 to November 30, 2024.

Date	Professional	Description
11/1/2024	Arif Dhanani	Review email from Cushman & Wakefield requesting Word version of confidentiality agreement and respond thereto; review of email from J. Barrow with pictures of paved parking lot and entryway and update on elevator parts.
11/1/2024	Tanveel Irshad	Correspond with property manager re Unit 302 tenant's notice to vacate.
11/4/2024	Tanveel Irshad	Review email correspondence and tenant invoices from Wyse Meter; update Wyse Meter reconciliation schedule; correspond with Wyse Meter re same; review email correspondence and attachments from property manager re tenant lease and fill vacancy invoice; follow up with Enbridge Gas re new account.
11/4/2024	Jennifer Hornbostel	Post receipt of rental income from tenant.
11/4/2024	Arif Dhanani	Review of email exchange between Wyse Meter and T. Irshad.
11/4/2024	Donna Nishimura	Prepare receipts processing form and deposit rent cheque from tenant at the bank.
11/5/2024	Arif Dhanani	Review email from B. Murray of the Town of Penetanguishene re release of deposits; forward email from B. Murray to First Source Financial Management Inc. ("First Source") with comments and pictures of site; review email from K. Patel of First Source re obtaining quotes for engagement of professionals to certify site works, provide documentation and other items required by the Town of Penetanguishene; review further email from K. Patel re marketing update; respond to K. Patel on obtaining quotes and marketing update; review of email from T. Irshad re discrepancy in amount paid by Wyse Meter vs. amount that should have been paid and provide direction to T. Irshad.
11/5/2024	Tanveel Irshad	Review email correspondence from property manager re internet; correspond with A. Dhanani re same; call with Kenney Communications re same; review tenant invoice and email from Wyse Meter; update Wyse Meter reconciliation schedule and correspond with A. Dhanani re same; draft email re Wyse Meter discrepancy; correspond with A. Dhanani re same and prepare simplified reconciliation schedule and email to Wyse Meter.

Date	Professional	Description
11/5/2024	Bryan Tannenbaum	Review of A. Dhanani email regarding status of construction and clearance to release deposits; responses from K. Patel re same and status of listing by Cushman & Wakefield.
11/6/2024	Tanveel Irshad	Review email correspondence from A. Dhanani re Bell internet; review Bell invoice, attend calls with Kenney Communications and property manager re same, correspond with A. Dhanani, draft email to Bell regarding invoice; call with Kenney Communications re Bell phone line and correspond with A. Dhanani re same; review email correspondence from Wyse Meter re invoice and remittance report discrepancies.
11/6/2024	Arif Dhanani	Set up sharing folder on iManage document management system; email to J. Barrow in this regard; add J. Barrow to sharing folder to populate same with various reports and CCTV footage; review of email from Bell and forward same to T. Irshad; meet with T. Irshad to discuss telephone and internet accounts.
11/6/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani emails to K. Patel re status of marketing and release of deposits by Town.
11/7/2024	Arif Dhanani	Review of insurance invoice sent by FCA Insurance Brokers; complete documentation for payment of same and email to J. Hornbostel to set up payment on the Receiver's on-line banking platform; pay FCA invoice and send payment confirmation to J. Hornbostel and FCA.
11/7/2024	Anne Baptiste	Prepare bank reconciliation for October 2024.
11/7/2024	Jennifer Hornbostel	Prepare and post payment to FCA Insurance.
11/8/2024	Tanveel Irshad	Review email correspondence from Kenny Communications re Bell's services with Debtor; review Debtor's invoices with Bell and correspond with A. Dhanani re same; draft email to Bell re same for A. Dhanani's review; call Bell re same and correspond with A. Dhanani; review A. Dhanani's email to Bell.
11/8/2024	Arif Dhanani	Review and respond to email from and discussion with T. Irshad re Bell phone lines; email exchange with Cushman & Wakefield regarding marketing reporting letter.
11/11/2024	Arif Dhanani	Review of Cushman & Wakefield marketing reporting letter and forward same to First Source; review of email from J. Barrow re update on elevator.
11/11/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's first marketing progress report.
11/13/2024	Arif Dhanani	Review and comment on Cushman & Wakefield's proposed advertisement for sale of the Real Property in the Insolvency Insider; review and respond to email from K. Patel re scheduling a call with the listing broker; email to Cushman & Wakefield re timing for a call with First Source and send out Teams invite for same; review email from Renaissance Property Management ("RPM") re Coinamatic contract with Block 80 Holdings Inc. and respond thereto; review of email from B. Ryan of Coinamatic and respond thereto; discussion with T. Irshad re Coinamatic contract.
11/13/2024	Tanveel Irshad	Call from Bell re service issues with Debtor and Receiver's accounts; review and tie property manager's income statement to rent roll and invoices for expenses; correspond with A. Dhanani re Bell accounts and property manager's income statement; prepare email to property manager re tenant's last month's rent; review email correspondence between A. Dhanani, property manager and Coinamatic re outstanding payments; discuss same with A. Dhanani.
11/14/2024	Arif Dhanani	Review of email from S. Parkin of RPM re November income statement and rents collected for November; review of email from B. Ryan of Coinamatic, calculate amount owed to Coinamatic for July, August, September and October and email to B. Ryan regarding residual funds; review of email from B. Ryan and respond thereto regarding go forward contract and amounts payable to the Receiver; review further email from B. Ryan re removal of laundry equipment

Date	Professional	Description
		and respond thereto; call with T. Irshad re phone lines and internet and comment on same.
11/14/2024	Tanveel Irshad	Review several emails between A. Dhanani and Coinamatic re remittance of funds and continuation of services; review email from property manager re terms of tenant's lease; email A. Dhanani re same; prepare receipts processing form re deposit from property manager; calls with Kenney Communications re Bell services with elevator and fire panel; call with Bell to obtain quotes re phone line for elevator and internet for intercom; call with A. Dhanani to discuss same; call with Georgian Bay Services Inc. re status of elevator completion; email A. Dhanani re same; subsequent call with Bell to cancel existing account and update Debtor's account; email A. Dhanani re same.
11/14/2024	Jennifer Hornbostel	Post rent receipt from RPM.
11/15/2024	Arif Dhanani	Review letter drafted by T. Irshad to Bell Canada and comment on same; finalize and sign letter; emails from/to T. Irshad re setting up on-line accounts for utilities in order to access bills on-line due to Canada Post strike.
11/15/2024	Tanveel Irshad	Call with property manager to inform him of Bell's attendance at the property; email J. Hornbostel to pause payment of Bell bills; prepare letter to Bell to confirm Receiver's discussion on the account and send to A. Dhanani for comments; review comments from A. Dhanani and email to Bell; review email from Alectra Utilities re service disruption and correspond with A. Dhanani; create online Alectra Utilities and Bell accounts to view bills due to mail disruption.
11/18/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's second marketing report dated November 15, 2024; review of K. Patel email; review of A. Dhanani response to K. Patel.
11/19/2024	Arif Dhanani	Call with First Source, Cushman & Wakefield and B. Tannenbaum.
11/19/2024	Tanveel Irshad	Review bill from Alectra Utilities and email J. Hornbostel to confirm if previously paid and subsequently remit payment if needed; review bill from Bell and email J. Hornbostel re same; review email from Enbridge Gas re confirmation of new account; review email correspondence between A. Dhanani and property manager re vandalism to the Real Property; attempt to register new Bell account online and email A. Dhanani re same.
11/19/2024	Bryan Tannenbaum	Teams call with Cushman & Wakefield (T. Henke/R. Habets), K. Patel and A. Dhanani re marketing status.
11/19/2024	Jennifer Hornbostel	Prepare payments to Alectra Utilities and Enbridge.
11/20/2024	Arif Dhanani	Email to J. Sciamanna of RPM re rental and advertising of property for rental and attracting new tenants; review of Enbridge Gas bill and supporting documentation completed by J. Hornbostel for same, approve documentation and pay invoice, send payment confirmation to J. Hornbostel to record same in Receiver's GL; review of email and invoice sent by J. Barrow and respond with questions thereon.
11/20/2024	Jennifer Hornbostel	Post payment to Enbridge.
11/20/2024	Tanveel Irshad	Review email correspondence between A. Dhanani and property manager re marketing efforts to rent units; review email correspondence between property manager and Georgian Bay Services Inc. re status of elevator; draft email to Bell re billing format for A. Dhanani's review.
11/20/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email with brochure and confidentiality agreement; forward same to First Source; receipt and review of A. Dhanani email to K. Patel re rental status and issues described by property manager.

Date	Professional	Description
11/22/2024	Arif Dhanani	Reconcile Receiver's GL to bank account; review supporting documentation prepared by J. Hornbostel for payment of Alectra bill, pay Alectra bill on-line and send payment confirmation to J. Hornbostel; review of further invoice from J. Barrow and respond with questions; review and complete Form 9 pursuant to the Construction Act, sign same and send to J. Barrow; review of Form 9 signed by J. Barrow.
11/22/2024	Jennifer Hornbostel	Post payment to Alectra Utilities.
11/25/2024	Arif Dhanani	Email exchange with B. Ryan re month-to-month agreement for laundry machines.
11/25/2024	Tanveel Irshad	Email A. Dhanani re completion of customer information form for Coinamatic; complete same and email to A. Dhanani; review email correspondence between A. Dhanani and Coinamatic re same; review tenant application and correspond with A. Dhanani; email correspondence with property manager re same.
11/25/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email with marketing report; email from R. Habets re First Source direct request and respond thereto; forward marketing report to First Source; email to Cushman & Wakefield re questions on marketing report.
11/26/2024	Arif Dhanani	Review of email from B. Ryan and respond thereto.
11/26/2024	Tanveel Irshad	Review email correspondence from Coinamatic re customer information form; email listing agreement to B. Tannenbaum.
11/26/2024	Bryan Tannenbaum	Receipt and review of R. Habets email regarding other prospective purchasers; receipt and review of S. Walters of First Source email; conference call re same with K. Patel and S. Walters; email to Cushman & Wakefield re bid deadline; response from T. Henke re bid date.
11/27/2024	Arif Dhanani	Review and respond to email from B. Tannenbaum re meeting with Cushman & Wakefield to set bid deadline date; review of email from Cushman & Wakefield re setting a bid deadline date for sale of property; discussion with B. Tannenbaum re marketing reports; review of past emails and send reporting email to B. Tannenbaum regarding marketing reports; review of email from T. Irshad to Kenny Communications re internet and intercom set up; follow up email to J. Barrow re TSSA issuance of elevator license; reconcile funds in trust account to Receiver's GL; reconcile funds to contract with Georgian Bay Contracting Services and remainder to be paid to same; meet with T. Irshad to review invoices submitted by RPM and approval of same; email to First Source re time for call with Cushman & Wakefield to discuss marketing and sale of the property.
11/27/2024	Bryan Tannenbaum	Teams call with Cushman & Wakefield (T. Henke/R. Habets) and A. Dhanani re reporting, bid deadline , credit bid scenario.
11/27/2024	Tanveel Irshad	Review emails from property manager re Bell internet, and security cameras; review statement from property manager and tie to original invoices; prepare income statement for A. Dhanani's review; email property manager re delivery of rent payment for tenant; review email correspondence between A. Dhanani and Georgian Bay Services Inc. re status of elevator completion.
11/28/2024	Arif Dhanani	Review and respond to email from B. Ryan of Coinamatic; review email from Cushman & Wakefield re questions on property and forward email to T. Irshad with request to locate documents requested; review and comment on email to Kenny Communications re intercom setup.
11/28/2024	Tanveel Irshad	Review email from Georgian Bay Services Inc. re confirmation of TSSA inspection; review emails between A. Dhanani and Coinamatic re landlord name; email correspondence with Kenney Communications re payment of invoice for intercom; review emails from A. Dhanani and listing broker re

Date	Professional	Description
		additional information about the Real Property; compile same and email to A. Dhanani; review email correspondence between property manager and A. Dhanani re approval of Kenney Communications to install security cameras.
11/28/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email re prospective purchaser and respond thereto; receipt and review of Cushman & Wakefield marketing report; forward same to First Source; receipt and review of A. Dhanani email to Cushman & Wakefield re information provided to be shown to prospective purchasers regarding property expenses.
11/29/2024	Tanveel Irshad	Review email from property manager re snow removal invoice.
11/29/2024	Bryan Tannenbaum	Receipt and review of S. Walters email and respond thereto; teams call with Cushman & Wakefield (T. Henke/R. Habets), First Source (S. Walters/K. Patel) and A. Dhanani re weekly marketing status.
11/29/2024	Jennifer Hornbostel	Prepare statement of receipts and disbursements.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	5.70	$ 695	$ 3,961.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	11.00	$ 625	6,875.00
Tanveel Irshad	Associate	20.40	$ 295	6,018.00
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	2.00	$ 150	300.00
Total hours and professional fees		**39.10**		$ 17,154.50
HST @ 13%				2,230.09
Total payable				**$ 19,384.59**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date January 31, 2025

Client File 2-004
Invoice No. TDB #5
2501038

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period December 1, 2024 to December 31, 2024.

Date	Professional	Description
12/2/2024	Arif Dhanani	Call with K. Patel and S. Walters of First Source Financial Management Inc. ("First Source") and B. Tannenbaum; review of statement of receipts and disbursements drafted by J. Hornbostel, compare same to Receiver's general ledger; update and reformat statement of receipts and disbursements and draft notes thereto; send statement of receipts and disbursements to K. Patel and S. Walters; filing various emails.
12/2/2024	Tanveel Irshad	Review email from Kenny Communications re confirmation of invoice paid and scheduling of technician.
12/2/2024	Donna Nishimura	Prepare receipts processing form and deposit rent cheque at the bank.
12/2/2024	Jennifer Hornbostel	Post receipt of rental income from B. Lockhart.
12/3/2024	Bryan Tannenbaum	Review of J. Cooper email.
12/4/2024	Arif Dhanani	Review and respond to email from Cushman & Wakefield re information relating to vacant land and zoning.
12/4/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email re site visit for additional buildings; review of A. Dhanani response.
12/5/2024	Anne Baptiste	Prepare bank reconciliation for November 2024.
12/5/2024	Tanveel Irshad	Review email correspondence between R. Habets of Cushman & Wakefield and A. Dhanani re drawings for the additional building.
12/6/2024	Arif Dhanani	Call with Cushman & Wakefield, First Source and B. Tannenbaum; email to Renaissance Property Management ("RPM") re wall by elevator.
12/6/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's December 5, 2024 Marketing Report; forward same to First Source; attend weekly teams meeting with First Source (S. Walters/K. Patel), Cushman & Wakefield (T. Henke/R. Habets) and A. Dhanani.
12/9/2024	Tanveel Irshad	Call from a real estate agent re access to data room; email A. Dhanani re same; review subsequent email from A. Dhanani to listing broker re same.

Date	Professional	Description
12/10/2024	Arif Dhanani	Review of insurance invoice from FCA Insurance Brokers ("FCA"); email to J. Hornbostel with request to complete documentation for payment of same; review of email from RPM re N5 notice to be issued to resident in Unit 105, review of N5 notice and details therein, email to RPM authorizing costs for paralegal drafting the notice and issuance of same.
12/10/2024	Tanveel Irshad	Review email correspondence between property manager and A. Dhanani re approval of paralegal fees.
12/12/2024	Arif Dhanani	Review of email from Cushman & Wakefield re postponing attendance with prospective purchaser due to weather conditions and response thereto from B. Tannenbaum; call with K. Patel and J. Barrow re Vertechs; review invoices from Vertechs forwarded by J. Barrow; complete documentation for payment to Georgian Bay Contracting Services ("GBCS") of amount owed to Vertechs and make payment; further call with J. Barrow re elevator warranty; email to B. Tannenbaum and J. Hornbostel with supporting documentation for payment to GBCS and summary of discussions with J. Barrow and K. Patel; reconcile amounts paid to GBCS to contract; emails to/from RPM re finishing walls next to elevator on each floor and cost and approve same; review of email from T. Irshad re deposit of rent, net of expenses, review Receiver's bank account on line and send email to T. Irshad with same confirming deposit of funds by RPM; draft authorization letter to the Town of Penetanguishene to provide information to J. Barrow and send same to J. Barrow, as requested; review Enbridge Gas bill and supporting documentation therefor and pay invoice, email to J. Hornbostel with payment confirmation.
12/12/2024	Tanveel Irshad	Review emails between A. Dhanani and property manager re request for approval of expense; review income statement and rent roll provided by property manager and tie to internal records; prepare receipts processing form to record same; follow up email to Kenney Communications re technician's availability to set up intercom; review bills from Bell and Enbridge Gas and email J. Hornbostel re same; email Bell to request all bills after the date of appointment.
12/12/2024	Bryan Tannenbaum	Receipt and review of A. Dhanani detailed email regarding elevator and warranty issues; second email from A. Dhanani re same resolved.
12/12/2024	Jennifer Hornbostel	Post payment to GBCS; prepare payment to Enbridge Gas.
12/13/2024	Arif Dhanani	Review of marketing update from Cushman & Wakefield and email to B. Tannenbaum in this regard; attend weekly marketing call with First Source, Cushman & Wakefield and B. Tannenbaum.
12/13/2024	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email attaching weekly marketing report; weekly teams call with Cushman & Wakefield (T. Henke/R. Habets) and First Source (S. Walters/J. Cooper) and A. Dhanani.
12/13/2024	Jennifer Hornbostel	Post payment to Enbridge Gas; post receipt from RPM.
12/17/2024	Arif Dhanani	Review and respond to email from RPM re status of elevator; review of emails from RPM and paralegal re issuance of an L2 in connection with resident in Unit 105.
12/17/2024	Tanveel Irshad	Review Alectra Utilities bill and email J. Hornbostel re same; review emails re Unit 105 tenant and complaints from other tenants.
12/18/2024	Arif Dhanani	Review of past emails with J. Barrow re items required for release of securities from the Town of Penetanguishene in relation to 61 Thompsons Rd. West building; send J. Barrow follow up email in this regard; resend iManage Share link to shared folder to J. Barrow and to J. Molina per J. Barrow's request.
12/18/2024	Tanveel Irshad	Prepare email to Wyse Meter re status of remittance to the Receiver.

Date	Professional	Description
12/18/2024	Bryan Tannenbaum	Teams call with T. Henke and R. Habets re sales efforts.
12/19/2024	Arif Dhanani	Review of numerous emails amongst J. Sciamanna of RPM, D. Fisher of Howie Sacks & Henry LLP, C. Weatherston of Weatherston Paralegal Services; T. Crowe (social worker) re resident in Unit 105 and events of December 18, 2024; review of further emails from T. Crowe re Unit 105 tenant.
12/20/2024	Arif Dhanani	Review of emails from RPM and J. Barrow re elevator now operational.
12/20/2024	Tanveel Irshad	Review emails from property manager re elevator being operational and rent abatements.
12/23/2024	Arif Dhanani	Review of email from T. Crowe re Unit 105 and requesting resident to move out.
12/30/2024	Arif Dhanani	Review and comment on draft email from T. Irshad to Bell re invoice received.
12/30/2024	Tanveel Irshad	Review and tie invoices provided by property manager; review Bell invoice and email Bell re status of cancellation of old account.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	2.70	$ 695	$ 1,876.50
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	8.10	$ 625	5,062.50
Tanveel Irshad	Associate	4.10	$ 295	1,209.50
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	1.00	$ 150	150.00
Total hours and professional fees		**15.90**		$ 8,298.50
HST @ 13%				1,078.81
Total payable				**$ 9,377.31**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date February 24, 2025

Client File 2-004
Invoice No. TDB #6
2502025

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period January 1, 2025 to January 31, 2025.

Date	Professional	Description
1/2/2025	Tanveel Irshad	Review email from property manager re fridge repair for tenant; review fill vacancy invoice and respective lease for tenant from property manager and reply to same.
1/2/2025	Arif Dhanani	Review and respond to email from J. Sciamanna of Renaissance Property Management ("RPM") re fridge repair for Unit 201; review of various emails amongst RPM, paralegal and social worker in respect of resident in Unit 105 and eviction of same; review supporting documentation for payment of Alectra invoice, pay same and send payment confirmation to J. Hornbostel for recording in Receiver's GL.
1/2/2025	Jennifer Hornbostel	Prepare payment to Alectra.
1/6/2025	Tanveel Irshad	Correspond with D. Nishimura re tenant cheques to be deposited directly with property manager; review emails re servicing of elevator; follow up with Wyse Meter re status of remittances for September through November 2024; follow up with Kenney Communications re scheduling of technician to hook up intercom.
1/6/2025	Arif Dhanani	Review of current and past invoices submitted by J. Barrow for construction services; email to J. Barrow questioning most current invoice and amounts previously paid for elevator.
1/7/2025	Tanveel Irshad	Receipt and review of email from Wyse Meter re status of remittances.
1/8/2025	Arif Dhanani	Review and respond to email from RPM re purchase of new fridge; review of quotes for fridges and email to J. Sciamanna re same; review and respond to J. Barrow re timing of call to discuss GBCS invoice; emails from/to First Source Financial Management Inc. ("First Source"); review of property taxes owed to the Town of Penetanguishene; email to S. Walters of First Source in this regard; call with S. Walters; call with S. Walters and J. Barrow; reconcile GL and outstanding obligations and email to B. Tannenbaum in this regard; review of December 2024 rent roll and email to T. Irshad in this regard; email to D. Sauders of RPM and forward email to First Source; review of reply from

Date	Professional	Description
		D. Saunders and forward email to First Source with comments; download and review CCTV footage sent by GBCS.
1/8/2025	Tanveel Irshad	Review email correspondence between A. Dhanani and property manager re fridge replacement for tenant; email correspondence with A. Dhanani re rent roll and vacancy of certain units; review email correspondence between A. Dhanani and S. Walters re vacancy of units.
1/9/2025	Arif Dhanani	Review of Robins Appleby LLP invoice and email to J. Hornbostel to complete supporting documents and set up payment for same, pay invoice and send payment confirmation to J. Hornbostel; review voicemail from K. Craig at CLV Group re multifamily properties and forward voicemail to Cushman & Wakefield; review of email from Cushman & Wakefield re discussion with CLV Group.
1/9/2025	Tanveel Irshad	Review email from T. Henke of Cushman & Wakefield re details of attendance at the Real Property with prospective purchaser; look through iManage and email for certificate of insurance to provide to First Source; email A. Dhanani to request same; review email from A. Dhanani to insurer to request same.
1/9/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield marketing report and forward same to First Source.
1/9/2025	Jennifer Hornbostel	Prepare and post payment to Robins Appleby.
1/10/2025	Arif Dhanani	Review of Cushman & Wakefield updated marketing report; review of email from S. Walters re rescheduling marketing call; email to B. Tannenbaum re same; call with Cushman & Wakefield and First Source.
1/12/2025	Anne Baptiste	Prepare bank reconciliation for December 2024.
1/13/2025	Arif Dhanani	Review email from T. Irshad re rent roll, income and expenses; log on to Receiver's on-line banking platform to confirm net rent was received from RPM; email to T. Irshad in this regard; forward January 2025 rent roll to First Source and Cushman & Wakefield; review of breakdown of receipts and disbursements from RPM provided by T. Irshad and approve same.
1/13/2025	Tanveel Irshad	Review income statement and rent roll provided by property manager and tie to source invoices; email A. Dhanani re same; prepare receipts processing form for deposit from property manager and email to A. Dhanani for review; email receipts processing form to J. Hornbostel to post to Ascend; review emails re rent roll to be added to data room.
1/13/2025	Jennifer Hornbostel	Post receipt from RPM and post payment to FCA.
1/14/2025	Arif Dhanani	Call with J. Barrow re payment of balance of contract and timing of same, extras on top of contract for completion of elevator, Receiver's borrowings and further funding, Receiver's sales process; discussion with T. Irshad re filing of Receiver's S.246(2) report; review of draft email from T. Irshad to Wyse Meter and comment thereon.
1/14/2025	Tanveel Irshad	Prepare S.246(2) report and R&D; review email from property manager re potential remittance to the Debtor from Wyse Meter; draft email to Wyse Meter to rectify same; discuss same with A. Dhanani and send revised email to Wyse Meter.
1/15/2025	Jennifer Hornbostel	Prepare and post payment to GBCS.
1/15/2025	Arif Dhanani	Review of invoices from GBCS re final invoice under contract and related holdback; complete documentation for payment of same; email to J. Hornbostel with request to set up payment for same on Receiver's on-line banking platform; review of email response from Wyse Meter to T. Irshad; review statement of receipts and disbursements for the period to January 8, 2025, discussion with T. Irshad re difference between Receiver's GL and statement and request to reconcile same; review S. 246(2) report and approve same.

Date	Professional	Description
1/15/2025	Tanveel Irshad	Review Enbridge Gas bill and email J. Hornbostel to set up payment for same; draft receipts processing form for Wyse Meter deposit; review email from Wyse Meter re catchup payments to be made to the Receiver; correspond with A. Dhanani re discrepancy on R&D for S.246(2) report; finalize same and arrange for it to be sent to the Office of the Superintendent of Bankruptcy ("OSB").
1/16/2025	Arif Dhanani	Review of email from S. Parkin of RPM re elevator license issued by TSSA and change of name and address of owner and respond thereto.
1/16/2025	Tanveel Irshad	Review Alectra Utilities bill and email J. Hornbostel to process payment; review emails re change of contact information for TSSA.
1/16/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's weekly marketing report.
1/17/2025	Arif Dhanani	Review email and marketing report from Cushman & Wakefield; review of email from B. Tannenbaum to Cushman & Wakefield and to First Source; review of email from S. Walters re rental of units and incentive; email to D. Saunders with request for update on rental of vacant units and potential lessors' reaction to free rent incentive; review of response from D. Saunders; call with Cushman & Wakefield, First Source and B. Tannenbaum; review and respond to J. Cooper of First Source with copies of monthly income statements provided by property manager for the months of September - December 2024.
1/17/2025	Bryan Tannenbaum	Email to First Source re distribution of Cushman & Wakefield's marketing report; email to Cushman & Wakefield re activity; response reviewed; Teams meeting with K. Patel, T. Henke, J. Cooper, R. Habets and A. Dhanani to review marketing report.
1/20/2025	Tanveel Irshad	Follow up with Bell re cancellation of old account and previous supporting invoices for new account.
1/21/2025	Arif Dhanani	Review of email from C. Ledyit re application for rental, including review of application; forward same to T. Irshad for comments; review of T. Irshad comments; review of Landlord Tenant Board order in respect of Unit 105 forwarded by J. Sciamanna.
1/21/2025	Tanveel Irshad	Review application for tenant; email correspondence with property manager re same; review and receipt of Consent Order for tenant.
1/22/2025	Arif Dhanani	Review and respond to J. Sciamanna re police and name of owner re trespass order.
1/22/2025	Tanveel Irshad	Review email correspondence between A. Dhanani and property manager re ownership name in respect of the Real Property.
1/22/2025	Bryan Tannenbaum	Meeting with E. Steiner of Elm, R. Habets and T. Henke.
1/23/2025	Arif Dhanani	Review of email from Cushman & Wakefield re potential purchaser for property; respond to Cushman & Wakefield re expenses for property; email to First Source re potential financing terms; email to J. Barrow re drawings for second building; review email from First Source re financing and respond thereto; email to Cushman & Wakefield re First Source terms of financing; review and respond to further email from Cushman & Wakefield; review of email from J. Barrow and forward drawings for second phase of property to Cushman & Wakefield; review of further email from Cushman & Wakefield re 21-unit second phase, contact contractor regarding drawings, review response from contractor and send drawings to Cushman & Wakefield.
1/23/2025	Tanveel Irshad	Review email from Kenney Communications to confirm installation of intercom.
1/23/2025	Bryan Tannenbaum	Receipt and review of R. Habets email regarding interested prospective purchaser and information request; review of A. Dhanani response to R. Habets; review A. Dhanani email to First Source; review A. Dhanani email to J. Barrow re second building potential unit count.

Date	Professional	Description
1/24/2025	Arif Dhanani	Review Cushman & Wakefield marketing update report and respond to R. Habets' question re prospective purchaser; review of various emails between Cushman & Wakefield and B. Tannenbaum re marketing report and prospective purchaser; review and respond to email from R. Habets re drawings and the Town of Penetanguishene's approvals and requirements.
1/24/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's weekly marketing report; forward same to First Source; teams weekly marketing meeting with Cushman & Wakefield and First Source representatives.
1/26/2025	Tanveel Irshad	Review email correspondence between tenant and property manager re unauthorized visitors and need for additional security cameras.
1/27/2025	Arif Dhanani	Review of January 25, 2025 email from J. Sciamanna to H. Heighton re adding more cameras to building.
1/27/2025	Jennifer Hornbostel	Prepare and post payment to Alectra.
1/28/2025	Arif Dhanani	Review of email from RPM re confirmation of payment of monthly invoices from vendors; discussion with T. Irshad re invoices submitted for payment by RPM; review of email from J. Barrow with information received from the Town of Penetanguishene, including review of attachments thereto; email to J. Barrow with questions; email to Town of Penetanguishene re utility bill and questions thereon; review of responding email from the Town of Penetanguishene and respond thereto; email to J. Hornbostel with utility bill and request to set up payment on Receiver's on-line banking platform; review of email from J. Cooper and respond thereto; review of further email from J. Cooper; email to RPM re rent rolls, vacancies, move-ins and move-outs and timing of same.
1/28/2025	Tanveel Irshad	Review and tie invoices from property manager to source invoices; email approval of same to property manager; review emails between A. Dhanani and the Town of Penetanguishene re utility bill and property taxes.
1/28/2025	Bryan Tannenbaum	Review of A. Dhanani email to J. Barrow re Town of Penetanguishene liabilities.
1/29/2025	Arif Dhanani	Review of unit vacancy schedule provided by RPM and send email to RPM with questions thereon; review amended unit vacancy schedule; review of email from J. Cooper of January 27, 2025 and respond thereto, including notes on vacant units and expenses; review of supporting documentation for payment of water bill from the Town of Penetanguishene, pay same and send payment confirmation to J. Hornbostel for recording in Receiver's GL and to the Town of Penetanguishene; review and respond to email from Cushman & Wakefield re updated rent roll.
1/29/2025	Tanveel Irshad	Review and receipt of email from property manager re missing snow removal invoice.
1/29/2025	Jennifer Hornbostel	Prepare and post payment to Town of Penetanguishene; prepare payment to Enbridge.
1/30/2025	Arif Dhanani	Review supporting documentation for payment of Enbridge gas bill and pay same, send payment confirmation to J. Hornbostel for recording of same in Receiver's GL.
1/30/2025	Jennifer Hornbostel	Post payment to Enbridge.
1/31/2025	Arif Dhanani	Review email from R. Habets and draft marketing update document (without eblast stats); review of email exchange between the Town of Penetanguishene and J. Barrow, including the matter of snow piles at the back of the property; attend weekly marketing call with First Source, Cushman & Wakefield and B. Tannenbaum; review of insurance, water, electricity, gas and property tax bills and forward copies to J. Cooper with comments thereon.
1/31/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield marketing report; forward same to First Source.

Date	Professional	Description
1/31/2025	Bryan Tannenbaum	Weekly marketing teams call with Cushman & Wakefield, First Source and A. Dhanani.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	3.50	$ 750	$ 2,625.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	16.20	$ 650	10,530.00
Tanveel Irshad	Associate	7.30	$ 325	2,372.50
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	2.10	$ 195	409.50
Total hours and professional fees		**29.10**		$ 15,937.00
HST @ 13%				2,071.81
Total payable				**$ 18,008.81**

*Annual increase in rates effective January 1, 2025.

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 2, 2025

Client File 2-004
Invoice No. TDB #7
2504001

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period February 1, 2025 to February 28, 2025.

Date	Professional	Description
2/3/2025	Tanveel Irshad	Follow up with Bell re previous bills for the new account and status of the old account; review response email from Bell; follow up with Wyse Meter re remittance reports.
2/4/2025	Arif Dhanani	Review of email from J. Sciamanna of Renaissance Property Management ("RPM") re notice from Unit 203 to vacate and respond thereto; review of email from Cushman & Wakefield re quantity surveyor reports and rent controlled units; email to RPM re rent controlled units; email to J. Barrow re quantity surveyor reports; review of responding emails from RPM and J. Barrow and respond to email from Cushman & Wakefield.
2/4/2025	Tanveel Irshad	Review emails re Crosslinx Transit's termination of its tenancy and send emails to A. Dhanani re same; review email re receipt of snow clearing invoice from property manager; review pre-suspension notice from Bell; email correspondence with A. Dhanani re same.
2/4/2025	Bryan Tannenbaum	Receipt and review of R. Habets of Cushman & Wakefield email requesting information requested by a prospective purchaser; review of A. Dhanani response.
2/5/2025	Arif Dhanani	Review of email chain with prospective purchaser forwarded by Cushman & Wakefield and respond thereto, including unit turnover spreadsheet for the period September 2024 to January 2025; review of email from Cushman & Wakefield requesting information sharing authorization letter, draft letter, sign and send same to Cushman & Wakefield; review of Bell Canada bills for the period September 2024 - January 2025 and supporting documentation for payment therefor, make payment and send payment confirmation to J. Hornbostel for recording in Receiver's GL; review of update email from Cushman & Wakefield re prospective purchasers.
2/5/2025	Tanveel Irshad	Call with Bell re overdue account and request for supporting bills; review same; email J. Hornbostel to process payment.

Date	Professional	Description
2/5/2025	Bryan Tannenbaum	Receipt and review of R. Habets email requesting information for a prospective purchaser; review of A. Dhanani response; review of R. Habets agent of record request to obtain information, etc.; review of T. Henke of Cushman & Wakefield email with marketing update on 2 prospective purchasers; response sent re incorporate into weekly marketing report.
2/5/2025	Jennifer Hornbostel	Prepare and post payment to Bell.
2/6/2025	Arif Dhanani	Review email from J. Sciamanna to C. Weatherston of Weatherston Paralegal Services re resident of Unit 105 and C. Weatherston's reply.
2/6/2025	Tanveel Irshad	Review emails re next steps with Unit 105 tenant; review email from Wyse Meter requesting the Receiver to create an account in order to view remittance reports; begin to create account.
2/7/2025	Arif Dhanani	Call with Cushman & Wakefield, First Source Financial Management Inc. ("First Source") and B. Tannenbaum; post-call meeting with First Source and B. Tannenbaum; review and respond to email from Cushman & Wakefield re J. Barrow and D. Saunders.
2/7/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's weekly marketing report; forward same to First Source; attend weekly teams marketing call with First Source and Cushman & Wakefield's representatives; review of Cushman & Wakefield emails on information request by prospective purchaser.
2/10/2025	Tanveel Irshad	Emails with A. Dhanani and Wyse Meter re account registration and remittance reports; attempt to set up Multi-Factor Authentication ("MFA") for Wyse Meter registration; review tenant lease, rent roll and income statement and tie to source invoices; email to A. Dhanani re discrepancy with respect to the foregoing; email to property manager to clarify same.
2/10/2025	Bryan Tannenbaum	Telephone call from S. Walters of First Source re potential credit bid; forward Word APS; receipt and review of R. Habets email re affordable units.
2/11/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email responding to R. Habets re affordable units.
2/11/2025	Tanveel Irshad	Prepare receipts processing form to record deposit from property manager; email J. Hornbostel to request bank statement and review same; email A. Dhanani receipts processing form; set up MFA for Wyse Meter account; generate various reports to reconcile amounts remitted by Wyse Meter; call and leave message for Wyse Meter and subsequent email to same to obtain supporting documents re remittances from Wyse Meter.
2/11/2025	Arif Dhanani	Review and respond to email from R. Habets re affordable housing units; review of various emails between R. Habets and D. Saunders re rental rates and affordable units; review email from Wyse Meter and email to T. Irshad re supporting documents for deposits to Receiver's account; draft Receiver's statement of receipts and disbursements to February 11, 2025.
2/12/2025	Arif Dhanani	Review supporting documentation for deposit from RPM and forward same to J. Hornbostel to post same in Receiver's GL; review of emails amongst B. Tannenbaum and First Source re reduction in asking price of property; review of draft email from T. Irshad to Wyse Meter and comment on same; review of responding email from Wyse Meter.
2/12/2025	Tanveel Irshad	Call and leave message for Wyse Meter representative re request to retrieve remittance reports; email correspondence with A. Dhanani re same; draft email to Wyse Meter to request supporting documentation in respect of deposits received; review comments from A. Dhanani and send email to Wyse Meter; review remittance reports from Wyse Meter.

Date	Professional	Description
2/12/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email report suggesting price reduction; forward same to First Source; receipt and review of K. Patel of First Source response.
2/12/2025	Jennifer Hornbostel	Post receipt from RPM.
2/13/2025	Arif Dhanani	Review of email from RPM re eviction order for Unit 105 tenant, review related correspondence, email to B. Tannenbaum in this regard; review further email from RPM re Unit 105, and email exchange with RPM regarding attendance by police, and securing windows and doors of Unit 105.
2/13/2025	Tanveel Irshad	Receipt and review of order evicting tenant; review emails re squatter and police on the property; review bill from Enbridge Gas; arrange payment for same.
2/13/2025	Bryan Tannenbaum	Various emails regarding price reduction; execute listing agreement amendment; receipt and review of A. Dhanani email regarding a tenant eviction.
2/14/2025	Anne Baptiste	Prepare bank reconciliation.
2/14/2025	Tanveel Irshad	Prepare receipts processing form for Wyse Meter deposit; email same to J. Hornbostel; follow up with Wyse Meter re supporting documentation.
2/14/2025	Arif Dhanani	Review of amendment to listing agreement signed by B. Tannenbaum; review and comment on Cushman & Wakefield's updated marketing letter; call with T. Irshad re status of support for deposits from Wyse Meter; email exchange with B. Tannenbaum re court reports and update meeting; email to First Source with updated marketing letter; call with S. Walters re cancelling meeting; email to Cushman & Wakefield, First Source and B. Tannenbaum re cancellation of meeting; call with prospective purchaser; email to First Source and Cushman & Wakefield regarding call with prospective purchaser; update statement of receipts and disbursements to February 14, 2025 for additional amounts collected and paid to date; draft Receiver's fee summary; draft estimate of known and estimated liabilities, including review of latest property tax statement and 4 months of operating expenses; send statement of receipts and disbursements and estimated liabilities to B. Tannenbaum for discussion on February 18, 2025.
2/14/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield weekly marketing report; email re changes required thereto; receipt and review of A. Dhanani email regarding an unsolicited call from a prospective purchaser.
2/14/2025	Jennifer Hornbostel	Post receipts from Wyse Meter Solutions.
2/18/2025	Tanveel Irshad	Review of email from T. Henke re interest in the Real Property; review Bell bill on the Receiver's old account; email Bell re same; review bill from Alectra Utilities; email J. Hornbostel to process payment.
2/18/2025	Arif Dhanani	Review of email from Cushman & Wakefield re construction of phase 2 and party interested in construction agreement; review of email from T. Irshad to Bell Canada re bills for unused account; review and complete documentation for payment of insurance invoice, send same to J. Hornbostel to set up electronic payment; commence drafting Receiver's First Report to Court; review and respond to email from A. Sherman (Debtor principal) and forward same to First Source and Cushman & Wakefield.
2/18/2025	Bryan Tannenbaum	Receipt and review of T. Henke email re another prospective purchaser; receipt and review of T. Henke email regarding possible joint venture by a prospect with secured lender, etc.
2/18/2025	Jennifer Hornbostel	Prepare and post payment to Alectra; prepare payment to FCA Insurance.
2/19/2025	Arif Dhanani	Review of EFT payment to be made to FCA Insurance, confirm details and make payment; send payment confirmation to J. Hornbostel to record payment in Receiver's GL; continue drafting Receiver's first report.

Date	Professional	Description
2/19/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email attaching inquiry and his response to A. Sherman.
2/19/2025	Jennifer Hornbostel	Post payment to FCA Insurance.
2/20/2025	Arif Dhanani	Continuing to draft Receiver's report; review and respond to email from R. Habets re call with J. Barrow and questions from potential purchaser; follow up email to J. Barrow re remaining unpaid costs; review of further email from Cushman & Wakefield to J. Barrow.
2/20/2025	Bryan Tannenbaum	Discussion with A. Dhanani re court report and credit bid scenario; review of A. Dhanani email to R. Habets regarding conversation with J. Barrow and prospective purchaser questions.
2/21/2025	Arif Dhanani	Brief review of Cushman & Wakefield's marketing update report; email to First Source re marketing update call; call with K. Patel; review of email from J. Sciamanna re Unit 204 resident, arrears and payment plan proposed and respond thereto with confirmation of understanding of payment plan and questions regarding resident.
2/21/2025	Tanveel Irshad	Review emails between property manager and A. Dhanani re tenant's request to amend rent payment schedule.
2/21/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's marketing report ; forward same to First Source.
2/24/2025	Arif Dhanani	Further follow up email to J. Barrow re outstanding unpaid amounts related to Phase 1 construction.
2/24/2025	Tanveel Irshad	Review emails re arrangement for tenant's rent payment plan; review emails re disclosing of tenant's credit score.
2/25/2025	Arif Dhanani	Call with S. Walters; review of Cushman & Wakefield's listing agreement; call to J. Barrow; email to J. Barrow to follow up on amounts outstanding and payable; call with J. Barrow; further refine schedule for First Source and email schedule to S. Walters and K. Patel; further email exchange and call with S. Walters; email to D. Michaud of Robins Appleby LLP re independent legal opinion; review documentation for payment of Enbridge invoice and pay same, send payment confirmation to J. Hornbostel to record same in Receiver's GL; review of email from Cushman & Wakefield re potential purchaser wanting access to the data room and forward same to First Source with additional details; review of email from K. Patel and respond thereto.
2/25/2025	Jennifer Hornbostel	Prepare payment to Enbridge.
2/25/2025	Bryan Tannenbaum	Email from T. Henke re potential purchaser confidentiality agreement; response sent to allow access to data room; email from K. Patel re Cushman & Wakefield.
2/26/2025	Arif Dhanani	Review email from Cushman & Wakefield re potential partner in development of Phase 2, including review of attached spreadsheets; respond to Cushman & Wakefield; review of further email from Cushman & Wakefield and respond thereto; review and respond to email from RPM re A. Sherman request for information on the property.
2/26/2025	Tanveel Irshad	Review emails re A. Sherman requesting information re the Real Property on behalf of prospective purchaser.
2/26/2025	Bryan Tannenbaum	Receipt and review of T. Henke email regarding potential development partner draft spreadsheet; review of A. Dhanani response; review of A. Dhanani email to First Source regarding potential development partner and their response re same; review of T. Henke email regarding First Source meeting potential development partner.
2/27/2025	Arif Dhanani	Review and respond to email from Cushman & Wakefield requesting meeting; review of further invoice sent by J. Barrow; brief call with S. Walters re invoice from J. Barrow; further calls with S. Walters; review of email from Cushman &

Date	Professional	Description
		Wakefield re further interested parties; email to B. Tannenbaum re call with S. Walters; update schedule of amounts payable.
2/27/2025	Bryan Tannenbaum	Receipt and review of T. Henke email to First Source re potential development partner meeting; email with A. Dhanani regarding S. Walters request to complete a credit bid; review of A. Dhanani email to S. Walters with further financial information on the receivership for credit bid.
2/28/2025	Tanveel Irshad	Review and tie invoices from property manager to source invoices; email approval of same to property manager.
2/28/2025	Arif Dhanani	Call with Cushman & Wakefield and B. Tannenbaum; call with S. Walters and K. Patel re vacancies; email to RPM re confirmation of vacant units as of March 1, 2025; email to D. Saunders re average market rents in Penetanguishene by unit type and supporting documentation therefor; forward email to D. Saunders to First Source and confirm vacancies; review and respond to email from S. Walters re eviction of tenant, including attaching conditional and eviction orders; further email to D. Saunders re affordable units based on request from K. Patel and forward same to First Source.
2/28/2025	Bryan Tannenbaum	Teams call with R. Habets, T. Henke and A. Dhanani regarding status of offers and Cushman & Wakefield instructions, etc.; receipt and review of A. Dhanani email to D. Saunders regarding vacancies and reasons for same; email from S. Walters with comments on same; receipt and review of K. Patel email with comments on rent and possible rent increases, etc.; receipt and review of A. Dhanani email to First Source re problematic tenant background; receipt and review of Cushman & Wakefield email attaching marketing report; forward same to First Source; review of A. Dhanani response to First Source with further information from D. Saunders.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	8.10	$ 750	$ 6,075.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	19.40	$ 650	12,610.00
Tanveel Irshad	Associate	8.40	$ 325	2,730.00
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	2.20	$ 195	429.00
Total hours and professional fees		**38.10**		$ 21,844.00
HST @ 13%				2,839.72
Total payable				**$ 24,683.72**

*Annual increase in rates effective January 1, 2025.

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
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416-915-6228

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To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date April 16, 2025

Client File 2-004
Invoice No. TDB #8
2504019

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period March 1, 2025 to March 31, 2025.

Date	Professional	Description
3/3/2025	Arif Dhanani	Review of email from D. Saunders of Renaissance Property Management ("RPM") re rental rates and recommendations and respond thereto; forward D. Saunders email to First Source Financial Management Inc. ("First Source") with request for comments; review and respond to S. Walters of First Source re parking charges; brief review of Cushman & Wakefield updated marketing report; email to property manager re parking, review responses and forward same to First Source; review of emails from First Source re rents; email to D. Saunders re lowering asking rent and forward same to First Source with comments.
3/3/2025	Tanveel Irshad	Review Bell bill and arrange for payment.
3/3/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email to First Source re rent prices; review of S. Walters email re parking; further emails with First Source on rental rates.
3/3/2025	Jennifer Hornbostel	Prepare payment to Bell.
3/4/2025	Arif Dhanani	Review of email from First Source Administration re insurance coverage, review insurance documents and send same to First Source Administration; review of rental application summary forwarded by RPM in connection with a potential new tenant and email to RPM with questions.
3/4/2025	Tanveel Irshad	Review of emails re prospective tenant's application and subsequent approval.
3/4/2025	Jennifer Hornbostel	Post payment to Bell.
3/5/2025	Arif Dhanani	Review of application summary for rental of Unit #305 and email to D. Saunders with questions; review of reply from D. Saunders; review of email from First Source re timing of quality surveyor; review of email from First Source re for lease sign and respond thereto with information regarding interested parties; email to RPM re for lease sign or banner; review of email from J. Sciamanna of RPM re for lease signage to be installed; review of further email from J. Sciamanna; email to S. Walters re timing of installation for lease sign.
3/5/2025	Bryan Tannenbaum	Receipt and review of S. Walters email re credit bid confirmation; receipt and review of S. Walters email re for lease signage; review of A. Dhanani response.

Date	Professional	Description
3/6/2025	Arif Dhanani	Review of email from S. Walters re marketing material, review emails and documents for same and send marketing brochure to S. Walters; review of email from R. Habets of Cushman & Wakefield re potential purchaser and respond thereto.
3/6/2025	Bryan Tannenbaum	Receipt and review of R. Habets email regarding a prospective purchaser wanting a site visit and further rent and construction information.
3/7/2025	Arif Dhanani	Review of email from S. Parkin of RPM re costs for hot water tank rental; further emails with D. Saunders re rental of Unit #305.
3/7/2025	Tanveel Irshad	Review email from property manager re missed invoice in March's statement; review invoice, update statement and send responding email.
3/10/2025	Arif Dhanani	Review email from S. Walters re for lease sign and forward email exchange with RPM to S. Walters; review email from T. Irshad, including rent roll as at March 5, 2025 and income statement for February 2025; log on to Receiver's online banking platform, confirm deposit of net rent by property manager and email to T. Irshad in this regard; review email from Cushman & Wakefield re marketing update report and respond thereto with copies of rent roll as at March 5, 2025 and income statement for February 2025; review of documentation prepared by T. Irshad re recording of rent for March 2025 and expenses for February 2025; brief review of February 2025 invoices provided by RPM; further email exchange with property manager, SpeedPro Signs and First Source re for lease signage; review and respond to D. Saunders email re sign up lease with tenant for Unit #305.
3/10/2025	Tanveel Irshad	Review and tie income statement and rent roll to source invoices; prepare receipts processing form to record monthly deposit from property manager; call with property manager to request for copy of invoice and whether HST was charged on same; email correspondence with A. Dhanani re same; arrange for deposit to be posted to Ascend; review emails re for lease sign.
3/10/2025	Bryan Tannenbaum	Review various emails re signage; receipt and review of Cushman & Wakefield weekly marketing report and forward same to First Source.
3/10/2025	Jennifer Hornbostel	Post receipt from RPM.
3/11/2025	Tanveel Irshad	Review emails re notice from tenant to end tenancy.
3/11/2025	Arif Dhanani	Review and respond to email from D. Saunders re rental of Unit #305; review and respond with questions to J. Sciamanna email re notice given by tenant in Unit #201; review and respond to email from R. Habets re accessible unit and leasing of same; further email from J. Sciamanna re Unit #201 tenant and respond thereto and ask for update re for lease signage status.
3/12/2025	Arif Dhanani	Email to and review response from FCA Insurance (“FCA”) re premium payments outstanding; review of monthly insurance premium invoice from FCA, complete documentation for payment of same and email to J. Hornbostel with request to set up payment on the Receiver's on-line banking platform; review electronic payment set up by J. Hornbostel, pay invoice and send payment confirmation to J. Hornbostel for recording in Receiver's GL.
3/12/2025	Tanveel Irshad	Review email from property manager re internet not working at the Real Property; call and email correspondence with property manager re same; call with Bell to attempt to resolve same; review emails re status of lease signage.
3/12/2025	Jennifer Hornbostel	Prepare payment to FCA.
3/13/2025	Arif Dhanani	Review of email exchange between T. Irshad and J. Sciamanna re internet services.
3/13/2025	Tanveel Irshad	Subsequent call with Bell Collections to remove incorrect suspension off account and to reconnect internet services; email property manager to reset modem to fix internet issue.

Date	Professional	Description
3/14/2025	Arif Dhanani	Review of email from A. Baptiste re Wyse Meter deposit of February 13, 2025, email to T. Irshad in this regard, review response from T. Irshad and reply thereto.
3/14/2025	Anne Baptiste	Prepare bank reconciliation for February 2025.
3/14/2025	Tanveel Irshad	Provide A. Dhanani supporting documentation for Wyse Meter deposit; prepare accompanying receipts processing form; receipt and review of emails from property manager and Kenney Communications re internet service.
3/14/2025	Jennifer Hornbostel	Post receipt from Wyse Meter.
3/17/2025	Arif Dhanani	Review email from J. Sciamanna to SpeedPro signs re quote for "For Lease" sign; review of email from J. Sciamanna with invoice for fridge repair for Unit #302; review and respond to email from First Source re most recent rent roll and respond thereto; review of email from D. Saunders and forward same to First Source; review email from RPM to T. Crowe (social worker) re eviction of Unit #105 resident; call with S. Walters of First Source.
3/18/2025	Arif Dhanani	Review of email from R. Habets re status of updated marketing report; review of further email from Cushman & Wakefield and B. Tannenbaum response thereto.
3/18/2025	Tanveel Irshad	Receipt and review of email with invoice for fridge repair; review email re confirmation of tenant's eviction; review Enbridge Gas and Alectra Utilities bills and arrange for payment.
3/18/2025	Jennifer Hornbostel	Prepare payments to Alectra Utilities and Enbridge Gas.
3/19/2025	Tanveel Irshad	Review emails re internet still not working; call Bell to resolve same; review Bell pre-suspension notice.
3/19/2025	Arif Dhanani	Review of email exchange between J. Sciamanna and HSH Lawyers re removal of Unit #105 resident belongings; review of email from T. Crowe, social worker for Unit #105 resident; review of email from Kenney Communications re internet down at property; call with J. Barrow re CAD drawings and payment of last invoice; return call from and leave message for S. Walters; email exchange with RPM re for lease signage; review source documentation for and pay invoices from Alectra Utilities and Enbridge Gas; call with T. Irshad re discussions with Bell Canada, disruption in internet service and next steps.
3/19/2025	Tanveel Irshad	Subsequent call from Bell to resolve account and internet issues; review Bell bills; discuss same with A. Dhanani; review emails re tenant's eviction and potential disposal of assets; review email from Bell confirming internet is functioning; email property manager re same.
3/19/2025	Jennifer Hornbostel	Post payments to Alectra Utilities and Enbridge Gas.
3/19/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email attaching marketing report dated March 18, 2025; forward same to secured creditor.
3/20/2025	Tanveel Irshad	Email correspondence with Bell re bundling of accounts and arrangement of technician to attend the Real Property; receipt and review of emails re evicted tenant's belongings.
3/20/2025	Arif Dhanani	Review of emails between RPM and J. Kirby of Spinal Cord Injury Ontario regarding removal of Unit #105 resident's belongings; further emails amongst RPM, the Receiver and Corsetti Paralegal services regarding removal of the Unit #105 resident's belongings; review of quote for "For Lease" signage and options, email to S. Walters in this regard; email to SpeedPro Signs with request for drawing or mock-up of signage; review of correspondence between T. Irshad and Bell Canada re internet at property; brief review of Cushman & Wakefield marketing update letter; review and amend communication to Bell Canada drafted by T. Irshad; review of responding email from Bell and respond thereto.

Date	Professional	Description
3/21/2025	Arif Dhanani	Review of mock up signage sent by SpeedPro Signs; review of voicemail from S. Walters; calls with S. Walters and send mock up signage to same; further call with S. Walters; review email from S. Walters re Cushman & Wakefield marketing brochure and forward same to B. Tannenbaum.
3/21/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's updated marketing report; forward same to First Source.
3/24/2025	Arif Dhanani	Review email chain between RPM and J. Kirby re Unit #105 bank draft; respond to J. Sciamanna re moving items from Unit #105 to storage; call with S. Walters; email to RPM re QR code and full-time superintendent; review of response from RPM and forward email chain to S. Walters; review of email from S. Walters; call with J. Sciamanna re Unit #105; call with D. Saunders; email to D. Saunders and S. Walters re call.
3/24/2025	Tanveel Irshad	Receipt and review of emails re potential disposal of tenant's belongings subject to receipt of bank draft.
3/25/2025	Arif Dhanani	Call with S. Walters and D. Saunders re leasing, signage and QR code.
3/26/2025	Arif Dhanani	Review email chain between J. Sciamanna and J. Kirby re Unit #105 resident's belongings; email to J. Sciamanna requesting clarification on moving items to storage and reimbursement of same; review responding email from J. Sciamanna re Unit #105 and respond thereto with comments.
3/26/2025	Tanveel Irshad	Review several emails re timeline of moving evicted tenant's belongings.
3/27/2025	Tanveel Irshad	Review and tie invoices and source invoices from property manager; discuss same with A. Dhanani; email correspondence with property manager to seek clarification on locksmith invoice; review lease for Unit 206 tenant and recalculate for accuracy RPM charge for fill vacancy.
3/28/2025	Arif Dhanani	Review and respond to email from D. Saunders re QR code and timing of set up of same.
3/28/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield reporting letter; email to Cushman & Wakefield responding to question; forward Cushman & Wakefield reporting letter to First Source.
3/31/2025	Arif Dhanani	Review of email and quotation for creation of landing page for QR code videos; email to First Source in this regard; call with S. Walters of First Source.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	2.50	$ 750	$ 1,875.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	13.50	$ 650	8,775.00
Tanveel Irshad	Associate	8.50	$ 325	2,762.50
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	1.60	$ 195	312.00
Total hours and professional fees		**26.10**		$ 13,724.50
HST @ 13%				1,784.19
Total payable				**$ 15,508.69**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date May 15, 2025

Client File 2-004
Invoice No. TDB #9
2505022

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period April 1, 2025 to April 30, 2025.

Date	Professional	Description
4/1/2025	Arif Dhanani	Review of email from D. Saunders of Renaissance Property Management ("RPM") re QR code and landing page for videos; review of email from B. Tannenbaum re signage and QR code; lengthy response to B. Tannenbaum.
4/1/2025	Tanveel Irshad	Email Wyse Meter re remittance reports; follow up with Bell re attendance of technician and delivery of bills.
4/1/2025	Bryan Tannenbaum	Emails with S. Walters of First Source Financial Management Inc. ("First Source") re leasing sign and QR codes.
4/2/2025	Arif Dhanani	Review of email from D. Saunders re Unit 205 residents moving out at end of April 2025; review of Bell Canada invoice and supporting documentation for payment of same, pay invoice and send payment confirmation to J. Hornbostel to record same in Receiver's GL; call with S. Walters re QR code and landing page; review of estimate sent by J. Sciamanna of RPM for repairs required to Unit 105 and respond thereto with request for additional quotes and pictures.
4/2/2025	Jennifer Hornbostel	Prepare and post payment to Bell.
4/2/2025	Tanveel Irshad	Review Bell bill and arrange for payment; review emails re repairs required to Unit 105.
4/3/2025	Tanveel Irshad	Follow up with Wyse Meter re remittance reports.
4/4/2025	Arif Dhanani	Review of emails from J. Sciamanna with additional quotes for repairing Unit 105; email to J. Sciamanna with request for pictures of unit; review of pictures of Unit 105 sent by J. Sciamanna; review of email from D. Saunders with QR code; email to S. Walters with QR code and comments on landing page; review follow up email from T. Irshad to Wyse Meter re February and March 2025 remittance support and response from Wyse Meter.
4/4/2025	Tanveel Irshad	Review emails re quotes for repairs to Unit 105; receipt and review of email from Wyse Meter re remittance reports.
4/7/2025	Arif Dhanani	Review of pictures of Unit 105 and damage to unit; forward pictures to Pronto General Contractors ("Pronto") for estimate on repair and labour charges required to fix unit.

Date	Professional	Description
4/7/2025	Jennifer Hornbostel	Prepare and post receipt from Wyse Meter.
4/7/2025	Bryan Tannenbaum	Review of A. Dhanani email to Pronto re damaged unit repairs.
4/7/2025	Anne Baptiste	Prepare bank reconciliation for March 2025.
4/8/2025	Tanveel Irshad	Review emails re leak in the basement of building.
4/8/2025	Arif Dhanani	Review of pictures sent by RPM re foundation leak in basement; email to RPM asking what is being done about the leak; review of email from J. Barrow of Georgian Bay Contracting Services ("Georgian Bay") re sump pump; call with Pronto re Unit 105 estimated costs to fix.
4/9/2025	Arif Dhanani	Review of email exchange between RPM and J. Barrow re sump pump and GFCI breaker with no power in connection with basement flooding; review insurance invoice from FCA, complete documentation for payment of invoice and send all to J. Hornbostel to set up electronic payment on the Receiver's on-line banking platform, pay invoice and send payment confirmation to J. Hornbostel.
4/9/2025	Jennifer Hornbostel	Prepare and post payment to FCA.
4/9/2025	Tanveel Irshad	Receipt and review of further emails re leak in basement.
4/10/2025	Arif Dhanani	Review of email from S. Walters, including mock-up of "for lease" signage; forward same to RPM with request for comments; review responding email from RPM on signage and forward same to S. Walters; review of email exchange between T. Irshad and Wyse Meter re supporting documents for February and March deposits; review of supporting information for Wyse Meter deposits for February and March; review of email from T. Irshad re discrepancy in revenues and overpayment made by RPM; detailed review of April 2025 rent roll and income statement; reconcile rent roll to revenues on a unit by unit basis; recalculate pro-rated rent for Unit 206; check Receiver's bank account for deposit from RPM; detailed email to T. Irshad re rent overpayment and pro-rated rent and confirmation of deposit from RPM.
4/10/2025	Tanveel Irshad	Follow up with Wyse Meter re remittance reports; call from Wyse Meter re same; generate remittance report on Wyse Meter portal; review same with bank deposit and email report to J. Hornbostel; review rent roll and income statement and tie to each other and source invoices; email correspondence with A. Dhanani re same; email property manager re discrepancy in tenant's rent for March; prepare receipts processing form to record property manager monthly deposit.
4/11/2025	Arif Dhanani	Review emails from RPM re miscalculation of prorated rent for Unit 206 and difference to be paid in May 2025; review of breakdown to be recorded in Receiver's GL for deposit from RPM and email to T. Irshad approving same; follow up email to G. Abbiento of Pronto on quote to repair Unit 105; review of email from S. Walters; review of email from D. Saunders responding to S. Walters email; email to S. Walters re response from D. Saunders in connection with signage mock-up; review of further email from D. Saunders to S. Walters and S. Walters' reply thereto.
4/11/2025	Tanveel Irshad	Review of emails from property manager re difference in tenant's rent for the month of March; arrange for deposit from property manager to be posted to the general ledger.
4/11/2025	Jennifer Hornbostel	Post receipt from RPM.
4/14/2025	Arif Dhanani	Review of email from S. Walters; email to RPM to confirm vacant units, units on last months' rent and any move ins; review of reply from J. Sciamanna; respond to S. Walters' email with information on vacant units and additional comments.
4/14/2025	Jennifer Hornbostel	Post receipt from Wyse Meter.
4/14/2025	Tanveel Irshad	Generate and review remittance report for Wyse Meter deposit.
4/15/2025	Arif Dhanani	Email to S. Walters with context on vacancy rate, including attachment of a prior email regarding an evicted resident; call with and further email to Pronto

Date	Professional	Description
		requesting quote for repair of Unit 105; review supporting documentation for payment of Alectra invoice, pay invoice, send payment confirmation to J. Hornbostel to record same in Receiver's GL; compare quotes for repairs required to Unit 105 from The Champagne Group, Harold Heighton, HomeMaster Canada and Pronto; email to J. Sciamanna re Harold Heighton; review of rental application for Unit 205 (2 bdrm. + den) commencing May 1, 2025 and email to D. Saunders with questions; review of reply from D. Saunders and approve rental application and email to S. Walters in this regard; review of email from J. Sciamanna re H. Heighton agreeing to Receiver's terms for repair of Unit 105, grant approval to proceed; review and respond to email from K. Patel of First Source re requirement for certain work to be completed and further borrowings by the Receiver by way of Receiver's Certificate, further emails with S. Walters and email to J. Larry of Paliare Roland Rosenberg Rothstein LLP in this regard; call with J. Larry re retroactive application of Receiver's borrowing charge; email to S. Walters and K. Patel in this regard.
4/15/2025	Tanveel Irshad	Receipt and review of credit Enbridge Gas bill; save same to iManage; review Alectra Utilities bill and arrange for payment.
4/15/2025	Jennifer Hornbostel	Prepare and post payment to Alectra Utilities.
4/15/2025	Bryan Tannenbaum	Various emails with explanation re vacancies; emails re municipal work orders and Receiver's borrowings, etc.
4/16/2025	Arif Dhanani	Review of report from Johnston Litavski Planning Consultants and email from the Town of Penetanguishene forwarded by S. Walters re additional site works to be completed; email to S. Walters and J. Larry re same; email to B. Tannenbaum re additional borrowings.
4/16/2025	Tanveel Irshad	Follow up with Bell re delivery of bills and attendance of technician; discuss same with A. Dhanani.
4/17/2025	Arif Dhanani	Review of correspondence from the Town of Penetanguishene regarding water bill.
4/17/2025	Tanveel Irshad	Receipt and review of water utility bill.
4/17/2025	Bryan Tannenbaum	Receipt and review of J. Larry email regarding increased borrowing limit.
4/21/2025	Arif Dhanani	Review of letter from the Town of Penetanguishene dated January 23, 2024 and quarterly water/sewage charges invoice forwarded by RPM; respond to the Town of Penetanguishene and provide payment confirmation; forward copy of email to the Town of Penetanguishene to RPM.
4/21/2025	Tanveel Irshad	Receipt and review of email from A. Dhanani to the Town of Penetanguishene re water utility bill.
4/22/2025	Arif Dhanani	Call with J. Barrow re additional work to be done on Phase 1 and status of funding; review of draft email from T. Irshad to Bell Canada re non-response to Receiver's emails and comment thereon.
4/22/2025	Tanveel Irshad	Draft detailed follow up email to Bell re delivery of bill and attendance of technician at the Real Property; review comments from A. Dhanani; send email to Bell.
4/22/2025	Bryan Tannenbaum	Review of various emails regarding further borrowings and increased borrowing limit; review of A. Dhanani email to S. Walters re timing of credit bid.
4/23/2025	Arif Dhanani	Review email exchange between J. Sciamanna and J. Kirby re Unit 105 resident's belongings; email to J. Sciamanna in this regard; review of Receiver's bank account for further funding from First Source; email to First Source confirming receipt of funds; email to J. Barrow re receipt of funding for additional site works and request to commence work as soon as possible; complete documentation for recording of receipt in Receiver's GL and send same to J. Hornbostel; review of

Date	Professional	Description
		email from D. Saunders re prospects for rental of vacant units and forward same to S. Walters with comments.
4/23/2025	Jennifer Hornbostel	Post receipt from secured lender.
4/24/2025	Tanveel Irshad	Resend email to Bell as inbox was full; discuss same with A. Dhanani.
4/24/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's marketing report dated April 24, 2025.
4/25/2025	Arif Dhanani	Review of invoice sent by J. Barrow for materials for additional work; complete documentation for payment of invoice from Georgian Bay and send all to J. Hornbostel to set up payment on the Receiver's on-line banking platform; review payment to be made and pay invoice from Georgian Bay; send payment confirmation to J. Hornbostel to record in Receiver's GL; send payment confirmation to J. Barrow; review and respond to email from C. Ledyit of RPM re potential lessee for 1 bedroom and respond thereto.
4/25/2025	Tanveel Irshad	Call from Coinamatic re commission cheque to be mailed to the Receiver; email update to A. Dhanani.
4/25/2025	Bryan Tannenbaum	Circulate Cushman & Wakefield's marketing report of April 24, 2025 to First Source.
4/25/2025	Jennifer Hornbostel	Prepare and post payment to Georgian Bay.
4/28/2025	Arif Dhanani	Review of further emails from C. Ledyit re potential lessee and respond thereto; review of emails from S. Walters and forward email re signage to RPM with request to confirm vacant units; review of email from RPM re vacant units and forward same to First Source; call with S. Walters; review Receiver's records and forward copies of quotes for repair of Unit 105 to S. Walters; follow up email to D. Michaud of Robins Appleby LLP re legal opinion on First Source's security.
4/28/2025	Tanveel Irshad	Review and tie statement provided by property manager with source invoices; email to property manager to approve same.
4/29/2025	Bryan Tannenbaum	Receipt and review of Robins Appleby's security opinion.
4/30/2025	Arif Dhanani	Review of letter from the Town of Penetanguishene re notice of violation; review of email from T. Irshad re same; email exchange with J. Sciamanna re contacting the Town of Penetanguishene and rectification of violation; review of email from the Town of Penetanguishene forwarded by T. Irshad; email to the Town of Penetanguishene; update call with J. Barrow.
4/30/2025	Tanveel Irshad	Receipt and review of notice of violation from the Town of Penetanguishene; email to A. Dhanani with recommendations re same; review further emails from the Town of Penetanguishene, property manager and A. Dhanani re same; review email from property manager re quotes for new fridge and stove.
4/30/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield's email re prospective purchaser showing.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	2.40	$ 750	$ 1,800.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	12.80	$ 650	8,320.00
Tanveel Irshad	Associate	5.30	$ 325	1,722.50
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	2.10	$ 195	409.50
Total hours and professional fees		**22.60**		$ 12,252.00
HST @ 13%				1,592.76
Total payable				**$ 13,844.76**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date June 13, 2025

Client File 2-004
Invoice No. TDB #10
2506019

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period May 1, 2025 to May 31, 2025.

Date	Professional	Description
5/1/2025	Arif Dhanani	Review of email from R. Habets of Cushman & Wakefield re listing agreement and potential purchaser; email to First Source Financial Management Inc. ("First Source") re renewal of listing agreement; call with S. Walters and K. Patel of First Source; email to R. Habets requesting amendment to extend listing agreement; review of response from R. Habets; review of draft independent legal opinion on First Source's security issued by Robins Appleby LLP and comment thereon.
5/1/2025	Tanveel Irshad	Call with Coinamatic representative re status of commission cheque; review Enbridge Gas bill and prepare payment.
5/2/2025	Arif Dhanani	Review of email from S. Walters to North Simcoe Signs; review of email from S. Walters re advertising a 2-bedroom unit and email to Renaissance Property Management ("RPM") in this regard; review of response from RPM re 2-bedroom units and respond thereto; review of invoice from North Simcoe Signs and email to same with request to modify addressee; review of term of listing agreement sent by R. Habets and email to same regarding incorrect term of listing agreement; review of amended listing agreement, make further changes to same and email to R. Habets re changes made; further email exchange with R. Habets.
5/5/2025	Arif Dhanani	Email exchange with Cushman & Wakefield re listing agreement; review of listing agreement sent by R. Habets and email to same in this regard; review rental application for rent of Unit 202 and email to RPM with questions; further email exchange with C. Ledyit of RPM re leasing Unit 202; sign off on listing agreement with Cushman & Wakefield; sign off on MLS data sheet to accompany listing agreement in connection with Cushman & Wakefield.
5/5/2025	Bryan Tannenbaum	Receipt and review of various emails between R. Habets and A. Dhanani to renew listing agreement.
5/6/2025	Tanveel Irshad	Review emails between property manager and A. Dhanani re approval of quote for fridge and stove and approval of new tenant.

Date	Professional	Description
5/6/2025	Arif Dhanani	Review and respond to email from J. Sciamanna of RPM re progress on Unit 105 renovations and cost of appliances required; further email exchange with J. Sciamanna re used appliances, warranty and purchase of new appliances; review of email from J. Sciamanna re tenant and non-payment of May rent and arrears; email to J. Sciamanna with request for breakdown of arrears; review of email from S. Parkin of RPM with breakdown; email to J. Sciamanna with instructions regarding how to proceed with tenant.
5/6/2025	Anne Baptiste	Prepare bank reconciliation for April 2025.
5/8/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email reporting on site visit by prospective purchaser; forward same to First Source.
5/9/2025	Arif Dhanani	Review of email from Cushman & Wakefield re tour with prospective purchaser and email from K. Patel in this regard; respond to T. Henke of Cushman & Wakefield re providing prospective purchaser with access to data room; further emails to/from J. Sciamanna re resident in Unit 204 and default on payment arrangement.
5/9/2025	Tanveel Irshad	Receipt and review of email from Coinamatic assigning matter re the commission cheques to a Coinamatic representative; call and email from Coinamatic re same; draft email response to Coinamatic for A. Dhanani's review.
5/12/2025	Arif Dhanani	Review of email to Coinamatic drafted by T. Irshad and approve same; review of email from FCA Insurance Brokers with May 2025 insurance premium invoice, review invoice, complete documentation for payment of same and send all to J. Hornbostel with request to set up on line payment.
5/12/2025	Tanveel Irshad	Send response email to Coinamatic representative re commission cheques; receipt and review of property manager's rent roll and income statement; tie same to invoices.
5/12/2025	Jennifer Hornbostel	Post payment to FCA.
5/13/2025	Arif Dhanani	Review of email from T. Irshad re deposit made by RPM; review of Receiver's trust account for deposit by RPM and respond to T. Irshad; review of invoice from North Simcoe Signs, complete documentation for processing of cheque and send same to J. Hornbostel with request to process cheque; review of income statement and rent roll provided by RPM and receipts processing form completed by T. Irshad and approve same.
5/13/2025	Tanveel Irshad	Email correspondence with property manager re tenant's non-payment of rent; obtain supporting documentation for Wyse Meter deposit; prepare receipts processing forms for property manager and Wyse Meter deposit and arrange for them to be posted; discuss same with A. Dhanani; receipt and review of reminder to make payment from Bell; email same to A. Dhanani.
5/13/2025	Jennifer Hornbostel	Post payment to FCA; prepare cheque to North Simcoe Signs.
5/14/2025	Arif Dhanani	Review of email from J. Sciamanna re notice provided by resident in Unit 204; review of email from T. Irshad with notice from Bell Canada, review notice, email to T. Irshad with outline of email to be sent to sender of notice; review of email from Coinamatic re payments to be made to the Receiver.
5/14/2025	Tanveel Irshad	Receipt and review of emails re notice to vacate from tenant; review email from A. Dhanani re response to Bell's late payment notice; draft detailed response outlining Receiver's efforts and communications with Bell re same; review comments from A. Dhanani and update same; send email to Bell representative.
5/15/2025	Arif Dhanani	Review documentation supporting payment of Alectra invoice, pay invoice on line and send payment confirmation to J. Hornbostel; call with T. Irshad re discussions with Bell Canada; review of email from Coinamatic.

Date	Professional	Description
5/15/2025	Tanveel Irshad	Call from Bell in response to the Receiver's email re clarity on services provided by Bell yesterday; receipt and review of email from same; discuss status of Bell with A. Dhanani; calls and emails with property manager to arrange for Kenney Communications to attend property with Bell technician on May 16, 2025 and to confirm which Bell services are connected at the Real Property; email Bell bills to property manager; email correspondence with Coinamatic representative re calculation of cheque amounts; receipt and review of credit on Enbridge Gas invoice; receipt and review of Alectra Utilities bill and arrange for payment.
5/15/2025	Jennifer Hornbostel	Prepare and post payment to Alectra.
5/16/2025	Arif Dhanani	Review and respond to email from S. Walters re leasing and prospective tenant; call with prospective tenant; email to RPM with notes from call with prospective tenant and comments on same with request for response.
5/16/2025	Tanveel Irshad	Call from Bell representative re technician's attendance at the Real Property today; email to Kenney Communications and property manager re same.
5/20/2025	Arif Dhanani	Review of emails from First Source re leasing; review notes from call with prospective tenant and email to J. Sciamanna in this regard; review and respond to email from First Source re payment of 2024 final property taxes; review of email from T. Henke re update on potential purchaser, respond to email with questions; review and respond to email from S. Walters re North Simcoe Signs and leasing; review and respond to email from S. Parkin re Unit 204 and subsidized rent; respond to email from S. Parkin re no requirement to provide subsidized units for lease; review of further email from First Source re most recent property tax bill and respond thereto.
5/20/2025	Tanveel Irshad	Review of emails between property manager and A. Dhanani re listing of Unit 204; provide most recent property tax bill to A. Dhanani.
5/20/2025	Bryan Tannenbaum	T. Henke email regarding a prospective purchaser status update; response sent; various emails regarding S. Walters request to call property manager.
5/21/2025	Arif Dhanani	Review of updated marketing email from Cushman & Wakefield; review of email from B. Tannenbaum re marketing email from Cushman & Wakefield and detailed response to B. Tannenbaum.
5/22/2025	Arif Dhanani	Review of rental application for Unit 205 commencing July 1, 2025 and approve same; further emails from/to C. Ledyit.
5/22/2025	Tanveel Irshad	Review email and call from Bell re their technician's pending response concerning attendance at the Real Property last week.
5/22/2025	Bryan Tannenbaum	Call with A. Dhanani to discuss recent request of S. Walters on property management.
5/23/2025	Jennifer Hornbostel	Post receipt from Wyse Meter Solutions.
5/26/2025	Arif Dhanani	Review of email and offer sent by Cushman & Wakefield; email to B. Tannenbaum in this regard; review of email from B. Tannenbaum; email to Cushman & Wakefield with request to provide input and recommendation.
5/26/2025	Tanveel Irshad	Receipt and review of pre-suspension notice from Bell; email Bell representative re same.
5/26/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email attaching offer.
5/27/2025	Arif Dhanani	Review of email from T. Irshad to Bell Canada re service suspension notice; review of rental application for Unit 201, commencing August 1, 2025, and approve same; email to S. Walters in this regard; review and respond to email from S. Walters re source of prospective tenant interest; email to C. Ledyit re source of advertising and interest in renting with respect to the prospective tenants for Units 201 and 205; review of response from C. Ledyit; email to

Date	Professional	Description
		S. Walters with respect to source of advertising and interest from various parties; review of email from S. Parkin re June 2025 statement.
5/27/2025	Tanveel Irshad	Emails and call with Bell representative re pre-suspension notice and their technician's attendance at the Real Property; review of property manager's invoices and compare to vendor's invoices; email to A. Dhanani re same.
5/28/2025	Arif Dhanani	Review of email from Cushman & Wakefield re input and recommendations on offer; draft and send email to First Source with copies of correspondence with Cushman & Wakefield and offer; call with S. Walters; email to First Source with confirmation of matters addressed on call with S. Walters; review and respond to email from T. Irshad re June income statement and various expenses, including looking through past emails to confirm amounts approved.
5/28/2025	Tanveel Irshad	Receipt and review of email from A. Dhanani re approval given to property manager for repairs to Unit 105; email property manager that Receiver approves May's invoices.
5/28/2025	Bryan Tannenbaum	Receipt and review of Cushman & Wakefield email explaining details of offer; review of A. Dhanani email to First Source re same; review of A. Dhanani email to S. Walters confirming their instructions re offer and credit bid.
5/30/2025	Arif Dhanani	Review of leasing application for Unit 203 and approve same; review of email from C. Ledyit re potential tenant for 1-bedroom unit and respond to C. Ledyit with questions regarding same; email to S. Walters regarding approval of tenant for Unit 203; review of further email from C. Ledyit and respond thereto.
5/30/2025	Tanveel Irshad	Receipt and review of emails re notice from tenant in Unit 106 to end their tenancy.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	1.70	$ 750	$ 1,275.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	13.20	$ 650	8,580.00
Tanveel Irshad	Associate	8.40	$ 325	2,730.00
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	1.30	$ 195	253.50
Total hours and professional fees		**24.60**		$ 12,838.50
HST @ 13%				1,669.01
Total payable				**$ 14,507.51**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date July 17, 2025

Client File 2-004
Invoice No. TDB #11
2507019

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period June 1, 2025 to June 30, 2025.

Date	Professional	Description
6/2/2025	Arif Dhanani	Review of documentation supporting payment of Bell invoice, review payment set up on Receiver's online banking platform and pay invoice, send payment confirmation to J. Hornbostel to record same in Receiver's GL; review and respond to S. Walters of First Source Financial Management Inc. ("First Source") re rental enquiry and status of response; review of email from T. Henke of Cushman & Wakefield re sign back of offer and respond thereto.
6/2/2025	Jennifer Hornbostel	Prepare and post payment to Bell.
6/2/2025	Tanveel Irshad	Receipt and review of Bell bill and arrange for payment.
6/2/2025	Bryan Tannenbaum	Receipt and review of T. Henke email regarding feedback for a sign back on offer; review of A. Dhanani response to decline given offer price; review of T. Henke response.
6/3/2025	Tanveel Irshad	Attend to call from Bell Insolvency department re Receiver's email to Bell dated May 14, 2025.
6/4/2025	Jennifer Hornbostel	Prepare further payment to Bell.
6/4/2025	Arif Dhanani	Call to Renaissance Property Management ("RPM") and leave message for D. Saunders of RPM; respond to email from S. Walters of June 3, 2025; review of email from J. Sciamanna of RPM re fridge for Unit 303, review diagnostic invoice and estimate to fix compressor, approve cost of new fridge on the basis that the cost and fix for a new compressor exceeds the cost of a new fridge; call with D. Saunders; respond to email from S. Walters and review subsequent reply from same.
6/4/2025	Tanveel Irshad	Receipt and review of emails between property manager and A. Dhanani re quote for fridge in Unit 303; receipt and review of Bell bill and arrange for payment.
6/5/2025	Tanveel Irshad	Receipt and review of emails between A. Dhanani and property manager re cleaning expense for Unit 203.

Date	Professional	Description
6/5/2025	Arif Dhanani	Review email from C. Ledyit of RPM re cleaning of Unit 203 and respond thereto; review supporting documentation for payment of invoice from Bell and pay invoice; send payment confirmation to J. Hornbostel to record same in Receiver's GL.
6/6/2025	Arif Dhanani	Call with S. Walters re leasing.
6/6/2025	Jennifer Hornbostel	Post payment to Bell.
6/11/2025	Arif Dhanani	Call with S. Walters; email to D. Saunders requesting availability for call with S. Walters and A. Dhanani; review of email from T. Irshad to Wyse Meter re Units 105 and 205.
6/11/2025	Tanveel Irshad	Call with Alectra Utilities re power that is cut off in Unit 105 and 205; email to Wyse Meter re same.
6/11/2025	Anne Baptiste	Prepare bank reconciliation for May 2025.
6/12/2025	Arif Dhanani	Review of email from S. Parkin of RPM re call; email to S. Walters in this regard; set up call for June 16, 2025; review documentation for payment of invoice from Robins Appleby and from FCA Insurance Brokers ("FCA"), pay invoices and send payment confirmations to J. Hornbostel to record in Receiver's GL.
6/12/2025	Jennifer Hornbostel	Prepare and post payments to FCA and Robins Appleby.
6/13/2025	Arif Dhanani	Review email and voicemail from S. Walters; reply to S. Walters with copy of APS.
6/13/2025	Bryan Tannenbaum	Telephone call from S. Walters re form of credit bid.
6/16/2025	Arif Dhanani	Call with D. Saunders and S. Parkin, S. Walters and B. Tannenbaum re leasing; update credit bid schedule pursuant to email from S. Walters; review of email from the Town of Penetanguishene to J. Barrow of Georgian Bay Contracting Services ("Georgian Bay"); email to S. Walters with updated credit bid schedule and email from the Town of Penetanguishene; email to J. Barrow requesting status update; email to the Town of Penetanguishene; call with S. Walters.
6/16/2025	Tanveel Irshad	Call from Bell Executive Office re need for technician to attend the Real Property to confirm service (if any); discuss same with A. Dhanani; email to property manager and Kenney Communications re same; receipt and review of email from township re status of schedule Georgian Bay was supposed to provide to them; receipt and review of A. Dhanani's separate emails to S. Walters, Georgian Bay and the township re same.
6/16/2025	Bryan Tannenbaum	Teams call with property manager (D. Saunders/S. Parkin), S. Walters and A. Dhanani re leasing status and issues discussed.
6/17/2025	Tanveel Irshad	Call with Bell representative to request that their technician calls property manager before attending at the Real Property; emails with property manager and Kenney Communications re same; review Alectra Utilities bill and arrange for payment.
6/18/2025	Arif Dhanani	Review of rental application for Unit 202 commencing July 1, 2025; email to D. Saunders with questions regarding same; review of additional documentation provided by potential lessee for Unit 202 and email to D. Saunders with conditions for acceptance of rental offer; review documentation supporting payment of Alectra invoice, pay invoice and send payment confirmation to J. Hornbostel for recording in Receiver's GL.
6/18/2025	Bryan Tannenbaum	Receipt and review of R. Habets of Cushman & Wakefield email with marketing update.
6/19/2025	Arif Dhanani	Review of email exchange between T. Irshad and RPM re Bell accounts; review of email from S. Walters re laundry revenue and respond thereto.

Date	Professional	Description
6/19/2025	Tanveel Irshad	Email from A. Dhanani re status of Coinamatic cheques; email to J. Hornbostel re same; follow up with Coinamatic re same; review of property manager's email re his correspondence with Bell technician; numerous calls from Bell representative re same and equipment return; email update to A. Dhanani; coordinate return of Bell equipment with property manager.
6/20/2025	Arif Dhanani	Review of email from Coinamatic re timing of delivery of cheques and email to T. Irshad re same; review and respond to email from J. Sciamanna re potholes in driveway.
6/20/2025	Tanveel Irshad	Receipt and review of email from Coinamatic re status of cheques; review of A. Dhanani's email to diarize a follow up.
6/23/2025	Arif Dhanani	Review and respond to email from D. Saunders re rental of Unit 202 and forward same to S. Walters; review email from S. Parkin re Unit 301 notice to vacate and forward same to S. Walters; review of email from S. Walters re additional borrowings and Receiver's Certificate for same and respond thereto; review of email from S. Parkin re weekly updates and respond thereto; review of RPM weekly update; review of email from S. Walters to RPM.
6/23/2025	Tanveel Irshad	Receipt and review of emails between property manager, A. Dhanani and J. Barrow re driveway potholes; receipt and review of email from property manager re notice to vacant unit by tenant in Unit 301.
6/23/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email to S. Walters re borrowing and Receiver's Certificates; receipt and review of S. Parkin property management update; review of S. Walters email re same.
6/24/2025	Arif Dhanani	Review and respond to email from D. Saunders re cleaning of Unit 202; review of email from D. Murray of the Town of Penetanguishene and forward same to J. Barrow with request for update; review of reply from J. Barrow; follow up email to Robins Appleby regarding finalization of legal opinion on First Source's security.
6/24/2025	Tanveel Irshad	Review of emails between township, A. Dhanani and J. Barrow re equipment at the Real Property.
6/25/2025	Arif Dhanani	Review of email from J. Barrow to Town of Penetanguishene re site works; review and comment on rental application for Unit 105 commencing July 1, 2025; review of Cushman & Wakefield's most recent marketing report and comments thereon from B. Tannenbaum.
6/25/2025	Bryan Tannenbaum	Review of R. Habets email update; receipt and review of Cushman & Wakefield's marketing report; forward same to First Source; receipt and review of R. Habets email re feedback.
6/26/2025	Arif Dhanani	Brief review of finalized independent legal opinion on First Source security.
6/26/2025	Tanveel Irshad	Follow up with Coinamatic re status of cheques.
6/27/2025	Arif Dhanani	Review of email from T. Irshad re property manager's charges for expenses, review schedule to email and send email to T. Irshad regarding expenses.
6/27/2025	Tanveel Irshad	Review of property manager's invoices and tie to source invoices; emails with A. Dhanani re same; follow up with property manager re status of return of Bell's equipment.
6/27/2025	Bryan Tannenbaum	Receipt and review of R. Habets email re listing agreement to expire on July 4, 2025.
6/30/2025	Arif Dhanani	Review of email exchange between T. Irshad and RPM re return of Bell hardware; review of email from T. Irshad to RPM re signage and respond thereto; review of notice from MPAC forwarded by J. Sciamanna and respond to advise that Receiver will be writing letter to MPAC to inform it of the receivership proceedings.

Date	Professional	Description
6/30/2025	Tanveel Irshad	Email to property manager re clarification on signage invoice; review of email from A. Dhanani re same; receipt and review of email from Coinamatic re status of cheques; receipt and review of letter from MPAC; review of emails between A. Dhanani and property manager re same; draft letter to MPAC.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	2.30	$ 750	$ 1,725.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	9.50	$ 650	6,175.00
Tanveel Irshad	Associate	4.80	$ 325	1,560.00
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	1.40	$ 195	273.00
Total hours and professional fees		**18.00**		$ 9,733.00
HST @ 13%				1,265.29
Total payable				**$ 10,998.29**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date August 20, 2025

Client File 2-004
Invoice No. TDB #12
2508019

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period July 1, 2025 to July 31, 2025.

Date	Professional	Description
7/2/2025	Tanveel Irshad	Emails with property manager and A. Dhanani re hydro service in Units 105 and 205; assemble letter to MPAC and arrange for same to be mailed; receipt and review of emails between property manager and A. Dhanani re AC for Unit 105.
7/2/2025	Arif Dhanani	Review email from C. Ledyit of Renaissance Property Management ("RPM") re Unit 105 and respond thereto re Wyse Meter; review of further emails between C. Ledyit and T. Irshad re Wyse Meter and Unit 105; re-review of letter from MCAP to Block 80 Holdings Inc., review of letter to MCAP drafted by T. Irshad and comment thereon, finalize and sign letter and send same to T. Irshad with request to assemble appendices and mail letter to MCAP; review of weekly rental update from RPM; emails from/to RPM re Unit 105 and AC.
7/2/2025	Bryan Tannenbaum	Receipt and review of S. Parkin of RPM with weekly report; review of S. Walters of First Source Financial Management Inc. ("First Source") email inquiry re air conditioning units.
7/3/2025	Arif Dhanani	Review and respond to email from S. Parkin re AC units and Receiver purchasing same; review and respond to email from J. Sciamanna of RPM re tenants in Units 203 and 105 and AC; review of email from B. Tannenbaum to Cushman & Wakefield; review of Cushman & Wakefield listing agreement and email to B. Tannenbaum in this regard.
7/3/2025	Tanveel Irshad	Receipt and review of emails between A. Dhanani and property manager re tenant in Unit 105 purchasing AC from Walmart with free installation.
7/3/2025	Bryan Tannenbaum	Receipt and review of R. Habets of Cushman & Wakefield email attaching an offer; receipt and review of A. Dhanani email re same and listing agreement renewal to First Source; review of First Source response.
7/4/2025	Tanveel Irshad	Review of email from tenant in Unit 105 re request to put up curtains and medicine cabinets; review of email from A. Dhanani approving same; receipt and review of Bell bill and arrange for payment; receipt and review of May's income statement and June's rent roll from property manager; tie same to source invoices; prepare receipts processing form and email same to A. Dhanani for review; emails with A. Dhanani re same.

Date	Professional	Description
7/4/2025	Arif Dhanani	Review of email chain between J. Sciamanna and the Brick re AC units, review of recommended AC units and descriptions of same, email to J. Sciamanna in this regard; review of email from J. Sciamanna re quantity of AC units to purchase and question same; review of email from T. Habets re offer and expiry of listing agreement and respond thereto; review of email from J. Barrow of Georgian Bay Contracting Services with pictures of construction work; review of documentation related to revenues and expenses for May/June 2025 forwarded by T. Irshad and comment on same; review and respond to email from J. Sciamanna re purchase of AC units.
7/7/2025	Arif Dhanani	Review 2 rental applications and email to C. Ledyit with approval for 1 application; review of further email from C. Ledyit re Unit 106 and respond thereto; review supporting documentation sent and on-line bill payment set up by J. Hornbostel for payment of Bell bill, correct documentation and on-line bill payment, pay bill and send documentation and payment confirmation to J. Hornbostel to record in Receiver's GL.
7/7/2025	Tanveel Irshad	Call from Bell representative re status of credit.
7/7/2025	Jennifer Hornbostel	Prepare and post payment to Bell; post payment to FCA.
7/8/2025	Arif Dhanani	Calls with S. Walters; email to J. Barrow re reports and update; call with J. Barrow; respond to C. Ledyit re two lease applications; review of leasing update email from S. Parkin; follow up email to J. Barrow re update and reports; review of email from B. Murray of the Town of Penetanguishene and respond thereto; forward emails to S. Walters; review emails from J. Barrow and forward same to First Source.
7/9/2025	Arif Dhanani	Review and respond to email from C. Ledyit re Unit 106 and preparation of same for move in by new tenant; review and respond to email from S. Walters re update from J. Barrow.
7/9/2025	Tanveel Irshad	Email to J. Hornbostel re Coinamatic cheques.
7/10/2025	Arif Dhanani	Review email from T. Henke of Cushman & Wakefield to D. Gilbert.
7/10/2025	Tanveel Irshad	Call and email from Bell representative re status of credit owed to the Receiver; email A. Dhanani re same.
7/10/2025	Jennifer Hornbostel	Post receipts from RPM and Wyse Meter.
7/11/2025	Tanveel Irshad	Call from Coinamatic re status of delivery of cheques to the Receiver.
7/14/2025	Arif Dhanani	Review rental application for Unit 204 forwarded by C. Ledyit and approve same.
7/14/2025	Tanveel Irshad	Receipt and review of Coinamatic cheques.
7/14/2025	Anne Baptiste	Prepare bank reconciliation for June 2025.
7/15/2025	Arif Dhanani	Review of weekly leasing update email from S. Parkin and response thereto from S. Walters; review of email from J. Sciamanna and invoice attached thereto for repair of handicap buttons; review of email forwarded by J. Sciamanna from tenant in Unit 105 re payment by the Receiver for AC units purchased by tenants of their own volition and respond thereto; review of email from J. Sciamanna re Canada Post.
7/15/2025	Bryan Tannenbaum	Receipt and review of S. Parkin property management report.
7/15/2025	Jennifer Hornbostel	Post receipt from Coinamatic.
7/15/2025	Donna Nishimura	Prepare receipts processing form and deposit Coinamatic cheques at the bank.
7/15/2025	Tanveel Irshad	Discuss process to prepare receipts processing form for Coinamatic cheques with D. Nishimura; receipt and review of email from tenant in Unit 105 re refund for AC and A. Dhanani's response email; receipt and review of email from property manager re invoice for locksmith to repair handicap buttons; review of property manager's email re status of mail delivery to the Real Property.

Date	Professional	Description
7/16/2025	Arif Dhanani	Review of Coinamatic cheques received on July 15, 2025 and deposited to Receiver's trust account; email to S. Walters; review of email from S. Walters re frequency of remittances by Coinamatic and respond thereto; review of emails between T. Irshad and RPM re lease agreement for Unit 202; review of income statement generated by RPM for June 2025 and expenses, review bank account and email to T. Irshad confirming net deposit.
7/16/2025	Tanveel Irshad	Review of emails between A. Dhanani and S. Walters re status of Coinamatic cheques; review of rent roll and income statement provided by property manager and tie to source invoices; review of three lease agreements to understand rental amounts; emails with property manager to request lease agreement for tenant in Unit 202; prepare receipts processing form to record property manager's deposit; email same to A. Dhanani.
7/16/2025	Jennifer Hornbostel	Post receipt from RPM.
7/17/2025	Tanveel Irshad	Review of Alectra utilities bill and arrange for payment.
7/21/2025	Arif Dhanani	Review of invoice from Alectra and supporting documentation to pay same, pay invoice on line and send payment confirmation to J. Hornbostel to record in Receiver's GL; review of email from Wyse Meter forwarded by J. Sciamanna re request for rent roll.
7/21/2025	Jennifer Hornbostel	Prepare and post payment to Alectra.
7/22/2025	Arif Dhanani	Review of email from S. Parkin to Wyse Meter with current rent roll; review of S. Parkin leasing update email; review of email from H. Manis of Manis Law re retention by J. Barrow; email to H. Manis with available times to speak; review of email from J. Sciamanna re Unit 105 and replacement of electrical receptacles, respond to J. Sciamanna with request for quotes.
7/24/2025	Arif Dhanani	Review of email from S. Walters re credit bid status; email to J. Larry of Paliare Roland Rosenberg Rothstein LLP (“Paliare Roland”) in this regard; call with J. Larry; email to S. Walters in response to his email; review of further emails from S. Walters and J. Larry; review of email from J. Sciamanna re Unit 105 tenant and respond thereto.
7/24/2025	Bryan Tannenbaum	Various emails to Paliare Roland, First Source re credit bid status.
7/25/2025	Arif Dhanani	Review and respond to email from J. Sciamanna re request from tenant in Unit 105; review of APS sent by Penetang Shores Inc. and email to J. Larry in this regard.
7/25/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email to J. Larry with commentary on the credit bid.
7/28/2025	Arif Dhanani	Review message from and leave voicemail for B. Rotenberg of Chaitons LLP; review email from S. Parkin re invoices for July 2025; follow up call and leave message for B. Rotenberg; meeting with T. Irshad re various invoices for payment as provided by RPM.
7/28/2025	Tanveel Irshad	Receipt and review of Unit 106 lease; review statement provided by property manager and tie to source invoices; discuss same with A. Dhanani and email approval to property manager.
7/28/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email to First Source with detailed comments on credit bid; review of First Source responses.
7/29/2025	Arif Dhanani	Review of email from S. Parkin re weekly rental update.
7/29/2025	Donna Nishimura	Prepare receipts processing form and deposit cheque at the bank.
7/29/2025	Jennifer Hornbostel	Post receipt from Coinamatic.
7/30/2025	Arif Dhanani	Review of Bell bills for November 2024 to July 2025 and credit received, review support for payment of balance owed to Bell, pay same, send payment confirmation to J. Hornbostel to record in Receiver's GL; follow up email to

Date	Professional	Description
		B. Rotenberg re First Source APS and questions thereon; review of revised APS received from Chaitons and detailed email to Robins Appleby with details of and questions on same with request to review.
7/30/2025	Jennifer Hornbostel	Prepare and post payments to Bell.
7/30/2025	Tanveel Irshad	Review of 9 Bell bills and arrange for payment.
7/30/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email to Robins Appleby with draft credit bid APS and detailed comments thereto.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	2.40	$ 750	$ 1,800.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	12.20	$ 650	7,930.00
Tanveel Irshad	Associate	4.70	$ 325	1,527.50
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	3.30	$ 195	643.50
Total hours and professional fees		**22.60**		$ 11,901.00
HST @ 13%				1,547.13
Total payable				**$ 13,448.13**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7
info@tdbadvisory.ca
416-575-4440
416-915-6228
tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date September 24, 2025

Client File 2-004
Invoice No. TDB #13
2509027

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period August 1, 2025 to August 31, 2025.

Date	Professional	Description
8/5/2025	Arif Dhanani	Follow up email to Robins Appleby re status of APS and connecting with Chaitons re same; review and respond to email from First Source Financial Management Inc. ("First Source") re credit bid; review of email from Wyse Meter to Renaissance Property Management ("RPM") and response thereto in connection with Wyse Meter Unit Audit.
8/6/2025	Arif Dhanani	Review August 2025 insurance invoice from FCA, complete supporting documentation for payment of same, email to J. Hornbostel with request to set up payment on Receiver's on-line banking platform, pay invoice and send payment confirmation to J. Hornbostel; review of email from Wyse Meter to J. Sciamanna of RPM re Z. Baxter; review of email from First Source and respond thereto; review of email from Robins Appleby and respond thereto with copies of available contracts and most recent rent roll; emails to RPM re outstanding contracts; review and respond to emails from C. Ledyit of RPM re tenant moving in September 1, 2025; emails to RPM re contracts and copies thereof.
8/6/2025	Jennifer Hornbostel	Prepare and post payment to FCA.
8/7/2025	Arif Dhanani	Review of email from S. Walters of First Source to S. Parkin of RPM re vacant units and confirmation of same by S. Parkin.
8/11/2025	Arif Dhanani	Review updated APS sent by Robins Appleby and comment on same; call with L. Kovac of Robins Appleby.
8/12/2025	Arif Dhanani	Review and respond to emails from S. Walters re property management contract and elevator warranty; email to J. Sciamanna with further request for Kenny Communications contract and request to source elevator maintenance contract quotes.
8/12/2025	Tanveel Irshad	Prepare S.246(2) notice and statement of receipts and disbursements.
8/12/2025	Bryan Tannenbaum	Email from Robins Appleby re additional contracts to note in APS and property tax statements; receipt and review of A. Dhanani email to Robins Appleby with

Date	Professional	Description
		minor changes to APS and additional borrowings; various emails with S. Walters re contracts for assumption.
8/13/2025	Arif Dhanani	Call with J. Barrow of Georgian Bay Contracting Services ("GBCS") re work requested by the Receiver and update on sales process; email to RPM and J. Barrow regarding Fire Department order, deficiencies identified during inspection and rectification of same; review reply from RPM.
8/14/2025	Tanveel Irshad	Create and review Wyse Meter remittance reports; prepare receipts processing form; emails to J. Hornbostel and A. Dhanani re same; receipt and review of emails between the Town of Penetanguishene (the "Town") and A. Dhanani re water bill.
8/14/2025	Arif Dhanani	Review of email from L. Kovac re property taxes and development charges; review of initial estimate provided to First Source and send responding email to L. Kovac; review of authorization drafted by Chaitons and forwarded by L. Kovac and comment on same; review and sign updated Authorization and send to L. Kovac; review of rental application for Unit 301 and email with questions to C. Ledyit; review of response from C. Ledyit and respond thereto; review of email from T. Irshad re most recent accounting from Wyse Meter, review bank account and respond to T. Irshad with excerpt of bank statement and confirmation of deposit.
8/14/2025	Bryan Tannenbaum	Receipt and review of Robins Appleby email with comments on tax and water arrears; review of A. Dhanani email re same and impact for closing adjustments.
8/15/2025	Arif Dhanani	Review of email exchange between RPM and Huronia Alarms re quantity and location of emergency lighting packs and fire extinguishers; review of email from the Town re water bill and non-receipt of same; complete documentation for payment of most recent water bill and send same to J. Hornbostel with request to set up payment.
8/15/2025	Tanveel Irshad	Prepare receipts processing form for Wyse Meter deposit and email same with supporting documentation to J. Hornbostel; receipt and review of fire safety inspection quote; review of email from township re water utility bill.
8/18/2025	Arif Dhanani	Review of email from S. Walters re status of APS and Chaitons; email to Robins Appleby requesting update on status of APS; pay water bill from the Town of Penetanguishene and send payment confirmation to J. Hornbostel for recording in Receiver's GL.
8/18/2025	Jennifer Hornbostel	Prepare payment to the Town.
8/19/2025	Arif Dhanani	Review of email from Chaitons forwarded by S. Walters re status of APS; review of vacancy update email from S. Parkin; review and respond to email from L. Kovac re status update on APS; email to Robins Appleby re GBCS lien; review of reply from Robins Appleby, including review of parcel register and lien; respond to email from Robins Appleby with details of additional work done by GBCS post-receivership; call with Robins Appleby re GBCS lien and perfection of same; review and sign APS agreement for credit bid and send same to Robins Appleby; forward copy of fully signed agreement to S. Walters; review of email and invoice attached thereto from J. Barrow; email to J. Barrow confirming what the invoice is for and commenting that the invoice doesn't add correctly.
8/20/2025	Arif Dhanani	Review and respond to C. Ledyit regarding tenant to occupy unit on September 1, 2025 and respond thereto; further email from C. Ledyit and respond thereto.
8/20/2025	Tanveel Irshad	Review of fire inspection order; review of bill from Bell for account that was supposed to be canceled; email to Bell representative re same.
8/21/2025	Tanveel Irshad	Review of Alectra Utilities bill; arrange for payment; call with Alectra Utilities for further information in respect of bill received.

Date	Professional	Description
8/21/2025	Arif Dhanani	Review of email from T. Irshad re Alectra bill; respond to T. Irshad with instructions on contacting Alectra.
8/22/2025	Tanveel Irshad	Receipt and review of income statement and rent roll; tie same to source invoices and prepare receipts processing form; email S.246(2) notice and statement of receipts and disbursements to A. Dhanani for review.
8/22/2025	Arif Dhanani	Review of email from S. Walters and respond in detail thereto regarding review of cash component of credit bid closer to hearing date; call with K. Patel and S. Walters of First Source; email to J. Barrow re engineering invoice and amending same; review of amended invoice from GBCS; complete documentation for payment of same, set up payment on line and pay invoice, obtain payment confirmation and send same to J. Barrow and then to J. Hornbostel to record same in Receiver's GL; review of income statement from RPM for the month of July 2025, check bank account for deposit from RPM and email to T. Irshad in this regard.
8/22/2025	Bryan Tannenbaum	Review of Robins Appleby email to service list setting court date; review of A. Dhanani email to S. Walters re nothing material left to do for credit bid agreement and report to court.
8/25/2025	Arif Dhanani	Review email from T. Irshad to RPM re Unit 203 short payment of rent and response from S. Parkin thereto; review of email from S. Walters to RPM re lease up of remaining units and response from S. Parkin.
8/25/2025	Tanveel Irshad	Arrange for property manager deposit to be posted; email to property manager re why tenant in Unit 203 underpaid rent; review response email.
8/25/2025	Bryan Tannenbaum	Receipt and review of property manager weekly report.
8/25/2025	Jennifer Hornbostel	Post receipts from Wyse Meter and RPM; post payment to Town of Penetanguishene.
8/26/2025	Arif Dhanani	Review of email from J. Barrow to First Source with unit layout for Units 204 and 304; review and respond to email from C. Ledyit re Unit 303.
8/26/2025	Bryan Tannenbaum	Review email from J. Barrow with unit layouts.
8/26/2025	Anne Baptiste	Prepare bank reconciliation for July 2025.
8/28/2025	Arif Dhanani	Review of Receiver's S.246(2) notice drafted by T. Irshad and statement of receipts and disbursements attached thereto, email to T. Irshad with questions on same; review spreadsheet of monthly property management expenses from T. Irshad and respond to questions on same; finalize S.246(2) notice, assemble and execute same and send to T. Irshad to send to the Office of the Superintendent of Bankruptcy (“OSB”); review of rental application for Unit 304 forwarded by C. Ledyit and email to C. Ledyit with questions; review emails from C. Ledyit with responses to questions and respond with analysis of potential renter's rent/income ratio and free cash flow estimate.
8/28/2025	Tanveel Irshad	Review of monthly statement provided by property manager; tie same to property manager's and source invoices; emails with A. Dhanani re same; email to property manager to request for copy of lease for Unit 301; review of lease agreement for Unit 301; approve payment of invoices to property manager; revise statement of receipts and disbursements and review changes to S.246(2) notice; arrange for same to be sent to the OSB.
8/28/2025	Donna Nishimura	Prepare receipts processing form and deposit cheque at the bank.
8/28/2025	Jennifer Hornbostel	Post receipt from Coinamatic.
8/29/2025	Arif Dhanani	Review further email from C. Ledyit re rental of Unit 304 and respond thereto.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	1.70	$ 750	$ 1,275.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	12.80	$ 650	8,320.00
Tanveel Irshad	Associate	5.90	$ 325	1,917.50
Anne Baptiste/Jennifer Hornbostel/Donna Nishimura	Estate Administrator	2.00	$ 195	390.00
Total hours and professional fees		**22.40**		$ 11,902.50
HST @ 13%				1,547.33
Total payable				**$ 13,449.83**

GST/HST: 80784 1440 RT0001

TDB Restructuring Limited
Licensed Insolvency Trustee

11 King St. W, Suite 700
Toronto, ON M5H 4C7

info@tdbadvisory.ca
416-575-4440
416-915-6228

tdbadvisory.ca

To TDB Restructuring Limited
Court-Appointed Receiver of the Property Municipally Known as
Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
11 King Street West, Suite 700
Toronto, ON M5H 4C7

Date October 1, 2025

Client File 2-004
Invoice No. TDB #14
2510001

For professional services rendered with respect to the appointment of TDB Restructuring Limited as Court-Appointed Receiver of the Property Municipally Known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (the "Real Property"), which Real Property is owned by Block 80 Holdings Inc. (the "Debtor") for the period September 1, 2025 to September 30, 2025.

Date	Professional	Description
9/2/2025	Arif Dhanani	Review of email from S. Walters of First Source Financial Management Inc. ("First Source"); call with S. Walters; email to Robins Appleby requesting trust account details for purchaser to pay deposit; review trust account details sent by L. Kovac of Robins Appleby and forward same to S. Walters with copy of fully signed APS; review and respond to email from S. Walters re timing of payment of deposit.
9/2/2025	Tanveel Irshad	Follow up with Bell representative re status of account ending in 548; review two Bell bills and arrange for payment.
9/2/2025	Jennifer Hornbostel	Fax S.246 notice to the Office of the Superintendent of Bankruptcy.
9/3/2025	Arif Dhanani	Review of email from S. Walters to S. Parkin of Renaissance Property Management ("RPM") re rental applications and S. Parkin's response thereto; review of email from C. Ledyit of RPM re rental of accessible unit, review financial information for potential tenant and email to C. Ledyit in this regard; further email exchange with C. Ledyit re monthly rental amount and co-signer/guarantor required for lease.
9/3/2025	Bryan Tannenbaum	Receipt and review of property manager update.
9/4/2025	Arif Dhanani	Review of update email from C. Ledyit re rental of Unit 303; review of email from J. Sciamanna of RPM to J. Barrow of Georgian Bay Contracting Services re elevator and response thereto from J. Barrow; review of emails between J. Sciamanna and Vertechs Elevators ("Vertechs"); review and respond to email from Robins Appleby regarding deposit to be paid by purchaser.
9/7/2025	Anne Baptiste	Prepare bank reconciliation for August 2025.
9/8/2025	Arif Dhanani	Review of further correspondence between J. Sciamanna and Vertechs re elevator; review of email from J. Sciamanna to H. Heighton; review of leasing update email from S. Parkin; draft portions of Receiver's report to update relief sought, various details regarding property taxes, lien claim, Receiver's discharge and other matters.
9/8/2025	Bryan Tannenbaum	Receipt and review of S. Parkin email with weekly rental activity report.

Date	Professional	Description
9/9/2025	Arif Dhanani	Review and respond to email from D. Michaud of Robins Appleby re Block 80 court hearing and timing of service of materials; review and respond to email from S. Parkin re resident health circumstances and notice of move-out, review and respond to S. Parkin's further email in this regard; review supporting documentation for, approve and pay invoice from Alectra Utilities; review invoice from FCA re insurance, set up on-line bill payment account for same, complete supporting documentation for payment of invoice, pay same and send all to J. Hornbostel to record in Receiver's GL.
9/9/2025	Tanveel Irshad	Review of emails between A. Dhanani and S. Parkin re notice from tenant to vacate Unit 102.
9/9/2025	Jennifer Hornbostel	Post payments to FCA and Alectra Utilities.
9/10/2025	Arif Dhanani	Review of email exchange between J. Sciamanna and Vertechs re elevator; review of email from J. Sciamanna and respond thereto regarding elevator make and model, handle and lock for elevator mechanical room and elevator maintenance provider after early December 2025; final review and changes to First Report of the Receiver and send same to D. Michaud and B. Tannenbaum for comments.
9/10/2025	Bryan Tannenbaum	Receipt and review of A. Dhanani email to D. Michaud re draft first report.
9/11/2025	Tanveel Irshad	Review of notice from the Town of Penetanguishene (the “Town”) re backflow assembly test and emails between A. Dhanani and property manager re same; review Alectra Utilities invoice and arrange for payment.
9/15/2025	Arif Dhanani	Discussion with D. Michaud re Receiver's court report and details regarding lien claim; review invoices from Bell Canada (2) and supporting documentation for payment of same, pay invoices and send payment confirmations to J. Hornbostel to record in Receiver's GL.
9/15/2025	Jennifer Hornbostel	Prepare and post payments to Bell.
9/16/2025	Arif Dhanani	Call with J. Barrow re Receiver's position on lien claim.
9/23/2025	Arif Dhanani	Review and incorporate comments from D. Michaud on Receiver's report; add paragraph to report regarding legal opinion on lien and attach same as exhibit to report; update report appendices; review Receiver's invoices and draft fee summary for report to the Court; draft Receiver's fee affidavit; review supporting documentation for payment of Alectra Utilities invoice, pay invoice and send payment confirmation to J. Hornbostel to record same in Receiver's GL.
9/23/2025	Tanveel Irshad	Generate Wyse Meter remittance report and prepare receipts processing form.
9/23/2025	Jennifer Hornbostel	Prepare payment to Alectra Utilities; post receipt from Wyse Meter.
9/24/2025	Arif Dhanani	Review of email from T. Irshad to J. Sciamanna re backflow test and response from J. Sciamanna that backflow testing is complete; review of email from T. Irshad, including letter from MPAC attached thereto and respond to T. Irshad.
9/24/2025	Tanveel Irshad	Receipt and review of letter from the Town re backflow assembly test; emails with property manager re same; receipt and review of letter from MPAC; emails with A. Dhanani re same; emails with property manager to draft a partial response to MPAC letter; call from interested party re purchasing of property; discuss same with A. Dhanani.
9/25/2025	Arif Dhanani	Review of email forwarded by J. Sciamanna from Plumbtech Plumbing (“Plumbtech”) re confirmation of submission of report in connection with backflow assembly testing; brief review of email from S. Parkin to T. Irshad re response to MPAC; review of email from J. Sciamanna with quote for elevator maintenance and respond to J. Sciamanna.

Date	Professional	Description
9/25/2025	Tanveel Irshad	Receipt and review of email from Plumbtech re confirmation that report was submitted and received by the town; begin response to MPAC letter; review emails re equipment left on property.
9/26/2025	Arif Dhanani	Review of email from J. Barrow to the Town's by-law officer re equipment; review of email from J. Sciamanna to J. Barrow re paving parking lot and response thereto; review of email from J. Sciamanna to Vertechs re access to elevator shaft.
9/29/2025	Arif Dhanani	Reviewing emails between RPM, Vertechs and J. Barrow, email to J. Sciamanna in this regard.
9/30/2025	Arif Dhanani	Review of email from S. Walters to RPM re leasing and response from RPM thereto; reconcile and complete the Receiver's statement of receipts and disbursements to September 30, 2025 for inclusion in the Receiver's First Report.
9/30/2025	Tanveel Irshad	Receipt and review of emails between A. Dhanani and property manager re elevator maintenance; review property manager statement and tie to source invoices; email to property manager to request lease for Unit 304; review lease agreement; continue to prepare response letter to MPAC.
		To all other administrative matters with respect to this engagement, including supervision, all meetings, telephone attendances, and written and verbal correspondence to facilitate the foregoing.

FEE SUMMARY

Professional	Level	Hours	Rate	Fees
Bryan A. Tannenbaum, FCPA, FCA, FCIRP, LIT	Managing Director	0.60	$ 750	$ 450.00
Arif N. Dhanani, CPA, CA, CIRP, LIT	Managing Director	10.40	$ 650	6,760.00
Tanveel Irshad	Associate	6.60	$ 325	2,145.00
Anne Baptiste/Jennifer Hornbostel	Estate Administrator	1.60	$ 195	312.00
Total hours and professional fees		**19.20**		$ 9,667.00
HST @ 13%				1,256.71
Total payable				**$ 10,923.71**

GST/HST: 80784 1440 RT0001

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF ARIF DHANANI SWORN BEFORE ME THIS 1ST DAY OF OCTOBER, 2025

A Commissioner, etc.

Bryan Allan Tannenbaum,
a Commissioner, etc., Province of Ontario,
for TDB Restructuring Limited.
Expires March 6, 2027.

IN THE MATTER OF THE RECEIVERSHIP OF
BLOCK 80, BELLILE HEIGHTS, 61 THOMPSONS RD. W., PENETANGUISHENE, ON
FOR THE PERIOD FROM MAY 1, 2024 to SEPTEMBER 30, 2025

Invoice No.	Billing Period	Total Fees	Disbursements	HST	Total	Hours	Average Hourly Rate
TDB #1	May 1, 2024 to August 31, 2024	$ 32,390.64	$ 65.11	$ 4,219.25	$ 36,675.00	83.30	$ 388.84
TDB #2	September 1, 2024 to September 30, 2024	12,707.50	-	1,651.98	14,359.48	28.40	447.45
TDB #3	October 1, 2024 to October 31, 2024	18,723.50	-	2,434.06	21,157.56	37.40	500.63
TDB #4	November 1, 2024 to November 30, 2024	17,154.50	-	2,230.09	19,384.59	39.10	438.73
TDB #5	December 1, 2024 to December 31, 2024	8,298.50	-	1,078.81	9,377.31	15.90	521.92
TDB #6	January 1, 2025 to January 31, 2025	15,937.00	-	2,071.81	18,008.81	29.10	547.66
TDB #7	February 1, 2025 to February 28, 2025	21,844.00	-	2,839.72	24,683.72	38.10	573.33
TDB #8	March 1, 2025 to March 31, 2025	13,724.50	-	1,784.19	15,508.69	26.10	525.84
TDB #9	April 1, 2025 to April 30, 2025	12,252.00	-	1,592.76	13,844.76	22.60	542.12
TDB #10	May 1, 2025 to May 31, 2025	12,838.50	-	1,669.01	14,507.51	24.60	521.89
TDB #11	June 1, 2025 to June 30, 2025	9,733.00	-	1,265.29	10,998.29	18.00	540.72
TDB #12	July 1, 2025 to July 31, 2025	11,901.00	-	1,547.13	13,448.13	22.60	526.59
TDB #13	August 1, 2025 to August 31, 2025	11,902.50	-	1,547.33	13,449.83	22.40	531.36
TDB #14	September 1, 2025 to September 30, 2025	9,667.00		1,256.71	10,923.71	19.20	503.49
	Total	**$ 209,074.14**	**$ 65.11**	**$ 27,188.10**	**$ 236,327.35**	**426.80**	**$ 489.86**

Motion Record of the Applicant P. 216

APPENDIX J

Court File No.: CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

-and-

BLOCK 80 HOLDINGS INC. and ANDRE SHERMAN

Respondents

AFFIDAVIT OF DOMINIQUE MICHAUD

I, **DOMINIQUE MICHAUD** of the City of Toronto, in the Province of Ontario **MAKE OATH AND SAY**:

1. I am a partner of the law firm of Robins Appleby LLP ("**Robins**"), the lawyers for TDB Restructuring Limited (the "**Receiver**"), as the court-appointed receiver and manager, without security, over the lands and premises described in Appendix "A" attached to the Order of Justice Black dated July 8, 2024 (the "**Real Property**"), owned by Block 80 Holdings Inc. (the "**Debtor**") and, as such, have knowledge of the matters contained in this Affidavit.

2. This affidavit is made in connection with the Receiver's motion for, *inter alia*, the approval of the fees and disbursements of Robins with respect to legal services rendered as independent counsel to the Receiver's in connection with the receivership from October 24, 2024 up to September 30, 2025 (the "**Billing Period**"). Attached as **Exhibit "A"** is a record of the legal services rendered by Robins to the Receiver and disbursements incurred during this period (the

"**Robins Invoice**"). To the best of my knowledge, the Robins Invoice provides a fair and accurate description of the activities undertaken and the services rendered by Robins during this period.

3. Attached as **Exhibit "B"** is a summary of the names, year of call, hourly rates, time expended by the lawyers and other professionals at Robins whose time is reflected in the dockets recorded in Exhibit "A".

4. During the Billing Period, the total fees billed by Robins were $21,203.50 plus disbursements of $355.60 and applicable taxes of $2,778.22 for an aggregate amount of $24,337.32.

5. I have reviewed the Robins Invoices and consider the time expended for legal fees charged to be fair and reasonable for the services performed. To the best of my knowledge, the rates charges by Robins are comparable to the rates charged for legal services of a similar nature and complexity by other medium sized firms in the Toronto market.

SWORN remotely by Dominique Michaud at the City of Toronto, in the Province of Ontario, before me on the 2nd day of October, 2025, in accordance with *O. Reg. 431/20*, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits
(or as may be)

ANISHA SAMAT

DOMINIQUE MICHAUD

THIS IS **EXHIBIT "A"** REFERRED TO IN

THE AFFIDAVIT OF **DOMINIQUE MICHAUD**

SWORN BEFORE ME ON

OCTOBER 2, 2025



Commissioner for Taking Affidavits etc./Notary Public

Anisha Samat

ROBINS APPLEBY
BARRISTERS + SOLICITORS

INVOICE

TDB Restructuring Limited
700-11 King Street West
Toronto, ON M5H 4C7

DATE: October 31, 2024
CLIENT No.: 11491
FILE No.: 2400643
INVOICE No.: 184791
H.S.T. No.: 12139 1205 RT0001

Attention: Bryan A. Tannenbaum

	RE: Receivership - PIN 58405-0667, Block 80, Plan 51M887, Penetanguishene	
	FOR ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including the following:	
24-Oct-24	Review court documents; telephone conference between Receiver and Dominique Michaud regarding status of receivership and requirement for a form of Agreement of Purchase and sale; telephone conference between Dominique Michaud and Ladislav Kovac regarding form of Agreement of Purchase and Sale;	
28-Oct-24	Review form of Agreement of Purchase and Sale; telephone conference between Dominique Michaud and Ladislav Kovac; email to client regarding form of agreement;	
	Prepare Agreement of Purchase and Sale;	
29-Oct-24	Review and provide comments on non-disclosure agreement;	
30-Oct-24	Review letter from CRA regarding HST; email regarding deemed trust claim;	
	OUR FEE	**$3,003.00**
	DISBURSEMENTS	
	** Indicates not subject to H.S.T.*	
	Computer Search - Teraview	*10.50
	Computer Search - Teraview	24.45
	Total Disbursements	**$34.95**
	H.S.T. (13%)	
	on $3,003.00 Fees	390.39
	on $24.45 Disbursements	3.18
	Total H.S.T.	**$393.57**

TOTAL FEES, DISBURSEMENTS and H.S.T.	**$3,431.52**

ROBINS APPLEBY LLP
Per:



Dominique Michaud
E. & O.E.
/WL

Online bill payment is now available through most major banks. Please use the "Client No." located on this invoice as your online bill payment Account No., save "Robins Appleby LLP" as a "Payee" and proceed to "Pay Bills". If you require assistance, please call our office at 416-868-1080 and a member of the Robins Appleby accounting team would be pleased to help.

Account Due When Rendered. In accordance with section 33 of the *Solicitors Act*, interest will be charged at the rate of **3.00%** per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

robapp\9838105.1

ROBINS APPLEBY LLP

INVOICE

TDB Restructuring Limited
700-11 King Street West
Toronto, ON M5H 4C7

DATE: May 31, 2025
CLIENT No.: 11491
FILE No.: 2400643
INVOICE No.: 187575
H.S.T. No.: 12139 1205 RT0001

Attention: Bryan A. Tannenbaum

	RE: Receivership - PIN 58405-0667, Block 80, Plan 51M887, Penetanguishene	
	FOR ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including the following:	
25-Feb-25	Engage file regarding security opinion;	
26-Feb-25	Telephone conference between Ladislav Kovac and Dominique Michaud regarding security opinion;	
07-Mar-25	Engage file regarding security opinion;	
10-Mar-25	Review and revise security opinion;	
29-Apr-25	Review and revise security opinion;	
	Prepare draft security opinion;	
	OUR FEE	**$3,323.50**
	DISBURSEMENTS	
	** Indicates not subject to H.S.T.*	
	Corporate Searches	*8.00
	Computer Search - Teraview	*22.45
	Certificate of Status	*26.00
	Computer Search - Teraview	30.20
	Agency Fees	60.00
	Total Disbursements	**$146.65**
	H.S.T. (13%)	
	on $3,323.50 Fees	432.06
	on $90.20 Disbursements	11.73

ROBINS APPLEBY LLP

Total H.S.T.	**$443.79**
TOTAL FEES, DISBURSEMENTS and H.S.T.	**$3,913.94**

ROBINS APPLEBY LLP
Per:



Dominique Michaud
E. & O.E.
/WL

Online bill payment is now available through most major banks. Please use the "Client No." located on this invoice as your online bill payment Account No., save "Robins Appleby LLP" as a "Payee" and proceed to "Pay Bills". If you require assistance, please call our office at 416-868-1080 and a member of the Robins Appleby accounting team would be pleased to help.

Account Due When Rendered. In accordance with section 33 of the *Solicitors Act*, interest will be charged at the rate of **3.00%** per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

robapp\20094620.1

ROBINS APPLEBY LLP

INVOICE

TDB Restructuring Limited
700-11 King Street West
Toronto, ON M5H 4C7

DATE: September 30, 2025
CLIENT No.: 11491
FILE No.: 2400643
INVOICE No.: 188909
H.S.T. No.: 12139 1205 RT0001

Attention: Bryan A. Tannenbaum

	RE: Receivership - PIN 58405-0667, Block 80, Plan 51M887, Penetanguishene
	FOR ALL PROFESSIONAL SERVICES RENDERED in connection with the above-noted matter, including the following:
24-Jun-25	Email regarding status of security opinion;
26-Jun-25	Review draft security opinion and email regarding same;
30-Jul-25	Email from Arif Dhanani and review of draft Asset Purchase Agreement;
05-Aug-25	Review credit bid documents and email to Arif Dhanani;
06-Aug-25	Emails with Arif Dhanani regarding comments on purchase agreement; review comments on purchase agreement; Review and revise credit bid Agreement of Purchase and Sale;
07-Aug-25	Email regarding form of credit bid Agreement of Purchase and Sale;
11-Aug-25	Obtain tax certificate for 61 Thompson road West, Penetanguishene; Revise purchase agreement; emails with Arif Dhanani; Review emails between Arif Dhanani and Ladislav Kovac;
12-Aug-25	Receive email from Cheryl Moore regarding Authorization;

14-Aug-25	Receipt and review of tax certificate and calculating arrears;
	Various emails regarding form of Asset Purchase Agreement;
	Emails with Arif Dhanani regarding funds for closing and authorization for off-titles;
15-Aug-25	Correspondence to purchaser's solicitor;
19-Aug-25	Review and analyze construction lien priority issue;
	Correspondence with Arif Dhanani with respect to construction lien on title;
20-Aug-25	Receive instructions from Kimberly Lexovsky regarding closing agenda, review Asset Purchase Agreement and draft the agenda;
	Email regarding credit bid; telephone conference between Jeff Larry and Dominique Michaud regarding lien issues; email to Howard Manis from Dominique Michaud regarding lien issue; email to Court from Dominique Michaud regarding sale approval motion;
21-Aug-25	Email correspondence regarding validity of construction lien;
22-Aug-25	Email regarding credit bid motion and lien validity option;
25-Aug-25	Email regarding sale approval motion;
	Correspondence from creditors regarding motion;
02-Sep-25	Email regarding credit bid;
04-Sep-25	Email with Arif Dhanani regarding deposit funds;
09-Sep-25	Email regarding sale approval motion;
12-Sep-25	Review draft report of Receiver; review file history and commence legal research for opinion regarding lien priorities;

15-Sep-25	Engage file regarding construction lien analysis; email to Howard Manis from Dominique Michaud regarding lien claimant position; Commence drafting security opinion;	
16-Sep-25	Continue drafting security opinion;	
17-Sep-25	Review and revise Receiver's report; review and revise lien claim opinion; Finalize legal opinion regarding construction lien; correspondence with TDB regarding same; correspondence between Dominique Michaud and Anisha Samat regarding same; instructions to Rachel Cheung regarding same;	
18-Sep-25	Further instructions to Rachel Cheung from Anisha Samat regarding lien opinion; correspondence with TDB regarding same; Revise and finalize Security Opinion; emails between Rachel Cheung and Anisha Samat;	
23-Sep-25	Review and revise draft report; email report to client regarding fee affidavit and motion materials;	
29-Sep-25	Commence drafting motion materials for sale approval and discharge motion (Notice of Motion and Draft Orders); detailed review of initial Application Record, Receiver's report and Agreement of Purchase and Sale;	
	OUR FEE	**$14,877.00**
	DISBURSEMENTS ** Indicates not subject to H.S.T.* Real Estate Certificates Computer Search - Teraview Computer Search - Teraview **Total Disbursements**	 *100.00 *21.30 52.70 **$174.00**
	H.S.T. (13%) on $14,877.00 Fees on $52.70 Disbursements **Total H.S.T.**	 1,934.01 6.85 **$1,940.86**
	TOTAL FEES, DISBURSEMENTS and H.S.T.	**$16,991.86**

ROBINS APPLEBY LLP

ROBINS APPLEBY LLP
Per:

Dominique Michaud
E. & O.E.
/WL

Online bill payment is now available through most major banks. Please use the "Client No." located on this invoice as your online bill payment Account No., save "Robins Appleby LLP" as a "Payee" and proceed to "Pay Bills". If you require assistance, please call our office at 416-868-1080 and a member of the Robins Appleby accounting team would be pleased to help.

Account Due When Rendered. In accordance with section 33 of the *Solicitors Act*, interest will be charged at the rate of **3.00%** per annum on unpaid fees, charges or disbursements calculated from a date that is one month after this statement is delivered.

robapp\20313468.1

THIS IS **EXHIBIT "B"** REFERRED TO IN

THE AFFIDAVIT OF **DOMINIQUE MICHAUD**

SWORN BEFORE ME ON

OCTOBER 2, 2025



Commissioner for Taking Affidavits etc./Notary Public

Anisha Samat

Fees and Disbursement Summary of Robins Appleby LLP for the period from October 24, 2024 up to September 30, 2025

NAME	YEAR OF CALL	HOURLY RATE	TOTAL HOURS	TOTAL FEES BILLS
Dominique Michaud	2009	$740 (2024) $775 (2025)	2.2 10.3	$1,628.00 $7,982.50
Ladislav Kovac	2014	$625 (2024) $670 (2025)	2.2 6.0	$1,375.00 $4,020.00
Anisha Samat	2021	$400 (2025)	13.4	$5,360.00
Kimberly Lexovsky	Law Clerk	$400 (2025)	1.3	$520.00
Rachel Cheung	Law Clerk	$275 (2025)	0.4	$110.00
Sonia Shahedi	Law Clerk	$130 (2025)	1.6	$208.00
			SUBTOTAL FEES:	$21,203.50
			H.S.T. @13%	$2,756.46
			TOTAL FEES:	**$23,959.96**

Disbursements	$355.60
H.S.T. @13% on Taxable Disbursements	$21.76
TOTAL DISBURSEMENTS:	**$377.36**
TOTAL FEES, DISBURSEMENTS & H.ST.	**$24,337.32**

FIRST SOURCE FINANCIAL MANAGEMENT INC.	- and-	**BLOCK 80 HOLDINGS INC. and ANDRE SHERMAN**
Applicant		*Respondents*

Court File No.: CV-24-00720929-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE

PROCEEDING COMMENCED AT

TORONTO

AFFIDAVIT OF DOMINIQUE MICHAUD

ROBINS APPLEBY LLP
Barristers + Solicitors
2600 - 120 Adelaide Street West
Toronto, ON M5H 1T1

Dominique Michaud LSO No.: 56871V
Email: dmichaud@robapp.com
Tel: (416) 360-3795

Anisha Samat LSO No.: 82342Q
Email: asamat@robapp.com
Tel: (416) 360-1901

Lawyers for the Court-Appointed Receiver, TDB Restructuring Limited

TAB 4

DocuSign Envelope ID: 40FD36D2-3AE8-493A-9FD7-560D15AD98F2

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Applicant

- and -

BLOCK 80 HOLDINGS INC. and **ANDRE SHERMAN**

Respondents

APPLICATION UNDER section 243(1) of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3, and section 101 of the *Courts of Justice Act,* R.S.O. 1990, c. C.43

AFFIDAVIT OF KUNJ PATEL

I, Kunj Patel, of the City of Pickering in the Province of Ontario, SOLEMNLY AFFIRM AS FOLLOWS:

1. I am the Assistant Vice President, Commercial Underwriting, of First Source Financial Management Inc. (the "**Lender**"). As such, I have personal knowledge of the matters set out in this affidavit. Where I do not have personal knowledge, I state the source of my information and I believe it to be true.

A. The Parties

1. The Lender is an Ontario corporation in the business of providing mortgage financing and other loans.

2. I understand that Block 80 Holdings Inc. (the "**Borrower**") is an Ontario corporation in the business of real estate development.

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3. Andre Sherman (the **"Guarantor"**) is an individual resident in Ontario and is an officer, director, and shareholder of the Borrower.

B. The Property

4. The Borrower owns the real property municipally known as Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario and having the legal description: PIN 58405-0667, Block 80, Plan 51M887, Penetanguishene (the "**Property**").

5. I attach copies of the parcel registers for the Property, dated May 28, 2024, to my affidavit as **Exhibit A**.

6. The Property is the site of a residential apartment building with 18 units (the "**Building**").

C. The Loan

7. On April 6, 2021, the Lender completed a mortgage loan transaction (the "**Loan**") with the Borrower in accordance with a Letter of Commitment dated November 30, 2020 (the "**Commitment Letter**") issued by First Source Mortgage Corporation (an affiliate of the Lender). The Commitment Letter was subsequently assigned to the Lender. I attach a copy of the Commitment Letter as **Exhibit B**.

8. At the time of the Commitment Letter, I understand that the Building was not yet complete, and the purpose of the Loan was to fund its construction.

9. The Loan initially contemplated a facility in the amount of the lesser of $3,285,000 or 65.70% of the appraised value of the Property (as if the Building were complete)

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advanced across a number of progress draws. The Lender ultimately advanced $3,285,000 to the Borrower under the Commitment Letter.

10. Under the Commitment Letter, the annual interest rate for the Loan was:

(a) During the first 12 months after the interest adjustment date (being January 1, 2023):

(i) on advanced funds, the higher of 9.25% or CIBC Prime + 5.80%;

(ii) on unadvanced funds, the higher of 6.95% or CIBC Prime + 3.50%; and

(b) During the final 7 days of the Loan's term, and thereafter, the higher of 18.00% or CIBC Prime + 15.55%.

11. The Commitment Letter contemplated monthly interest-only payments and a repayment of the Loan on maturity, being May 8, 2022. On maturity, the Lender was also entitled to enter into an agreement with the Borrower to extend the maturity date, increase the interest rate or amend any of the Charge (as defined below) registered on title to the Property in favour of the Lender.

12. The Borrower's obligations under the Loan are guaranteed by the Guarantor, by way of a guarantee and postponement of claim executed on March 30, 2021 (the "**Guarantee**"). I attach a copy of the Guarantee to my affidavit as **Exhibit C**.

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D. Security for the Loan

13. The Loan was secured by a first mortgage (the "**Mortgage**") registered on April 6, 2021 against the Property as Instrument No. SC1768805 (the "**Charge**") in favour of the Lender. On January 23, 2023, the Charge was amended with the consent of the Borrower to increase the amount secured to $5,310,000. I attach a copy of the Charge to my affidavit as **Exhibit D**.

14. The terms of the Charge expressly provide (beginning on page 13) that the Lender has the right to appoint a receiver in the event of a default by the Borrower.

15. There is a second mortgage registered on the Property in favour of 2070409 Ontario Inc. (the "**Second Mortgage**" and the "**Second Mortgagee**"). I attach a copy of the Second Mortgage to my affidavit as **Exhibit E.**

16. As further security, the Borrower granted to the Lender a General Security Agreement by which the Borrower granted security to the Lender over its personal property (the **"GSA"**) and an assignment of rents in respect of the Property. I attach a copy of the GSA to my affidavit as **Exhibit F**.

17. The Lender registered a financing statement in respect of the GSA under the *Personal Property Security Act* (Ontario) on or around April 1, 2021.

18. Like the Charge's terms, the GSA expressly provides that the Lender can appoint a receiver in respect of the Borrower if the Loan is in default.

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19. The Lender's lawyer conducted a search of the Personal Property Security Registration system in Ontario against the Borrower and a copy of the search, dated April 18, 2024, is attached as **Exhibit G**.

20. The search against the Borrower indicates that there are no other *PPSA* registrations in respect of the Borrower other than that of the Lender.

21. The Lender's lawyer also conducted an execution search against the Borrower in all 49 Ontario enforcement offices. The search indicated that there are no executions registered against the Borrower as of April 18, 2024. A copy of this search is attached as **Exhibit H**.

E. Loan Amendments

22. Between March 8, 2022, and September 27, 2023, the Lender, Borrower and the Guarantor executed five increase and amendment agreements in respect of the Loan.

23. I attach copies of these increase and amendment agreements to my affidavit as **Exhibit I**.

24. The most recent of which, dated September 27, 2023 (the "**Fifth Amending Agreement**"), provided, among other things, that:

(a) The principal sum of the Loan shall be increased to the lesser of $4,700,000 or 67.15% of the appraised value of the Property (as if the Building were complete);

(b) The Maturity Date shall be extended to November 8, 2023; and

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(c) Commencing on September 1, 2023, the annual interest rate shall be the greater of 9.75% or CIBC Prime + 7.05% for amounts advanced and the greater of 6.95% or CIBC Prime + 4.25% for amounts unadvanced. For the final 7 days of the term, and thereafter, the annual interest rate shall be the greater of 18.00% or CIBC Prime + 15.55%.

25. The Lender and Borrower also agreed to two amendments to the Charge, dated April 4, 2022 and January 23, 2023, respectively (the "**Charge Amendments**"). Both of the Charge Amendments were registered on title prior to the Second Mortgage.

26. I attach copies of the Charge Amendments to my affidavit as **Exhibit J**.

27. The effect of the Charge Amendments was to, among other things, increase the Charge's principal amount to $5,310,000.

F. Forbearance Agreements

28. In or around October 2023, the Borrower advised the Lender that it would not be able to repay the Loan in full by November 8, 2023, as the Borrower agreed to do under the Fifth Amending Agreement.

29. Accordingly, on November 1, 2023, January 27, 2024 and March 1, 2024, the Lender, the Borrower and the Guarantor executed three forbearance agreements (the "**Forbearance Agreements**") to provide the Borrower with opportunities to repay the Loan. I attach the Forbearance Agreements to my affidavit as **Exhibit K**.

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30. As part of the forbearance agreement dated November 1, 2023 (the "**First Forbearance Agreement**"), the Borrower and the Guarantor executed consents to:

(a) Judgment as against the Borrower and the Guarantor in the amount of $5,500,000 plus applicable interest (the "**Consent Judgment**"); and

(b) The appointment of a receiver in respect of all the assets, undertakings and properties of the Borrower (the "**Consent to Receiver**" and, together with the Consent Judgment, the "**Consents**").

31. The Borrower and the Guarantor agreed that the Lender could rely on the Consents in the event of default under the First Forbearance Agreement by the Borrower.

32. The First Forbearance Agreement also further increased the principal amount under the Loan by $400,000 (all of which was advanced to the Borrower by the Lender) and made certain amendments to the Loan's interest rate.

33. Ultimately, the Lender advanced $5,100,000 to the Borrower under the Loan.

34. Under the most recent forbearance agreement, dated March 1, 2024 (the "**Third Forbearance Agreement**"), the Lender agreed to forbear from enforcement of the Loan until April 8, 2024 (or an event of default under Third Forbearance Agreement) and the Borrower agreed to repay the Loan by April 8, 2024.

35. The Borrower failed to repay the Loan in full by April 8, 2024 or since and thereby defaulted on the Loan and each of the Forbearance Agreements. Accordingly, the Lender is entitled to rely upon the Consents.

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36. Under all the Forbearance Agreements, the Borrower and the Guarantor acknowledged their indebtedness under the Loan.

37. Pursuant to the Third Forbearance Agreement, as of April 1, 2024, the Loan's annual interest rate is the greater of 18.00% or CIBC Prime + 15.30%.

38. As of May 21, 2024, the total amount outstanding under the Loan, inclusive of interest, fees and costs is $6,002,774.66 (the "**Indebtedness**"). I attach a copy of a mortgage discharge statement in respect of the Loan to my affidavit as **Exhibit L**.

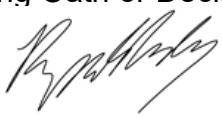
G. Need for a Receiver

39. A receiver is urgently required to assist the Borrower in realizing upon its security in the Property. Both the Borrower and the Guarantor specifically agreed to the appointment of a receiver in respect of the Borrower, in the form of the Consent to Receiver, upon default by the Borrower under the First Forbearance Agreement.

40. The Property currently has several residential tenants and, in addition to the lender, the Second Mortgagee has an encumbrance registered on title to the Property. Further, I understand that a number of trades have claims against the Borrower in respect of work completed on the Property. The appointment of a receiver will ensure that enforcement against the Property occurs in an orderly manner for the benefit of all the Borrower's stakeholders.

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AFFIRMED remotely by Kunj Patel at the City of Pickering in the Province of Ontario, before me at the City of Toronto, in the Province of Ontario, on this 7th day of June, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



DocuSigned by:
Kunj Patel
3C697F8CE66B410...

Commissioner for Taking Affidavits
Ryan Shah (LSO# 88250C)

Kunj Patel

This is **Exhibit "A"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

DocuSign Envelope ID: 40FD36D2-3AE8-493A-9FD7-560D15AD98F2

Ontario ServiceOntario

PARCEL REGISTER (ABBREVIATED) FOR PROPERTY IDENTIFIER

LAND REGISTRY OFFICE #51

58405-0667 (LT)

PREPARED FOR RS ON 2024/05/28 AT 11:47:44

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

PROPERTY DESCRIPTION: BLOCK 80, PLAN 51M887, PENETANGUISHENE.

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
ABSOLUTE

RECENTLY:
SUBDIVISION FROM 58405-0586

PIN CREATION DATE:
2007/11/14

OWNERS' NAMES
BLOCK 80 HOLDINGS INC.

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/11/14 **						
SC543793	2007/05/15	CHARGE		*** DELETED AGAINST THIS PROPERTY *** SHERCO PROPERTIES INC.	BANK OF MONTREAL	
SC595670	2007/10/25	NO SUB AGREEMENT		THE CORPORATION OF THE TOWN OF PENETANGUISHENE	SHERCO PROPERTIES INC.	C
SC595671	2007/10/25	POSTPONEMENT		*** DELETED AGAINST THIS PROPERTY *** BANK OF MONTREAL	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	
	REMARKS: SC543793 TO SC595670					
51M887	2007/10/25	PLAN SUBDIVISION				C
SC1005969	2012/08/22	TRANSFER	$380,000	SHERCO PROPERTIES INC.	BLOCK 80 HOLDINGS INC.	C
	REMARKS: PLANNING ACT STATEMENTS					
SC1005970	2012/08/22	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	BONELLO HOLDINGS LIMITED	
SC1005972	2012/08/22	DISCH OF CHARGE		*** COMPLETELY DELETED *** BANK OF MONTREAL		
	REMARKS: SC543793.					
SC1097307	2013/11/05	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	DEERFIELD DEVELOPMENTS INC.	
SC1097308	2013/11/05	DISCH OF CHARGE		*** COMPLETELY DELETED *** BONELLO HOLDINGS LIMITED		
	REMARKS: SC1005970.					
SC1182931	2014/12/17	TRANSFER OF CHARGE		*** COMPLETELY DELETED *** DEERFIELD DEVELOPMENTS INC.	INTERGALACTIC LENDERS LIMITED	
	REMARKS: SC1097307.					

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.

Motion Record of the Applicant P. 245

DocuSign Envelope ID: 40FD36D2-3AE8-493A-9FD7-560D15AD98F2

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
SC1406851	2017/05/03	DISCH OF CHARGE		*** COMPLETELY DELETED *** INTERGALACTIC LENDERS LIMITED		
	REMARKS: SC1097307.					
SC1670483	2020/03/26	CHARGE		*** COMPLETELY DELETED *** BLOCK 80 HOLDINGS INC.	DEERFIELD DEVELOPMENTS INC.	
SC1768805	2021/04/06	CHARGE	$3,942,000	BLOCK 80 HOLDINGS INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
SC1768806	2021/04/06	NO ASSGN RENT GEN		BLOCK 80 HOLDINGS INC.	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
	REMARKS: SC1768805					
SC1769031	2021/04/06	DISCH OF CHARGE		*** COMPLETELY DELETED *** DEERFIELD DEVELOPMENTS INC.		
	REMARKS: SC1670483.					
SC1770202	2021/04/09	NOTICE	$2	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	BLOCK 80 HOLDINGS INC.	C
SC1770203	2021/04/09	POSTPONEMENT		FIRST SOURCE FINANCIAL MANAGEMENT INC.	THE CORPORATION OF THE TOWN OF PENETANGUISHENE	C
	REMARKS: SC1768805 TO SC1770202					
SC1883937	2022/04/04	NOTICE	$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	BLOCK 80 HOLDINGS INC.	C
	REMARKS: SC1768805					
SC1958918	2023/01/23	NOTICE	$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	BLOCK 80 HOLDINGS INC.	C
	REMARKS: SC1768805					
SC1962558	2023/02/10	CONSTRUCTION LIEN		*** COMPLETELY DELETED *** FINE AIR MECHANICAL LTD.		
SC1967356	2023/03/14	APL DEL CONST LIEN		*** COMPLETELY DELETED *** FINE AIR MECHANICAL LTD.		
	REMARKS: SC1962558.					
SC1971266	2023/04/03	CHARGE	$500,000	BLOCK 80 HOLDINGS INC.	2070409 ONTARIO INC.	C
SC1971267	2023/04/03	NO ASSGN RENT GEN		BLOCK 80 HOLDINGS INC.	2070409 ONTARIO INC.	C
	REMARKS: SC1971266 RENTS					

Motion Record of the Applicant P. 246

This is **Exhibit "B"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

DocuSign Envelope ID: 40FD36D2-3AE8-493A-9FD7-560D15AD98F2

FIRST SOURCE
MORTGAGE CORPORATION

November 30, 2020

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

c/o:

Anders Holteng

By email only: anders.holteng@gmail.com

Re: First Mortgage Construction Financing – The subject site is located at the municipal addresses Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario. The site comprises a total area of approximately 1.58 acres, irregular in shape with 281.89 Foot of frontage on Thompsons Road in Penetanguishene. The subject site is zoned and approved to allow for a multiple-residential building containing 40 suites. The Phase 1 proposed development will consist of a 3 storey + 1 elevated basement, multiple unit residential building with 18 suites allowing for 15,000 square feet of above ground rental apartment space and 5,000 square feet of finished basement rental apartment space. The zoning amendment is complete and the site has been granted site plan approval for Phase 1 (18 units) to be built. (Collectively the "Property").

Dear Sir:

FIRST SOURCE MORTGAGE CORPORATION and its syndicate partner ("**First Source**", First Source Financial Management Inc. or the "**Lender(s)**"), licensed under the *Mortgage Brokerages, Lenders and Administrators Act, 2006*, is pleased to advise you, **Block 80 Holdings Inc.** (Collectively the "**Borrower**"), that the Borrower's recent application for a loan to be secured by a first mortgage has been approved subject to the following terms and conditions:

DocuSign Envelope ID: 40FD36D2-3AE8-493A-9FD7-560D15AD98F2

MORTGAGE DETAILS

ARTICLE 1.00

1.01 Loan Amount: The lesser of: (i) $3,285,000 or (ii) 65.70% of the satisfactory Appraised "As-Complete" Value for the subject Property. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender (the "Loan" or "Loan Facility").

The initial advance shall be the lesser of: (i) $650,000 or (ii) 65.00% of the satisfactory Appraised "As-Is" Value for the subject Property. The initial advance shall be inclusive of ~~interest reserve and~~ all fees.

All subsequent advances which follow shall not be more than every 30 days and in amounts of not less than $250,000, all subject to required holdbacks, against a work in place based on a "cost to complete basis" from a budget prepared by the Borrower and approved by the Lender and its Quantity Surveyor (the "QS").

The Funds are to be advanced against a work in place on a cost to complete basis against monthly draw requests subject to satisfaction of the Conditions Precedent and supported by a recent Project Monitors Report. Each advance shall not be more than every 30 days and in amounts of not less than $100,000, all subject to required holdbacks, based on a "cost to complete basis" from a budget prepared by the Borrower and approved by the Lender and its Quantity Surveyor (the "QS"). Sub search costs plus disbursements, shall be applicable in addition and a $500 administration charge will be deducted from each advance. The initial advance shall be made on a date mutually agreed upon by First Source Mortgage Corporation or 5 business days after the Lender confirms the conditions for the Advance have been satisfied or waived (the "First Advance Date") but not later than January 25th, 2020.

1.02 Interest Rate: The higher of (i) 9.25% or (ii) CIBC Prime + 5.80% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 3.50% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after the interest adjustment date.

The higher of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. After 12 months and 7 days from the interest adjustment date, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides

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the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

1.03 **Term: 12 months** plus 7 days from the Interest Adjustment Date PROVIDED, that, notwithstanding anything herein before provided, upon the Maturity Date of the Charge, the Chargee shall be entitled to enter into an agreement with the Chargor to extend the Maturity Date, increase the interest rate or amend any of the other terms of this Charge without the requirement to obtain the postponement of any subsequent encumbrancer to such amendments and any subsequent encumbrancers shall take title to their security subject to this provision and be subordinated to such amendments.

1.04 **Amortization**: Nil.

1.05 **Guarantor:** 100% Personal Guarantees from Andre Sherman and any other entities having a beneficial interest in the Property on a joint and several basis (Collectively the "Guarantors"). Guarantees are to be satisfactory to the Lender at its sole and absolute discretion.

1.06 **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from the interest reserve.

1.07 **Interest Adjustment Date:** The 1st day of the month following the first advance.

1.08 **Closing Date:** The initial advance shall be not later than January 25th, 2020. If the date of the advance is more than 10 business days past the aforesaid date, this commitment will be at our option, null and void. In the event First Source agrees to an extension of more than 10 business days beyond the date specified, the new rate and any costs attributable thereto, will be subject to the then current market terms and conditions as at that date.

1.09 **Prepayment Privileges:** Closed for 6 months, and then open on any payment date with 30 days prior written notice and the payment of one month's interest as a bonus or with 60 days' notice and no bonus.

1.10 **Purpose:** To provide construction financing for the proposed Phase 1 development of a multi-residential 18-unit apartment building, provide a full term of interest reserve, and provide funds for closing and arranging costs.

1.11 **Security**:

1) Promissory Note from the Borrower.

2) First charge on the subject Property in favour of First Source Financial Management Inc. registered at 1.20x the total loan amount.

3) First General Security Agreement ("GSA") against all personal property of the Borrower.

4) Joint and several guarantee and postponement of claims for the full amount of the Loan from all guarantors and any other entities having a beneficial interest in the Property (the "Guarantors")

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5) First Assignment of all plans, approvals and development information as it relates to the development and construction of the Property throughout the term of the Loan with full copies to be provided to the Lender prior to funding.

6) First Assignment of all rents, leases, existing, expected or received throughout the term of the Loan for the Property, if applicable

7) First Assignment of Insurance for the Property

8) Subordination and Postponement of Claim from shareholders of the Borrower.

9) Environmental Indemnity Agreement.

10) First Mortgage Instrument to include a covenant of no subsequent financing without written consent of the Lender, which may be unreasonably withheld.

11) Cost Overrun and Development and Construction Completion Guarantee and Undertaking signed jointly and severally by the Borrower and Guarantors, agreeing to fund any cost overruns, margin and/or cash flow shortfalls and interest carrying cost in excess of any item not included or in excess of forecasted expenditures from their own resources and to undertake to complete the project.

12) The Borrower and Guarantor shall execute a Negative Pledge with respect to Shareholder Loans, Shares, Dividends, interest, fees, charges, expenses or other amounts accruing or owed on loans owing by the Borrower or Guarantor or otherwise compensate or pay any amounts, or permit to be compensated or paid any amounts, to any of the undersigned, the directors, officers, shareholders or employees of the undersigned or any other sponsors of the Property in each case until such time as the Loan has been repaid in full.

13) Such other reasonable legal security as requested by the Lender and/or its legal counsel.

LENDER FEES

ARTICLE 2.00

2.01 Lender Fee: In consideration of First Source obtaining this Commitment, the Borrower hereby agrees to pay a fee (the "**Lender Fee**") in the amount of **2.50%** of the Loan Amount;

a) $25,000 by cheque upon acceptance of this Commitment (the "**First Deposit**"). The entire First Deposit shall be applied in satisfaction of the Lender Fee or all of the First Deposit shall be forfeited if the Mortgage Amount is not advanced by the Lender due to any cause whatsoever save and except default of the Lender.

Note that the Lender charges certain disbursement costs and administration costs which may total as much as $1,500 which are non-refundable once a commitment is signed and is typically deducted from the closing proceeds of the Loan or from any commitment deposit.

b) The balance of the Lender Fee shall be payable from the closing proceeds on the closing date. The Lender Fee is deemed earned upon acceptance and execution of this Commitment. The Lender shall have an interest in the Property for the Lender Fee and if not paid, and if litigation proceedings are commenced, the Lender shall be entitled to a Certificate of Pending Litigation against the Property. The Borrower

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acknowledges that the Lender Fee is a reasonable estimate of the Lender's costs incurred in sourcing, investigating and underwriting and preparing the Loan.

c) In addition to the Lender Fee, the Borrower acknowledges that a fee (the "Consulting Fee") shall be payable to **Anders A. Holteng of 2.00%** of the Loan amount which shall be deducted from the closing proceeds and paid upon closing. Any additional fees payable to any other entity shall be for the account of the Borrower.

SOURCE AND USE OF FUNDS

Source of Funds			Use of Funds		
FSMC Loan	$	3,285,000	Construction Financing	$	2,808,313
			Full Term of Interest Reserve	$	303,863
			Closing and Arranging Fees	$	172,825
Total	$	3,285,000	Total	$	3,285,000

*Any shortfall in required funds to complete construction is to be funded by the Borrower per the Cost Overrun and Development and Construction Completion Guarantee and Undertaking

CONDITIONS OF THIS COMMITMENT

ARTICLE 3.00

3.01 Lender Conditions: This Commitment is conditional for the benefit of the Lender upon the Borrower providing First Source with satisfactory evidence of the following prior to the advance:

a) **Appraisal:** Review and approval by the Lender of an appraisal, by the Lender's approved appraiser, addressed to the Lender and its lender clients, or if acceptable to the Lender, a Reliance Letter provided by the appraiser confirming the "As-Complete" Value at not less than **$5,000,000** for the subject Property. The Appraisal is for the account of the Borrower.

b) **Environmental:** Review and approval by the Lender of an Environmental Indemnity Agreement, a current satisfactory Phase I Environmental Report, and if required by the Lender's Environmental Consultant a Phase II Environmental Site Assessment Report. Confirmation of Record of Site Condition is also required (if applicable). All Environmental reports are to be addressed to the Lender and its lender clients, or a Reliance Letter to be provided, by a Lender approved environmental firm.

c) **Credit Rating:** Review of the Borrower's financial position including without limiting the generality of the foregoing, recent financial statements, credit bureau reports, notices of assessment, statements of Net Worth. The Borrower and Guarantor hereby consent to credit inquiries and to any disclosure of personal or credit information to any other credit grantors or to any consumer reporting agency.

d) **Inspection and Meeting with Principals:** First Source being satisfied with its inspection of the Property and its meeting with the principals of the Borrower. The Borrower hereby agrees to provide access to the Property for initial inspection and any subsequent inspection and at least one of the principals will make him/herself available to meet at the Property.

e) **First Source Forms:** The Borrower delivering completed and signed Mortgage Application, Net Worth Statement and Background Check Consent Form on such forms as reasonably required by First Source. If an asset is listed in a Net Worth Statement as being that of the Guarantor and is in fact the property of the Guarantor's spouse, then the guarantee of such spouse shall be required.

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f) **Details of Ownership:** The Borrower delivering details of ownership and (corporate) structure including all beneficial owners and shareholders (as applicable)

g) **Financial Statements:** Most recent Financial Statements for the borrowing entities. If the borrowing entities hold other real estate other than the subject properties a separate income and expense statement for the properties shall be provided in addition to the financial statements.

h) **Proforma Rent Roll and Operating Statement:** Receipt and satisfactory review by the Lender of the proforma rent roll and complete operating statements (including line by line breakdown of all revenues and expenses), at the sole and absolute discretion of the Lender.

i) **Geotechnical Report:** Receipt and satisfactory review of a geotechnical soil report(s) and reliance letter(s) addressed to the Lender.

j) **Project Drawings:** Receipt and satisfactory review of engineering drawings and architectural drawings

k) **Building Permits:** Receipt and satisfactory review of building permits including evidence of satisfactory to the Lender, acting reasonably, that any additional required building permits will be issued in time to meet the Project schedule.

l) **Third Party Contracts:** Receipt and review of all third-party contracts, if applicable.

m) **Construction and Project Management Contract Review:** Review and approval of construction contracts and project management agreement, if applicable, and satisfactory construction schedule

n) **Project Completion Schedule:** Satisfactory review and approval of the project completion schedule by the Lender and its Quantity Surveyor / Project Monitor, acting reasonably.

a) **Budget:** Satisfactory development and construction budget to be approved by the lender (the "Budget") and its Quantity Surveyor / Project Monitor where interest is to be included as a line item satisfactory to Lender and is to be verified. This verification will require full disclosure of all non-arms-length and related parties' fees, commissions, overhead reimbursements and other payments. This budget is to include an acceptable contingency reserve.

b) **3rd Party Cost Consultant:** The Lender shall engage, at the Borrower's expense, the services of a 3rd party cost consultant to vet the reasonableness of the costs of the budget for the development (inclusive of Servicing Infrastructure and Cash in Lieu for Parkland Dedication). All budgeted costs are to be a vetted by a 3rd party cost consultant to the sole and absolute satisfaction of the Lender.

c) **Minimum Fixed Price Contracts:** A minimum of 70% of the Project hard costs are to be covered by executed fixed price contracts. All contracts will be reviewed and approved by the Lender and Project Monitor.

d) **Progress Advances:** A progress advance report from the Project Monitor which details costs in place and costs to complete with reference to the Lender-approved Project Budget, accompanied by the required Project Monitor certificates, statutory declarations, etc.

e) **Clear Title Confirmation:** Lender's legal counsel confirming clear title prior to each advance.

f) **Liens:** The Property is to be free and clear of any liens.

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g) **Insurance Review:** The Lender shall engage, at the Borrower's expense, the services of a 3rd party Insurance Consultant to conduct a review of the Insurance Policy for the subject Property to ensure sufficient coverage is provided for the proposed financing.

h) **Purchase and Sale Agreement:** Receipt and satisfactory review of the original Purchase and Sale Agreement(s) and all amendments thereto as related to the Property

i) **Discharge Statement(s):** Receipt and satisfactory review of the Discharge Statement(s) of existing encumbrances related to the Property. Existing encumbrances are to be in good standing.

j) **Other Documents:** Any other documentation realized or required during the due diligence process of underwriting the loan.

Re: Progress Draws:

k) **Liens:** The Property is to be free and clear of any liens;

l) **No-Default Confirmation:** Confirmation that the Loan has never been in default.

m) **Title Search:** The Lender's legal counsel confirming clear title prior to each advance.

n) **Progress Advance:** A progress advance from the Project Monitor which details costs in place and costs to complete with reference to the Lender-approved Project Budget, accompanied by the required Project Monitor certificates, statutory declarations, etc.

CONDITIONS OF FUNDING

ARTICLE 4.00

The Lender shall not be obligated to make any loan advances unless the following requirements have been met to the Lender's satisfaction:

4.01 **Security in Place:** All security being in place in form and content satisfactory to the Lender, the Borrower and its solicitors acting reasonably;

4.02 **Execution of Documents:** The Borrower and Guarantor, if any, executing all documents necessary to give effect to the Mortgage and further including but not limited to the mortgage agreement, which shall contain *inter alia* the provisions, set out in Schedule "A".

4.03 **Title:** The Lender being satisfied with the title to the properties and obtaining at the Borrower's expense a satisfactory Title Insurance Policy for the Mortgage.

4.04 **Work Orders etc.:** The Lender obtaining satisfactory evidence that there are no outstanding work orders or notices of violations from any governmental departments affecting the Property. The Buildings can be demolished upon application for a Demolition Permit.

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4.05 **Fire:** If required, the Borrower providing the Lender with satisfactory evidence that the Property has no infractions outstanding on file under the appropriate Fire Code.

4.06 **Costs Borne by the Borrower:** The Borrower paying for all costs incurred by either the Borrower or the Lender including legal, appraisal, insurance consulting as well as other costs that arise in relation to the Loan.

4.07 **Fire Insurance:** Receipt by the Lender of evidence that proper and adequate insurance is in place, which insurance shall include but not be limited to coverage for less than the full 100% "Replacement Cost" thereof, against the perils of "All Risk". The Borrower's risk advisor to review and ensure policy complies.

Effect and maintain public liability insurance to such amounts of not less than $5,000,000 on a per-occurrence basis. The Insurer or Insurers shall sign each policy of insurance and the policy shall contain a clause at least equivalent to IBC 3000 showing loss payable the mortgagees as their interest may appear in the first instance.

Each policy of insurance shall show loss payable to the mortgagees as their interest may appear. All insurance policies shall be in form and scope satisfactory to First Source and its solicitors and the premiums on it shall be paid for a period of not less than six months. A third party consultant shall review and approve the policies to their sole satisfaction at the Borrower's cost.

4.08 **Borrower's Representations:** If, at any time before the advance, there is or has been any material discrepancy or inaccuracy in any written information, statements or representations at any time made or furnished to the Lender by or on behalf of the Borrower/Guarantor, concerning the Borrower's or the Guarantor's financial condition and responsibility, the Lender shall, if such material discrepancy or inaccuracy cannot be rectified or nullified by the Borrower/Guarantor within thirty (30) days of written notification thereof to the Borrower/Guarantors from the Lender, be entitled forthwith to withdraw and cancel its obligations hereunder or decline to advance further funds as the case may be, and to declare any monies theretofore advanced, with interest to be forthwith due and payable.

4.09 **Material Change:** It is a condition for disbursement of funds that in the Lender's opinion the financial position of the Borrower and/or the Guarantor, and any of the properties given as security, and the Borrower's representations and warranties, shall not have suffered any adverse change; nor shall there be any action, suits, or pending proceedings of which the Borrower has knowledge except as otherwise disclosed to the Lender; and that no event shall have occurred, which materially and adversely affects the whole or part of the value of the properties or the financial position of the Guarantor. No change in the shareholding of the Borrower or Guarantor without the consent of the Lender, such consent not to be unreasonably withheld.

4.10 **Non-Merger:** The Borrower's obligations contained in this Commitment shall survive the execution and registration of the Mortgage and any other security documentation and all advances of funds under the Mortgage, and the Borrower agrees that those obligations shall not merge in the execution and registration of the Mortgage and other security. All terms and conditions of our Mortgage and other security documentation shall form part of this Commitment.

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4.11 **Waiver:** The Lender's failure to insist upon strict performance of any obligation or covenant of this Commitment by the Borrower or to exercise any option or right herein shall not be a waiver for the future of such obligations or covenant, but the same shall remain in effect and the Lender shall have the right to insist upon strict performance by the Borrower of any and all of the terms of this Commitment and the Mortgage documentation.

4.12 **Lender's Solicitor:** The Lender being satisfied with the Lender's Solicitor's opinion on title, security and the validity, legality and binding effect of all aspects of this Mortgage transaction. The Borrower agrees that the Lender's solicitors shall prepare all mortgage and other documents related to this Mortgage for review and approval by the Borrower, such approval not to be unreasonably withheld. The Borrower shall have the choice of one of the two solicitors selected by the Lender.

4.13 **Taxes:** The Borrower prior to the advance or on the date of advance shall pay all taxes due and payable.

4.14 **Not a Joint Venture:** The Borrower and Lender acknowledge and agree that they are not entering into a joint venture or partnership agreement by virtue of this Loan transaction.

4.15 **Other Documentation** Any other information, documentation or security reasonably requested by the Lender and its solicitors in assessing, approving and funding of the facility requested.

4.16 **Identification:** Pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (the "Act"), the Lender is required to ask for identification of the Borrower, the Guarantor and for information with respect to the source of funds, used in connection with the Borrower's equity in the Property. The Borrower and Guarantor hereby covenant and agree to provide prior to the first advance, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

4.17 **Cancellation:** The Lender shall have the right to terminate and cancel its agreement to provide the mortgage herein to the Borrower and shall be relieved of all obligations in connection therewith in the event that the Borrower fails or is unable or unwilling to comply with the terms and conditions of this Commitment letter on or before the Closing Date including failing or refusing to execute documentation requested by the Lender or accepting the funds when advanced.

In the event the Loan is not advanced and the Commitment is terminated, through no fault of the Lender, the Deposit shall not be refundable to the Borrower and may be retained by the Lender as liquidated damages. Notwithstanding the foregoing, the Borrower shall be responsible for and pay the deficiency between the Lender Fee and the Deposit forthwith on demand, unless if caused by the default of the Lender. In addition, no termination of this Commitment shall limit or restrict or otherwise affect in any way: (i) the obligations of the Borrower to pay to the Lender any third party fees, costs and expenses in connection with the Loan; and (ii) any rights and remedies of the Lender against the Borrower arising from any breach of the Commitment by the Borrower including any claim for damages.

It is understood that the Lender has entered into this Commitment based on representations made by the Borrower and, if at any time there is or has been any material discrepancy or inaccuracy in any written or

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oral information, statements or representations heretofore or hereafter made or furnished to the Lender by or on behalf of the Borrower concerning the security or the Borrower's financial condition, then the Lender shall be entitled in its sole discretion tow withdraw or cancel any obligation hereunder and decline to advance funds and in addition to forfeiture of the Deposit, the Borrower shall be liable to pay 50% of the Lender Fee and all other expenses as hereinbefore set out.

4.18 **Legal Fees:** The Borrower hereby agrees to pay the reasonable legal fees required by the Lender's Solicitors for the completion of the legal services related to this Mortgage. Disbursements shall be in addition thereto. Borrower to deliver a **$5,000 retainer** to Lenders lawyer forthwith upon request but not less than 10 business days prior to a targeted closing date. The Borrower shall have the choice of two legal quotations for fees obtained from the solicitors selected by the Lender.

4.19 **Syndication:** The commitment is conditional upon the success of First Source Mortgage Corporation to syndicate a portion or the entire loan with a Lender (s) to be determined.

BORROWER'S REPRESENTATIONS

ARTICLE 5.00

5.01 **Borrower's Representations:** The Borrower represents and warrants that as of the date of acceptance of this Commitment and as of the Closing Date:

(i) The Borrower and the Guarantor have the power, capacity and authority to enter into this Commitment and to perform and complete the transaction contemplated herein, all of which have been duly authorized where required by all necessary corporate action and that no consents are necessary;

(ii) The Borrower and the Guarantor have not withheld any information of a material nature relating to the Property or to the Borrower or Guarantor;

(iii) All existing environmental assessments, audits, tests and reports relating to the Properties within the knowledge of the Borrower have been delivered to the Lender.

(iv) To the best of its knowledge and belief, the Properties have no Environmental issues affecting same and a covenant and warranty with respect to same will be delivered to the Lender.

5.02 **Borrower's Acknowledgments:** The Borrower acknowledges and represents that:

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

(ii) The terms and the interest rate in this Commitment may be higher and more onerous that institutional lenders;

(iii) It has had an opportunity to consult its legal counsel and accountant or other financial advisors;

(iv) If the Lender does not advance the Loan by a certain date, the Borrower may be unable to satisfy the intended purpose for the Loan;

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(v) In the event the Borrower is unable to pay monthly payments, Property taxes, fire insurance premiums or the principal amount when the Loan is due, the Lender could obtain a court judgment and enforce all remedies available by law and income could be seized to pay the judgment or the Lender could keep the Property or sell it.

(vi) When the Loan is due, if the Lender cannot or will not renew the Loan and cannot pay the outstanding balance the Property may have to be sold in order to repay the Loan; and

(vii) The Lender has disclosed the material risks of the Loan.

(viii) It has reviewed the loan with its trusted advisors and has determined the loan to be most suitable for its needs.

5.03 Reporting Requirements: The Borrower acknowledges and represents that:

(i) Within 120 days of each fiscal year during the term of the Loan Facility to provide the Lender with financial statement for the Borrower and the Guarantor.

MISCELLANEOUS

ARTICLE 6.00

6.01 Survival of the Terms of Commitment: Notwithstanding the registration of the Mortgage and the advances made pursuant to same, the terms and conditions of this commitment shall remain binding and effective on the parties hereto.

6.02 Time is of the Essence: Time shall be of the essence in this Commitment.

6.03 Agreement in Writing: No change to vary or to amend this Commitment is binding on the Lender unless made in writing and signed by all parties hereto. Except as provided herein, there are no representations, collateral agreements, warranties or conditions affecting this Commitment.

6.04 Governing Law: This Commitment shall be interpreted in accordance with the laws of the Province of Ontario.

6.05 Notices: All notices required or permitted to be given hereunder will be sufficiently given if sent by prepaid registered mail and addressed as follows:

In case of First Source to:
Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York, Ontario, M2J 5B5
Attention: **Mr. David Mandel**
By email: david@firstsourcemortgage.ca

In the case of the Borrower and the Guarantor to
135 Holmes Ave
North York, Ontario, M2N 4M5

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Attention: **Mr. Andre Sherman**
By email: sherman.architect@gmail.com

Provided that the parties shall be entitled to designate another address (es) by giving written notice thereof to all other parties hereof. Any notice so mailed or emailed shall remain binding and effective on the parties hereto.

6.06 **General Provisions and Independent Legal Advice:** The Mortgage Advance is to be payable to the registered owner of the Property or the encumbrancers who are to be paid out from the Advance. Independent Legal Advice shall be required for any party guaranteeing the Mortgage, consenting to the Mortgage or postponing their interest to the Lender's security.

6.07 **Facsimile Transmission or Email:** The transmission of an executed copy of this Commitment by facsimile transmission or in "pdf" form by email shall be deemed to constitute execution and delivery of an original executed copy.

6.08 **Consent to Personal Information as Per Privacy Policy:** By signing this Commitment, the Borrower and Guarantor agree that any information, personal or otherwise, either that the Borrower or Guarantor has provided or will provide to the Lender or that the Borrower has on file about the Borrower and Guarantor shall be retained and may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate. The Borrower and Guarantor also agree to any credit bureau search being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion, but no later than 90 days after the Mortgage is discharged.

By signing this Commitment with respect to the Property, the Borrower and Guarantor agrees that the Lender shall have the right to seek any information from any government agency, authority or office whether municipal, provincial or federal, Electric Safety Agency or Technical Safety Standards Agency at any time either before or after the registration of the Mortgage and before and after default with respect to only information on file at the entity about the said Borrower and Guarantor and/or the Property and the Lender shall have the right to retain such information which may be used as the Lender deems necessary in its sole discretion for the mortgage placement herein, collection of any arrears or deficiencies in the event of a default and any renewals or extensions of same. The Borrower and the Guarantor also agree that the Lender may retain this information on file for as long as the Lender deems appropriate, but no longer than 90 days after the Loan Facility is repaid, unless required by governmental legislation. The Borrower and the Guarantor also agree to any and all searches being carried out by the Lender from time to time, as the Lender deems necessary in its sole discretion.

6.09 **Counterparts:** This Commitment may be executed in counterparts and all counterparts so executed will constitute one agreement binding on the parties effective on execution

6.10 **Assignment:** The Borrower acknowledges that all or a portion of the Loan may be sold or syndicated without further notice to or consent of the Borrower and the Lender may disclose, transfer and assign as they in their sole discretion deem advisable all financial and other information and materials, without

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restriction or notice as follows; (i) to any subsequent or proposed purchaser of the Loan or any subsequent lender and their respective third party advisors; and (ii) to any person in connection with the sale or assignment of the Loan. This Commitment is conditional on a portion of the Loan being satisfactorily assigned and funded. The Borrower also consents to the release, disclosure, exchange and sharing of all information and materials and to any publicity or advertising that refers to the financing. The Lender may sell transfer or assign the Loan or any interest therein from time to time without the consent of the Borrower at no cost to the Borrower. After any such assignment, the Lender shall have no further obligation to that part of the Loan assigned.

6.11 **Confidentiality:** The Borrower and the Guarantor acknowledge and agree that the terms herein are confidential between themselves and the Lender, their respective lawyers and consultants and agree not to disclose the information herein to any third party without the Lender's prior written consent, which shall not be unreasonably withheld.

6.12 **Successors and Assigns:** This Commitment and the rights and benefits arising here from may not be assigned by the Borrower to any other party without the prior written approval of the Lender.

6.13 **Interpretation:** This Commitment shall be read in conjunction with the Lender's form of charge documents and in all cases where the interpretation of the terms hereof and the intention of the parties hereto may be in question, where applicable, the terms recited in the relevant charge document shall prevail.

6.14 **Erection of Sign:** First Source or its lender clients shall have the right to erect a sign or a sign of others at its expense during the construction period indicating the provision of financing.

6.15 **Advertising:** The Borrower acknowledges and agrees that First Source shall have the right to use a photo or likeness of the Property in its communication with prospective Borrower and or investors which may include transaction details but no personal information.

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This Commitment is open for acceptance by the Borrower and the Guarantor until 5:00 PM on December 4th, 2020 by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Commitment is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

David Mandel – President
I am authorized to bind the corporation.
Principal Broker (License # 10434)
Mortgage Administrator (License # 12594)
www.firstsourcemortgage.ca
david@firstsourcemortgage.ca

Accepted at Toronto **, Ontario this** 4th **day of** December **2020**

Borrower: Block 80 Holdings Inc.

Per: Andre Sherman, President

Guarantor: Andre Sherman

ANDERS A. HOLTENG
Witness Name:

Address: 21 BRIDGEVIEW RD

Tel: 416·604·4165

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SCHEDULE "A"

1. **Post-dated Cheques:** The Borrower shall provide to the Lender post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly instalment payable under the Mortgage. The Lender shall have the right to direct the Borrower to deliver one or more separate cheques for each monthly payment totalling the monthly instalment. Alternatively, the Borrower shall provide Pre-Authorized Payments to be drawn from the Borrowers chosen Bank at the Lenders request at any time and shall provide the Lender with all necessary information for this purpose as required. **Post-dated Cheque should be made payable to "First Source Financial Management Inc." unless instructed otherwise.**

2. **Administration Fees:** The Borrower agrees to pay to the Lender an administration fee of $450.00 for each occurrence of any of the following events. If a default occurs a second time the Administration Fee shall be doubled.

   a) Late Payment after a demand has been made;
   b) Cheque Dishonored for any reason;
   c) Failure to provide proof of payment of realty taxes within 30 days of the 31st day of January and June in each year of the term or after a demand being made;
   d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on Closing or after a demand being made;
   e) Cancellation of insurance coverage shall be two times the applicable administration Fee and the penalty doubles again in the event the Borrower does not provide proof of reinstatement within 24 hours of notice by the Lender.
   f) Failure to provide postdated cheques when required after a demand being made;
   g) Failure to notify Lender of registration of lien;
   h) Each construction advance;
   i) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter at lenders sole discretion;
   j) Request for Mortgage Statement;
   k) Request for Discharge Statement or notice of default letter;
   l) Default under any other mortgage, charge or encumbrance;
   m) Each meeting required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;
   n) Each three telephone attendances and/or emails required by the Borrower or Lender because of an issue that has arisen regarding the Loan Facility;

3. **Holding Over:** In the event that the mortgage loan is not repaid upon maturity, unless the Lender has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors the interest rate on the mortgage loan shall continue at 18% compounded and calculated monthly or the that rate set out herein under "Interest Rate" until the earlier of discharge or sale, whichever comes first.

4. **Holding Over Interest Bonus:** If the Loan is not repaid in full on or before the Maturity Date, the Borrower shall be required to pay the Lender an Holding Over Interest Bonus, in addition to any and all other rates, fees, and costs to be paid to the Lender by the Borrower pursuant to this Commitment Letter. More particularly, this

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interest bonus shall be earned by and payable to the Lender monthly, in advance, on the first business day of each month and shall be payable at the rate of 0.25% per month, or part thereof, multiplied by the then outstanding Loan Amount (the "Holding Over Interest Bonus"). The Borrower hereby acknowledges that the requirement to pay the Holding Over Interest Bonus does not constitute an extension of the Loan nor is it a penalty or fee but rather additional interest to be added to the final discharge amount of the Loan. If the Loan is not repaid in full by the Maturity Date, the same shall constitute default by the Borrower under the Commitment and Security Documents notwithstanding payment of the Holding Over Interest Bonus. The Borrower further acknowledges that the Lender, at is option, may add the Holding Over Interest Bonus to the outstanding principal balance of the Loan and the Security for the Loan also secures the Holding Over Interest Bonus.

5. **Notice:** The mortgage will be registered and administered on behalf of the Lender by First Source Financial Management Inc., a related company and licensed mortgage administrator.

6. **Tax Deposits:** The Lender reserves the right to require the Borrower to pay monthly tax deposits to the Lender concurrently with each monthly installment in such amounts which the Lender in its discretion deems necessary to pay when due all taxes, assessments and similar charges affecting the Property.

7. **Due on Default:** In the event of default under this Mortgage, beyond an applicable cure period, at the option of the Lender, the full principal balance together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.

8. **Due on Sale:** The Borrower and the Guarantor hereby agree that in the event that the Property is sold, conveyed, transferred or assigned or there is a change in control of a corporate Borrower or corporate Guarantor, without Lender's written consent, which consent shall not be unreasonably withheld, the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.

9. **No Subsequent Encumbrances:** The Borrower and the Guarantor hereby agree that in the event that the a subsequent mortgage is placed on the Property without Lender's written consent, which consent shall not be unreasonably withheld, that the Lender shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Lender immediately due and payable together with the Lender's then current prepayment penalties and fees.

10. **Default of Prior Encumbrances:** If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the Mortgage and which default is not cured within the grace periods permitted, it shall constitute default under the Mortgage and the Lender may pay all monies and take appropriate action to cure any default or breach under any encumbrance.

11. **Costs:** The Borrower covenants and agrees to pay all property tax, public utilities rates, charges, and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Borrower to comply with this covenant shall constitute an event of default hereunder and entitles the Lender

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at its sole and absolute discretion to avail itself of remedies available hereunder and at law including the right to accelerate the principal sum secured hereunder together with all accrued interest thereon plus costs.

In addition, at the Lender's sole and absolute discretion, the Borrower agrees that the Lender may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith by the Borrower to the Lender, and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Lender and the remedies hereby given and available at law may be exercised forthwith without notice. In the event the Lender satisfying any such charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

12. **Final Payment and Discharge:** The Borrower covenants and agrees that payment at maturity, or earlier if notice to prepay is delivered, of the Mortgage shall be by certified cheque, bank draft or money order. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Mortgage shall be prepared by the solicitor for the Lender, at the cost and expense of the Borrower within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge. In the event the loan is not repaid at the time or times provided within the Mortgage or in the notice to prepay earlier, the Lender will not be required to accept payment of the principal monies without first receiving three (3) months additional months' notice in writing or receiving 3 months interest bonus in advance of the principal monies. No further monies, if any, will be advanced under the Loan, once notice to discharge is received by the Lender.

13. **Warranty - Urea Formaldehyde Foam insulation (UFFI) and Environmental:**
The Borrower covenants to the best of its knowledge and belief the Property has never had "UREA FORMALDEHYDE FOAM" insulation installed, asbestos, PCBs waste, radioactive material, noxious substances, or any contaminant as defined in the Environment Protection Act and that the Property is and will be environmentally sound and there are no and will be no restrictions which would economically affect any buildings on the Property. The terms and conditions of the environmental clause should be as the Lender's solicitor prepares.

14. **Receiver:** In the event due to default of the Borrower on the Property, 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 building 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. The terms and conditions of the receiver are to be further elaborated in the Mortgage as required by the Lender's lawyers.

15. **Management Costs:** In the event that the Lender or its agents takes possession of the Property as a result of default under the Mortgage, or in the event that the Lender or its agents commence Power of Sale proceedings, or if a receivership is commenced as a result of default under the Mortgage, even if the receiver is not yet appointed, the Lender, will be entitled to charge the Borrower for management costs until the earlier of sale of the Property or discharge of the mortgage. Said management costs shall be $15,000 per month supported

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reasonably by documentation for time and expenses to be provided. Hourly rates for a mortgage manager in a defaulted loan is $1500 per hour plus $850 per hour for each support staff individual. Borrower acknowledges this is a reasonable estimate for the time value and opportunity costs incurred for managing the Property(s), including but not limited to communicating with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default which amount is deemed not to be a penalty. **This clause is also deemed to be complete and proper notice to any subsequent charge or lien holder of the above-noted costs and charges in the event of the Borrower's default. Any future chargee that registers a subsequent charge without written permission of the Lender of this mortgage does so knowingly with full disclosure accepting all risks associated with this clause as well as other costs, fees or charges set out in this Schedule "A". It is strongly recommended that all proposed mortgagees seek independent legal advice prior to funding any subsequent mortgage without written permission from the Lender of this Charge.**

16. **Reasonableness of Fees and Charges:** The Chargor acknowledges having received and had explained to it all of the possible fees and charges as set forth in this Charge which would be in addition to principal and interest due hereunder. The Chargor acknowledged and agrees that the fees and charges are reasonable and reflect a pre-estimate of Chargee's actual costs with respect to each of such charges and fees.

17. **Default Abandonment:** Subject to Force Majeure, in the event of abandonment for a period in excess of fifteen (15) consecutive days, the Lender shall be entitled to, after giving the Borrower fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and provided the Borrower fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or decline to advance further funds, if any, as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable at its sole option.

18. **Receipt of Funds:** Any payment received after 1:00 P.M. shall be deemed to have been made on the next Bank Business Day following receipt. For purposes of this paragraph, Saturday, Sunday Provincial and Federal Holidays shall be deemed to be non-business Bank Days.

19. **Possession:** In the event of default under the Mortgage by the Borrower beyond the applicable grace period and the Lender obtains possession of the Property and it determines, in its sole discretion, that the Property requires work and/or improvements in order to market the Property, then the Lender shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and work by the Lender and its agents and all expenses incidental thereto shall be added to the Loan amount, together with a management fee of fifteen per cent (15%) of the costs of the work and improvements completed by the Lender, provided that it is limited to bringing the Property up to the condition it was at the time of the advance, unless work already has been started on a house and it may be completed or in order to sell the property for an amount required to pay out the Lender inclusive of all costs and accrued interest. All costs and expenses, as well as said management fee, shall bear interest at the rate as herein provided for and shall form part of the Loan secured hereunder and the Lender shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of Mortgage principal and Interest hereunder or at law.

This is **Exhibit "C"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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GUARANTEE AND POSTPONEMENT OF CLAIM

TO: FIRST SOURCE FINANCIAL MANAGEMENT INC.

WHEREAS FIRST SOURCE FINANCIAL MANAGEMENT INC. (hereinafter called the "Lender") has advanced funds and/or is about to advance funds to BlOCK 80 HOLDINGS INC. (hereinafter called the "Borrower") and in consideration of the Lender's intention to advance the said funds to the Borrower, and the sum of Two Dollars ($2.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned (hereinafter collectively called the "Guarantor") hereby jointly and severally declare, covenant and agree as follows:

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

(a) "Credit" - means financial accommodation of any kind whatsoever.

(b) "Indebtedness" - means in its broadest sense all obligations of the Borrower to the Lender, alone or with others heretofore or hereafter incurred, whether voluntarily or involuntarily, whether due or not due, whether absolute, inchoate, contingent, liquidated or unliquidated together with interest on each and every such obligation, which shall include without intending to limit the generality of the foregoing, principal, interest and/or costs. Notwithstanding the foregoing, this Guarantee shall relate only to a loan made by the Lender to the Borrower pursuant to a commitment issued by First Source Mortgage Corporation to Andre Sherman on behalf of Block 80 Holdings Inc. dated the 30th day of November, 2020 and any amendments thereto (collectively the "Commitment").

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

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

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

5. Upon this Guarantee bearing the signature of the Guarantor coming into your hands or the hands of any officer, agent or employee thereof the same shall be deemed to be finally

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executed and delivered by the Guarantor and shall not be subject to or affected by any promise or condition affecting or limiting the Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this contract or has induced the making thereof or shall be deemed in any way to affect the Guarantor's liability hereunder.

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

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

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

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

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

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

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

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

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include in your claim the amount of all sums paid by the Guarantor to you under this Guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto being hereby assigned and transferred to you. The Guarantor shall be released from liability if recovered from the Borrower, any other Guarantor or any other person becomes barred by any Statute of Limitations or is otherwise prevented.

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

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

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

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

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

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

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

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

22. In the event of your making a demand upon the undersigned upon this Guarantee the undersigned shall be held and bound to you directly as principal debtor in respect of the payment of the amounts hereby guaranteed.

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

IN WITNESS WHEREOF the Guarantor has hereto set her hand and seal, this 30th day of March, 2021.

John Walker
Witness:

Andre Sherman

This is **Exhibit "D"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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Motion Record of the Applicant P. 272

LRO # 51 **Charge/Mortgage** Receipted as SC1768805 on 2021 04 06 at 13:07

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

Properties

PIN	58405 - 0667 LT	*Interest/Estate*	Fee Simple
Description	BLOCK 80, PLAN 51M887, PENETANGUISHENE.		
Address	THOMPSON RD WEST PENETANGUISHENE		

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	BLOCK 80 HOLDINGS INC.
Address for Service	135 Holmes Avenue Toronto, Ontario M2N 4M5

I, ANDRE SHERMAN, AUTHORIZED SIGNING OFFICER, have the authority to bind the corporation.

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

Chargee(s) *Capacity* *Share*

Name	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2235 Sheppard Avenue East Suite 1202 Toronto, Ontario M2J 5B5

Statements

Schedule: See Schedules

Provisions

Principal	$3,942,000.00	*Currency*	CDN
Calculation Period	See Schedule		
Balance Due Date	2022/05/08		
Interest Rate	18% per annum		
Payments			
Interest Adjustment Date	2021 05 01		
Payment Date	1st day of each month		
First Payment Date	2021 06 01		
Last Payment Date	2022 05 08		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Andre Sherman		

Signed By

Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Chargor(s)	Signed	2021 04 06

Tel 416-222-8888

Fax 416-218-1860

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

Submitted By

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9	2021 04 06

Tel 416-222-8888

Fax 416-218-1860

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Motion Record of the Applicant P. 273

Fees/Taxes/Payment

Statutory Registration Fee	$65.30
Total Paid	$65.30

File Number

Chargee Client File Number : 67108

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THIS IS A SCHEDULE TO A CHARGE/MORTGAGE between BLOCK 80 HOLDINGS INC. (the "Chargor") and FIRST SOURCE FINANCIAL MANAGEMENT INC., as Chargee (the "Chargee") relating to the lands and premises being legally described on Page 1 of the Charge/Mortgage to which this Schedule is attached and being 61 Thompson Street West, Town of Penetanguishene (PIN 58405-0667 (LT), Town of Penetanguishene (the "Lands") as guaranteed by Andre Sherman.

STANDARD CHARGE TERMS

The terms contained in this schedule are in addition to the terms contained in Standard Charge Terms 200033. In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms, the terms contained in this schedule shall, to the extent of the conflict, prevail.

SHORT FORMS OF MORTGAGES ACT

If any of the forms of words contained herein are also contained in Column One of Schedule B of the *Short Forms of Mortgages Act,* R.S.O. 1980, Ch. 474 ("SFMA") and distinguished by a number therein, this Charge shall be deemed to include and shall have the same effect as if this Charge contained the form of words in Column Two of Schedule B of the SFMA distinguished by the same number, and this Charge shall be interpreted as if the SFMA was still in full force and effect. The provisions of this Charge and its short form clauses shall not derogate from the Chargee's rights under the long clause in the SFMA which shall be in addition thereto or in substitution for part of parts thereof as the Chargee may elect and all shall have the force of covenant.

CHARGE

Upon the request of the Chargee, the Chargor hereby gives this Charge and charges the property secured hereby as security for full payment to the Chargee of the principal amount, interest and all other amounts payable hereunder and as security for the observance and performance of all of the obligations of the Chargor to the Chargee pursuant to this Charge and the Commitment as hereinafter defined.

ADDITIONAL PROVISIONS

PAYMENT PROVISIONS

Provided this Charge to be void upon payment at the office of the Chargee at Toronto, Ontario of THREE MILLION NINE HUNDRED AND FORTY-TWO THOUSAND ($3,942,000) DOLLARS of lawful money of Canada (the "Loan") together with interest thereon as hereinafter set forth, as well after as before maturity and both before and after default as follows:

For the period up to and including April 30th, 2022, interest calculated monthly, not in advance, at the rate of Eighteen (18%) per cent per annum on the amount outstanding from time to time shall become due and be payable monthly on the 1st day of each and every month in each and every year commencing on the 1st day of June, 2021 to and including the 1st day of April, 2022. The first payment of interest is to be computed from the lst day of May, 2021 on the amount outstanding from time to time, to become due and payable on the 1st day of June, 2021.

For the period from and including May 1st, 2022, INTEREST calculated daily and compounded monthly, not in advance, at the rate of the greater of 18% per annum or the rate per annum which is 15.55 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be adjusted as to fluctuations in such prime commercial lending rate from time to time, as well after as before maturity and both before and after default.

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The balance of Three Million Nine Hundred and Forty-Two Thousand ($3,942,000) Dollars, together with interest thereon at the rate of the greater of 18% per annum or the rate per annum which is 15.55 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, together with accrued and unpaid interest and costs shall become due and be payable on the 8th day of May, 2022.

And taxes and performance of Statute Labour; and observance and performance of all covenants, provisos and conditions herein contained.

STANDBY FEE

In addition to the interest payable as above noted, the Chargor shall pay to the Chargee a standby fee (the **"Standby Fee"**) in Canadian Dollars at the rate per annum which is the greater of 6.95% per annum or the rate per annum which is 3.50 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time on loans made in Canadian funds to its most favoured commercial borrowers on the daily unadvanced portion of the sum of $3,285,000. The Standby Fee will be determined daily beginning on the date of the first advance hereunder, and will be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and will be payable by the Chargor monthly in arrears by way of the Chargee deducting same from the interest reserve pursuant to this loan until such interest reserve is fully utilized in accordance with its terms and thereafter the Chargor shall pay the Standby Fee from its own resources.

AUTOMATIC RENEWAL

In the event that the Chargor fails to repay the principal and interest outstanding on the Maturity Date or fails to accept a renewal offer tendered by the Chargee (for any reason not attributable to the Chargee) within 10 business days of the Maturity Date, then the Chargee may at its sole option, automatically renew this charge for a period of one month from the Maturity Date, at an interest rate equal to the greater of Eighteen (l8%) per cent per annum or the rate per annum which is 15.55 per centage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time on loans made in Canadian funds to its most favoured commercial borrower, which interest shall be adjusted as to fluctuations in such prime lending rate from time to time, 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 exercise its remedies under this Charge. The Chargee shall not be obligated to offer any renewal. All other terms and covenants under the existing Charge shall continue to apply. The Charge may be paid in full at any time during the one month renewal period. "Business day" shall mean any day on which Canadian Imperial Bank of Commerce is open for business in Toronto, Ontario, not including Saturdays and Sundays and statutory holidays in Ontario.

For greater clarity, in the event that the Loan is not repaid upon maturity, unless the Chargee has received at least thirty (30) days' notice and has agreed to an extension in writing and has received approval from its investors to extend the Maturity Date of the Loan and the terms of such extension have been agreed upon by the Chargor and Chargee, the interest rate on the Loan shall continue at the greater of 18% per annum or the rate per annum which is 15.55 per centage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time on loans made in Canadian funds to its most favoured commercial borrower, which interest shall be adjusted as to fluctuations in such prime lending rate from time to time, calculated and compounded daily until the earlier of discharge or sale, whichever occurs first.

WARNING TO SUBSEQUENT ENCUMBRANCERS

PROVIDED that, notwithstanding anything hereinbefore provided, on, before or after the Maturity Date of the Charge, the Chargee shall be entitled to enter into an agreement with the Chargor to extend the Maturity Date, amend and/or increase the interest rate provided for herein or amend any of the other terms of this Charge without the requirement of

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obtaining the postponement of any subsequent encumbrancer to such amendments and any subsequent encumbrancers shall take/hold title to their security subject to this provision and be subordinated to such amendments.

This clause is deemed to be complete and proper notice to any subsequent charge or lien holder of the costs and charges set out herein, including those in the event of the Chargor's default. Any future chargee that registers a subsequent charge does so knowingly with full disclosure accepting all risks associated with this clause as well as other costs, fees or charges set out in this Charge. It is strongly recommended that all proposed mortgagees seek independent legal advice prior to funding any subsequent mortgage.

COMPOUND INTEREST

And it is hereby agreed that in case default shall be made in payment of any sum to become due for interest at any time appointed for payment thereof as aforesaid, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, shall bear interest at the applicable rates aforesaid, and in case the interest and compound interest are not paid in one (1) month from the time of default a rest shall be made, and compound interest at the rates aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be added to the said Principal Balance.

FORBEARANCE AGREEMENT(S)

In the event that as a result of a default by the Chargor hereunder and the Chargee, in its sole and unfettered discretion, without requirement to do so, enters into a Forbearance Agreement with the Chargor, on terms and conditions solely satisfactory to the Chargee, to extend the time for any payment due hereunder or the time for repayment of the Loan secured hereby or both, then any fee charged with respect to such Forbearance Agreement shall be secured hereunder in priority to any subsequent encumbrances with respect to the Lands secured hereunder and **any subsequent encumbrancers shall take/hold title to their security subject to this provision and be subordinated to such terms and fees due pursuant to such Forbearance Agreement.**

HOLDING OVER INTEREST BONUS

If the Charge is not repaid in full on or before the Maturity Date, the Chargor shall be required to pay to the Chargee a Holding Over Interest Bonus, in addition to any and all other rates, fees and costs to be paid to the Chargee by the Chargor pursuant to the Commitment or this Charge. More particularly, this interest bonus 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 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 Charge (the "Holding Over Interest Bonus"). The Chargor hereby acknowledges that the requirement to pay the Holding Over Interest Bonus does not constitute an extension of the Maturity Date of the Charge. If the Charge is not repaid in full by the Maturity Date, then subject to the preceding Section re. Automatic Renewal, the same shall constitute a default by the Chargor under the Commitment and this Charge notwithstanding payment of the Holding Over Interest Bonus. The Chargor further acknowledges that the Chargee, at its option, may add the Holding Over Interest Bonus to the outstanding principal amount secured by this Charge and that this Charge also secures any Holding Over Interest Bonus outstanding and any subsequent encumbrancers shall take/hold title to their security subject to this provision and be subordinated to such Holding Over Interest Bonus.

The Chargor and any subsequent encumbrancer by registering their security, acknowledges and agrees that the Holding Over Holding Interest Bonus 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.

ADDITIONAL PROVISIONS

For the purpose of this Charge/Mortgage, the terms "Charge", "Chargor" and "Chargee" shall

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also mean "Mortgage", "Mortgagor" and "Mortgagee", respectively.

FEES AND COSTS

The Chargor agrees to pay to the Chargee an administration fee of $450 plus HST for each occurrence of the following events (provided that if the following events, which are due to a default, occur more than one time, thereafter the administration fee for each event shall be $700 plus HST per occurrence):

(a) Late Payment;
(b) Cheque dishonoured for any reason;
(c) Failure to provide proof of payment of realty taxes within 30 days of the 31st day of January and the 30th day of June in each year of the term of this Charge or after a demand being made;
(d) Failure to provide proof of insurance coverage at least 10 business days prior to the maturity date of the initial policy delivered on the initial advance or any subsequent policy delivered pursuant to this Charge and after a demand being made;
(e) Cancellation of insurance coverage shall be two times the applicable administration Fee and the administration fee doubles again in the event the Chargor does not provide proof of reinstatement within 24 hours of notice by the Chargee;
(f) Failure to provide post-dated cheques when required after a demand has been made;
(g) Failure to notify the Chargee of registration of a lien within 10 days of registration of same;
(h) Requests for Mortgage Statement;
(i) Request for discharge statement or notice of default letter;
(j) Default under any other mortgage, charge or encumbrance with respect to the property secured hereby;
(k) Each meeting required by the Chargor or Chargee because of an issue that has arisen regarding the Loan secured hereby;
(l) Each three telephone attendances and/or emails required by the Chargor or Chargee because of an issue that has arisen regarding the Loan secured hereby.
(m) Each construction advance;
(n) Each property inspection relating to a second or further mortgage advance, default, insurance matter or any other matter, at Chargee's sole discretion;
(o) After a request for discharge, a discharge statement administration fee.

The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of any security interests pursuant to the Personal Property Security Act, and any renewals thereof, forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charged hereunder shall be added to the principal sum secured by the within Charge if not paid by the Chargor.

SERVICE FEES AND FORBEARANCE FEES AND COSTS

Any service or administration fee as set out above, including any forbearance fees and costs owing by the Chargor to the Chargee which are not paid shall be added to the mortgage indebtedness and shall bear interest at the rates herein set forth calculated from the date such fees and costs became due and payable.

The Chargor acknowledges and agrees that the service fees and 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.

NON-MERGER

Notwithstanding the registration of this Charge and the advance of funds hereunder, the terms and provisions of the Commitment addressed to Andre Sherman on behalf of Block 80 Holdings Inc. as Borrower issued by First Source Mortgage Corporation dated the 30th day of November, 2020 as same may be amended (collectively the "Commitment") shall remain binding and effective upon the parties and shall not merge on the execution and registration of this Charge

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and other security. It is understood and agreed that any default under the said Commitment shall be deemed a default under this Charge. In the event of an inconsistency between the terms of this Charge and the terms of the Commitment or the interpretation of the terms of the Commitment, the terms of this Charge shall prevail.

The Chargor acknowledges that the terms and provisions of the Commitment are not exhaustive. The Chargor acknowledges that any provision contained in this Charge or 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.

POSSESSION UPON DEFAULT

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

PAYMENTS

ANY DISCHARGE of this Charge shall be prepared by the Chargee at the Chargor's expense.

All payments hereunder shall be made to the Chargee at:

First Source Financial Management Inc.
2235 Sheppard Avenue East, Suite 1202
Toronto, Ontario
M2J 5B5

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 made on the next "Bank Business Day" following receipt. For the purposes of this Charge, Saturday, Sunday, Provincial and Federal Holidays shall be deemed to be non-Bank Business Days.

All payments payable hereunder to the Chargee shall be payable at par in lawful money of Canada at such place as the Chargee or other holder of the Charge shall designated in writing from time to time.

In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, payment will not be deemed to have been made until the Chargee has actually received such monies and the Chargor shall assume and be responsible for all risk of loss or delay.

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.

ENVIRONMENTAL

The Chargee or agent of the Chargee may, at any time, before and after default, and for any purpose deemed necessary by the Chargee, enter upon said lands to inspect the land and buildings thereon. Without in any way limiting the generality of the foregoing, the Chargee (or its respective agents) may enter upon the said 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 mortgage rate, shall be payable by the Chargor forthwith and shall be a charge upon the said 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 said lands and buildings.

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In consideration of the advance of funds by the Chargee, the Chargor and the Guarantor hereby agree that, in addition to any liability imposed on the Chargor and Guarantor under any instrument evidencing or securing the Loan indebtedness, the Chargor and Guarantor shall be jointly and severally liable for any and all of the cost, 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 property secured hereby (the "Property") of any hazardous or noxious substances and such liability shall survive foreclosure of the security for the Loan and any other existing obligations of the Chargor and Guarantor to the Chargee in respect of the Loan and any other exercise of any remedies available to them of any default under the Charge.

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 Property 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 Property (including, without limitation: (i) the costs of defending any/or counterclaiming 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 as hereinafter defined and payment and satisfaction of the mortgage and liability of the Chargor to the Chargee pursuant to this Agreement. The indemnity contained herein in favour of the Chargee shall enure to the benefit of the Chargee's successors and assignees of 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.

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

BREACH OF COVENANT

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

SEVERABILITY

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

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.

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COLLECTION OF RENTS

Notwithstanding anything to the contrary contained within the Standard Charge Terms, in the event that the Chargee collects any payments of rent due to the Chargor's default, the Chargee shall be entitled to receive from such rent a management fee of ten percent (10%) of all the gross receipts from such rent, it being understood for greater certainty that the Chargor and Chargee have agreed that in the circumstances a management fee equal to ten percent (10%) of gross receipts received by the Chargee in the collection of such rents is a just and equitable fee having regard to the circumstances.

MANAGEMENT FEE

In the event that the Chargee or its agents takes possession of the property secured hereby as a result of default under the Charge, or in the event that the Chargee or its agents commence Power of Sale proceedings, or if a receiver is appointed as a result of default under this Charge, the Chargee will be entitled to a Management of $15,000 per month supported reasonably by documentation for time and expenses to be provided. Hourly rates for a mortgage manager in a default loan is $1,500 per hour plus $850 per hour for each support staff individual, which fee the Chargor acknowledges is a reasonable estimate of the fees to be incurred for the time value and opportunity with investors, dealing with professional advisors, appraisal companies, environmental engineers, building inspector, receiver, legal counsel, attending meetings, checking property taxes, work orders, liens or other matters, acting generally in accordance with the requirements of a mortgage manager of a mortgaged property in default, which amount is deemed not to be a penalty.

This section is also deemed to be complete and proper notice to any subsequent charge or lien holder of the above-noted costs and charges in the event of the Chargor's default. Any future chargee that registers a subsequent charge with or without written permission of the Chargee does so knowingly with full disclosure and accepting all risks associated with this section as well as other costs, fees or charges set out in this Charge. It is strongly recommended that all proposed chargees seek independent legal advice prior to funding any subsequent mortgage.

MANAGEMENT FEES ON POSSESSION

In the event of default under the Charge by the Chargor beyond the applicable grace period and the Chargee obtains possession of the property secured hereby and it determines, in its sole discretion that the property secured hereby requires work and/or improvements in order to market the property secured hereby, then the Chargee shall have the right, at its sole option, to complete such work on such terms as it deems advisable. The cost of completion of the servicing and/or work by the Chargee and its agents and all expenses incidental thereto shall be added to the loan amount, together with a management fee of 15% of the costs of the work and improvements completed by the Chargee, provided that it is limited to bringing the property secured hereby only up to the condition it was at the time of the advance, unless work already has been started on a building and in such event, such work may be completed. All costs and expenses, as well as said management fee shall bear interest at the rates as herein provided for and shall form part of the Loan secured hereunder and the Chargee shall have the same rights and remedies with respect to collection of same as it would have with respect to collection of mortgage principal and interest hereunder or at law.

The above paragraph is also deemed to be complete and proper notice to any subsequent charge or lien holder of the above-noted costs and charges in the event of the Chargor's default. Any future chargee that registers a subsequent charge does so knowingly with full disclosure and accepting all risks associated with the above paragraph as well as other costs, fees or charges set out in this Charge. It is strongly recommended that all proposed chargees seek independent legal advice prior to funding any subsequent mortgage.

DEFAULT ABANDONMENT

In the event of abandonment for a period in excess of fifteen (15) consecutive days, the Chargee

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shall be entitled to, after giving the Chargor fifteen (15) days' notice of any abandonment or failure to continue business operations or any failure to construct with due diligence and, provided the Chargor fails to rectify same, forthwith withdraw and cancel its obligations hereunder and/or declines to advance further funds, if any, as the case may be and to declare any monies theretofore advanced with interest to be forthwith due and payable, at its sole option.

NON-TRANSFER

Paragraph 14 of Standard Charge Terms 200033 is hereby deleted and replaced with the following:

In the event that the Chargor sells, conveys, transfers or assigns with respect to the property 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 property herein described, without first obtaining the consent in writing of the Chargee, which consent shall not be unreasonably withheld, the entire principal sum and interest hereby secured shall, at the option of the Chargee, forthwith become due and payable, together with the Chargee's then current prepayment penalties and fees.

PAYMENT OF OTHER CHARGES AND PERFORMANCE OF THEIR OBLIGATIONS BY THE CHARGEE

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

If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the property secured hereby and which encumbrance has priority over this Charge and which default is not cured within the grace periods permitted by such encumbrance, it shall constitute default under this Charge and the Chargee may pay all monies and take appropriate action to cure any default or breach under any such encumbrance.

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

BANKRUPTCY AND INSOLVENCY

THE CHARGOR hereby waives and releases any right that it may have to receive from the Chargee notice of intention to enforce security pursuant to subsection 244(1) of the Bankruptcy and Insolvency Act (Canada). This waiver and release shall not be deemed or interpreted to be a prior consent to earlier enforcement of a security within the meaning of subsection 244(2.1) of the said Act.

THE CHARGOR hereby acknowledges and agrees that the security held by the Chargee is not all or substantially all of the inventory, accounts receivable or other property of the Chargor acquired for or used in relation to any business carried on by the Chargor. The Chargor hereby

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further acknowledges and agrees that notwithstanding any act of the Chargee by way of appointment of any person or persons for the purposes of taking possession of the Lands as agent on behalf of the Chargor or otherwise or by taking possession of the Lands itself pursuant to any rights that the Chargee may have with respect thereto shall not constitute the Chargee or any such person, a receiver within the meaning of subsection 243(2) of the Bankruptcy and Insolvency Act (Canada), and that any and all requirements of Part XI of the said Act as it may pertain to obligations of receivers shall not be applicable to the Chargee with respect to the transaction pursuant to which this Charge has been given or enforcement of this Charge or any other security held by the Chargee. The Chargor hereby acknowledges and agrees that no action shall lie against the Chargee as a receiver and manager or otherwise for any loss or damage arising from noncompliance with any obligations of a receiver pursuant to the provisions of the Bankruptcy and Insolvency Act (Canada) whether or not the Chargee had reasonable grounds to believe that the Chargor was not insolvent.

AND THE CHARGOR further acknowledges and agrees that any and all costs as may be incurred from time to time by the Chargee in order to effect compliance or avoid any adverse ramifications of the Bankruptcy and Insolvency Act (Canada) shall be entirely for the account of the Chargor. The Chargee shall be entitled to incur any such costs, including any costs of its personnel in administering any requirements of the said Act and to add the same to the indebtedness owing pursuant hereto and the same shall bear interest at interest rates herein provided and 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.

INDEPENDENT LEGAL REPRESENTATION

The Chargor and Guarantor (the "Parties") hereto acknowledge that they have full knowledge of the purpose and essence of this Charge/Mortgage transaction, and that they have been appropriately and legally represented in that regard. The Chargor acknowledges that the Charge, all supporting security documents and all electronic documents including the Charge, Notice of Assignment of Rents and Acknowledgment 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. The Parties agree to provide to the Chargee a Certificate of Independent Legal Representation as and when the same may be required, regarding their knowledge and understanding of this transaction.

TAXES

At the Chargee's option, THE CHARGOR, in addition to the aforesaid payments of principal and interest, covenants and agrees to pay taxes as hereinafter provided, the Chargee shall reasonably estimate the amount of the taxes chargeable against the said 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 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 more 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 said lands.

TAXES shall mean and include all taxes, rates and assessments of whatever nature or kind,

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including local improvement rates and any and all interest and penalties thereon.

THE CHARGEE 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 the Chargor 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.

PREPAYMENT PROVISIONS

Provided that upon giving thirty (30) days' prior written notice and upon payment of one (1) month's interest as a bonus, the Chargor shall have the privilege on or after November 1st, 2021 of prepaying, on any payment date, the whole or any part of the said principal sum hereby secured plus interest on the principal amount then outstanding and outstanding costs and in any event upon payment of the discharge statement administration fee of the Chargee as herein set out or upon giving sixty (60) days' prior written notice, the Chargor shall have the privilege on or after November 1st, 2021 of prepaying, on any payment date, as set out in the written notice, the whole or any part of the said principal sum hereby secured plus interest on the principal amount then outstanding and outstanding costs and in any event upon payment of the discharge statement administration fee of the Chargee as herein set out.

(a) if prepayment of any part of the principal 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.

(b) if the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Maturity Date or on the date set out in a notice of intention to discharge /repay, then the Chargor agrees to pay to the Holder in addition to the amounts required to obtain a discharge, three (3) months interest at the rate of interest chargeable hereunder on the principal balance outstanding on the date the Mortgage was to be repaid in accordance with the foregoing notice.

It is understood and agreed that, at the Chargee' option, no further money, if any, yet to be advanced, will be advanced pursuant to this Charge and the Loan secured hereby once notice of intention to discharge/repay in full is received by the Chargee.

FINAL PAYMENT AND DISCHARGE

The Chargor covenants and agrees that the payment at maturity, or earlier if notice to prepay is delivered, of the Charge shall be by solicitor's certified cheque or funds wired from a Canadian Schedule I Bank. After payment in full of the principal sum and all other amounts hereby provided, a discharge of the Charge shall be prepared by the solicitor for the Chargee, at the cost and expenses of the Chargor within a reasonable time after such payment and such solicitor's fees shall not include attendance outside the office in order to deliver the said discharge or the attendance on a closing or registration of and the cost of registration of the said discharge.

SECURITY INTEREST IN CHATTELS

It is hereby mutually covenanted and agreed by and between the parties hereto that all chattels, erections and improvements, fixed or otherwise, now or hereafter put upon the said premises and owned by the Chargor, including, but without limiting the generality of the foregoing, 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

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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.

The Chargor covenants and agrees to execute and deliver to the Chargee, on demand, a security interest in all chattels, furnishings, equipment, appliances and all other personal property owned now or in the future by the Chargor and situate in or about the herein described lands. The form and content of such security interest shall be acceptable to the Chargee. The Chargor agrees to pay all legal and other expenses incurred by the Chargee in connection with the preparation and registration of the security interest and any renewals thereof forthwith upon demand and such fees and expenses, together with interest thereon at the interest rate charged hereunder, shall be added to the principal sum secured by the within charge if not paid by the Chargor.

MANAGEMENT

The Chargor covenants that during the term of the charge, professional property management for the charged premises will be carried out in a manner and with a property manager acceptable to the Chargee and the Chargee's approval for any property management changes at any time must be obtained in writing. Default under this covenant shall be deemed a default under this charge and at the option of the Chargee, the principal sum secured together with accrued interest and costs shall become due and payable, at the option of the Chargee

PAYMENT OF COSTS

The Chargor shall pay to the Chargee on demand all legal fees payable on a solicitor and his own client basis, costs and out-of-pocket expenses incurred by any of the Chargee, its agents, officers and employees with respect to:

(a) the preparation of this Charge, any renewals thereof and related security documents (the "Security Documents") and any other documents, agreements and instruments required pursuant hereto or thereto and any costs associated with realization under this Charge or the Security Documents;

(b) the Chargee obtaining advice, after default occurs, as to its rights and responsibilities under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto or in the event of exercise of any or all of its remedies hereunder or thereunder;

(c) the exercising of any or all of the rights, remedies and powers of the Chargee under this Charge or any of the instruments and documents comprising the Security Documents or relating thereto, or in defending or taking any measures to defend any action, claim, cause of action or in proceedings directly or indirectly relating to the provisions of any such instrument or document;

(d) any or all of the taking of, recovering of possession of any assets or property of the Chargor, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Charge or in any instrument or document comprising the Security Documents or relating thereto, or any proceedings otherwise taken in relation to any assets or property of the Chargor or subject to the security given by the Chargor to the Chargee, or any proceedings taken by reason of any non-payment or non-performance of the obligations of the Chargor hereunder;

(e) any appraisals, environmental reports, engineering reports, cost consultants reports, or any other reports obtained at any time by the Chargee relating to the Lands; and

(f) on each anniversary of the Charge, the Chargee shall request from its solicitors a corporate Status Certificate for the Chargor. All costs of such searches will be on account of the Chargor and will be payable upon invoice and shall be billed and be paid with the next monthly mortgage payment.

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In the event the Chargor fails to pay any such legal fees, costs and expenses to the Chargee forthwith upon demand by the Chargee, then the amount of such unpaid legal fees, costs and expenses shall be added to the mortgage 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 security document 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 on 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 maturity 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.

INSURANCE

The Chargor will insure, and keep insured in favour of the Chargee, against loss or damage by fire, and as the Chargee may require insure against loss or damage by tempest, tornado, cyclone, lightning, boiler explosions, comprehensive general and public liability and other risks or hazards each and every building (and the income therefrom), structure and fixture on the land (the "buildings") and which may hereafter be erected thereon, both during erection and thereafter for the full insurable amount thereof in lawful money of Canada in a form and with a Company approved by the Chargee. The Chargor will forthwith assign, transfer, and deliver over unto the Chargee, with a mortgage clause satisfactory to the Chargee attached and providing that the loss shall be payable to the Chargee, all of said policies of insurance and premium receipts therefore

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appertaining and the Chargee shall have a lien for the charge debt on all insurance on the said buildings. If the Chargor shall neglect to insure or keep any buildings insured as aforesaid or to deliver such policies and receipts or to produce to the Chargee, at least 15 days prior to the termination of any insurance, evidence of renewal thereof, the Chargee shall be entitled but shall not be obliged to insure any buildings and may pay any premiums therefor and charge the same to the Chargor with interest thereon at the rates set out in the Charge and any premiums so paid shall also be a charge on the land and shall be forthwith payable by the Chargor with interest. The Chargor shall, forthwith on the happening of any loss or damage, furnish, at the Chargor's expense, all necessary proofs and do all necessary acts to enable the Chargee to obtain payment of the insurance moneys. Any insurance money received may, at the option of the Chargee, be applied in rebuilding, re-installing, or repairing any building or be paid to the Chargor or any other person appearing by the registered title to be the owner of the land or be applied in the sole discretion of the Chargee, in full or in part on the charge debt or any part thereof whether due or not then due, or paid partly in one way and partly in another. In the event of any conflict between the provisions of this clause respecting insurance and the provisions of the Standard Charge Terms applicable to this charge, then the provisions of this clause shall prevail.

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 said lands, the Chargee in addition to the aforenoted servicing fee shall be entitled to a further servicing fee for arranging the necessary insurance coverage.

POST-DATED CHEQUES

The Chargor shall provide to the Chargee post-dated cheques for each year of the term of the Charge. Each cheque is to be in the amount of the monthly installment payable under the Charge. The Chargee shall have the right to direct the Chargor to deliver one or more separate cheques for each monthly payment totaling the monthly installment. Alternatively, the Chargor shall provide Pre-Authorized Payments to be drawn from the Chargor's chosen Bank it the Chargee's request at any time and shall provide the Chargee with all necessary information for this purpose as required. **Post-Dated cheques should be made payable to "First Source Financial Management Inc." unless instructed in writing otherwise.**

APPOINTMENT OF RECEIVER

IT IS DECLARED and agreed that at any time and from time to time when there shall be default under the provisions of this Charge, beyond the applicable cure period, then the Chargee in addition to any other rights which it may have, may at such time and from time to time and with or without entering into possession of the Lands appoint in writing a Receiver of the Lands, or any part thereof, and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any such Receiver and appoint another in its place and stead, and in making any such appointment or removal, the Chargee shall be deemed to be acting as the agent or attorney for the Chargor. The Chargor hereby irrevocably agrees and consents to the appointment of such Receiver of the Chargee's choice and without limitation whether pursuant to this Charge, the Mortgages Act (Ontario), the Construction Lien Act (Ontario), or the Trustee Act (Ontario) as the Chargee may at its sole option require. Without limitation, the purpose of such appointment shall be the orderly management, administration and/or sale of the Lands or any part thereof and to do all things necessary as an owner would be entitled to do to sell the Property, and the Chargor hereby consents to a Court Order for the appointment of such Receiver, if the Chargee in its discretion chooses to obtain such order, and on such terms and for such purposes as the Chargee at its sole discretion may require, including, without limitation, the power to manage, charge, pledge, lease and/or sell the Lands and/or to complete or partially complete any construction thereon and to receive advances of monies

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pursuant to any charges, pledges and/or loans entered into by the Receiver or the Chargor, and if required by the Chargee, in priority to any existing encumbrances affecting the Lands, including without limitation, charges and construction lien claims.

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

(a) A Statutory Declaration made by the Chargee or by any authorized representative of the Chargee as to default under the provisions of this Charge shall be prima facie evidence thereof;

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

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

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

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

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

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

(h) Such Receiver shall have full power to manage, operate, amend, repair, alter or extend the Lands or any part thereof in the name of the Chargor for the purposes of securing the payment of rental from the Lands or any part thereof;

(i) The Receiver shall have full power to assume control of, manage, operate and carry on the business of the Chargor being conducted at or upon the Lands on the date of this Charge or at any time thereafter;

(j) The Receiver shall have full power to do all acts and execute all documents which may be considered necessary or advisable in order to protect the Chargee's interest in the Lands including, without limiting the generality of the foregoing, increasing, extending, renewing or amending all charges, mortgages and other encumbrances which may be registered against the Lands from time to time, whether or not any of the same are prior to the interest of the Chargee in the Lands; sale of the Lands; borrowing money on the security of the Lands; applying for and executing all documents in any way related to any re-zoning applications, severance of lands pursuant to the provisions of the Planning Act, as amended, subdivision agreements and development agreements and agreements for the supply or maintenance of utilities or services to the Lands, including grants

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of lands or easements or rights of way necessary or incidental to any such agreements; executing all grants, documents, instruments and agreements related to compliance with the requirements of any competent governmental authority, whether pursuant to a written agreement or otherwise and applying for and executing all documents in any way related to registration of the Lands as a condominium; completing any application for first registration pursuant to the provisions of the Land Titles Act (Ontario) or pursuant to the Certification of Titles Act (Ontario); and for all and every of the purposes aforesaid it does hereby give and grant unto the Receiver full and absolute power and authority to do and execute all acts, deeds, matters and things necessary to be done as aforesaid in and about the Lands, and to commence, institute and prosecute all actions, suits and other proceedings which may be necessary or expedient in and about the Lands, as fully and effectually to all intents and purposes as it itself could do if personally present and acting therein.

(k) Such Receiver shall not be liable to the Chargor to account for monies or damages other than cash received by it in respect of the Lands or any part thereof and out of such cash so received every such Receiver shall pay in the following order:

(i) its remuneration;

(ii) all payments made or incurred by it in the exercise of its powers hereunder;

(iii) any payment of interest, principal and other money which may from time to time be or become charged upon the Lands in priority to the monies owing hereunder and all taxes, insurance premiums and every other proper expenditure made or incurred by it in respect of the Lands or any part thereof.

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

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 wilful default; and he shall, when so appointed by notice in writing pursuant hereto, be deemed to be the agent of the Chargor and the Chargor shall be solely responsible for his acts and defaults and for his remuneration.

OTHER SECURITY

This Charge is in addition to and not in substitution for any other security now or hereafter held by the Chargee.

NO "DEEMED REINVESTMENT"

The parties hereby agree that the Chargee shall not be deemed to reinvest any monthly or other payments received by it hereunder.

CROSS DEFAULT

The occurrence of an event of default under any one of the security documents held by the Chargee relating to the Chargor and/or Guarantor or a company related to the Chargor and/or Guarantor will constitute an event of default under all other security documents and loans to the Chargor and/or Guarantor or a company related to the Chargor and/or Guarantor held by the Chargee or in the name of an associated or affiliated corporation to the Chargee. If the Chargee

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takes any proceeding pursuant to the Charge or other security document by reason of the Chargor's default the Chargee shall be entitled to add to the Charge debt a service and administration fee and a property inspection fee in addition to all other fees, costs, claims or demands to which the Chargee is also entitled.

AGREEMENTS IN WRITING

No agreement for modification to the within Charge or to any other security agreement 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 Maturity 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.

CHARGOR'S REPRESENTATIONS

The following shall constitute events of default hereunder entitling the Chargee to exercise its remedies hereunder or as available at law:

(i) if, in the Chargee's opinion, acting reasonably, the financial position of the Chargor the charged lands herein, the Chargor's representations and warranties contained hereon or contained in any application for this Charge shall have suffered any material adverse change;

(ii) if any action, suit or other proceeding is pending or commenced which may materially adversely affect the Chargor or the herein charged lands;

(iii) if any event shall occur which materially and adversely affects the whole or part of the value of the charged lands or the financial position of the Chargor; or

(iv) if any of the representations or warranties made by the Chargor in its application for the Loan or any document delivered pursuant hereto or otherwise is incorrect in any material respect.

STATEMENT OF MORTGAGE BALANCE

The Chargee shall be paid its then current fee for each request for a Statement of Mortgage, to be paid in advance.

ADDITIONAL SECURITIES

In the event that the Chargee (in addition to the premises secured hereunder) holds further additional securities on account of the indebtedness secured herein, it is agreed that no single or partial exercise of any of the Chargee's powers hereunder or under any of such securities, shall preclude other and further exercise of any other right, power or remedy pursuant of any of such securities or herein. The Chargee shall at all times have the right to proceed against all, any or any portion of such security or securities in such order and in such manner, cumulatively and concurrently and not alternatively, separately, successively or together as it shall in its sole discretion deem fit, without waiving any rights which the Chargee may have hereunder and with respect to any and all of such securities and the exercise of any such powers or remedies from time to time shall in no way affect the liability of the Chargor hereunder and under the remaining securities, provided however, that upon payment of the full indebtedness secured hereunder the rights of the Chargee hereunder and with respect to any and all such securities shall be at an end, save for the Environmental Indemnity. Any judgment or recovery hereunder or under any other security held by the Chargee for the monies secured hereunder shall not affect the right of the Chargee to realize upon this or any other such security. Unless agreed to the contrary in writing no discharge of any one or more of such securities and the within Charge shall be given until the

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full amount of the principal and interest secured hereby has been paid in full.

RELEASE OF INFORMATION

The Chargee is authorized to release or provide information about the Chargor or the Charge to any person claiming a construction lien on the lands, to a Credit Bureau, another credit grantor, or any other person as permitted by law.

FINANCIAL STATEMENTS

Within one hundred and twenty (120) days after the end of each fiscal year of the Chargor and corporate Guarantor the annual financial statements of the each such corporation for its immediately preceding fiscal year including, without limitation, the balance sheet of the corporation as at its fiscal year end with comparative figures for prior years, statements of earnings, retained earnings and changes in financial position as at the fiscal year end with comparative figures for prior fiscal years, any supporting schedules and notes thereto and such other information and explanations as may be required by the Chargee.

At the option of the Chargee, the Chargor shall within one hundred and twenty (120) days of the end of each fiscal year of the operation of the charged lands and premises by the Chargor, furnish to the Chargee an annual operating statement prepared at the expense of the Chargor, which statement notwithstanding the generality of the foregoing, shall set forth the gross rents and other revenue derived by the Chargor from the charged lands and premises, the costs and expenses of the operation and maintenance of the charged lands and premises and such information and explanations in respect of the foregoing as may be required by the Chargee and such statements shall be required to be prepared by a duly qualified chartered accountant and/or a certified public accountant suitable to the Chargee and the correctness of such statements shall be duly supported by the affidavit of a director or officer of the Chargor.

All such operating and financial statements shall be prepared at the expense of the Chargor and in accordance with generally accepted accounting principles applied on a consistent basis and by a duly qualified chartered accountant or certified public accountant which is acceptable to the Chargee and shall be submitted in audited form if so required by the Chargee, at its option, and the completeness and correctness of such statements shall be supported by an affidavit of the Chargor.

With respect to the individual Guarantor one hundred and twenty (120) days after each anniversary of May 1st, 2021, the Guarantor shall provide the Chargee an annual updated net worth statement of such individual in such form and including such content and other information and explanations as may be required by the Chargee.

GUARANTOR PROVISIONS

In consideration of the Chargee advancing funds to the Chargor hereunder, Andre Sherman (herein referred to as the "Guarantor") does hereby, absolutely and unconditionally, covenant, agree and guarantee to the Chargee, as principal debtor and not as surety, that all monies to be paid as herein set forth shall be paid as herein set forth and that all covenants, agreements and provisos of the Chargor shall be completely paid, fulfilled, observed and performed in accordance with the provisions of this Charge and that if the Chargor shall fail to pay or cause to be paid the amount as hereinbefore set out or fail to perform, observe or fulfill its covenants or agreements as herein set out, then the Guarantor shall pay or cause to be paid to the Chargee the payments as herein set forth, and that the Guarantor shall continue to remain liable on his guarantee, covenant and agreement notwithstanding:

a) Any extension of time or extensions of time from time to time which may be given by the Chargee to the Chargor for payment, observance, performance or fulfillment of any liabilities, indebtedness, agreements or obligations hereby guaranteed and/or any renewal of this charge from time to time and the Guarantor hereby covenants and agrees with the Chargee that payment shall be made in accordance with such extension or extensions of time and that if payments are not made in accordance with such extension or extensions

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of time the Guarantor shall make or cause to be made the payments in accordance with such extension or extension of time.

b) Any compounding or making of any compositions or arrangements respecting any liabilities, indebtedness, agreements or obligations, hereby guaranteed.

c) Taking of any security or securities or releasing, discharging, abandoning, giving up, modifying, varying, exchanging, renewing, assigning, abstaining from perfecting or abstaining from taking advantage of any security now held or hereafter acquired or acquired by these presents in respect of any liabilities, indebtedness, agreements or obligations hereby guaranteed or of any part of same.

d) Realization of any securities now or hereafter held by the Chargee.

e) Granting any indulgence whatsoever to the Chargor to any other person, firm or corporation.

f) Discharging the Chargor, or any other person, firm or corporation.

g) Doing or omitting to do any other act, matter or thing whatsoever with relation to the liabilities, indebtedness, agreements and obligations hereby guaranteed or any security or securities now or hereafter held in respect thereof or of any part of same.

The Guarantor hereby waives and renounces any rights, benefits, immunities, privileges and advantages which he may have by reason of being Guarantor instead of principal debtor and acknowledges he is responsible for the debt as principal debtor and not as surety.

All indebtedness and liabilities present and future of the Chargor to the Guarantor are hereby assigned to the Chargee and postponed to the present and future indebtedness and liabilities of the Chargor to the Chargee including the repayment of all the monies secured by the within charge and all monies received from the Chargor or for his account by the Guarantor or his representatives or assigns in respect thereof shall be by him received in trust for the Chargee, and forthwith upon receipt paid over to the Chargee until the Chargor's indebtedness and liability to the Chargee is fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Chargee under this guarantee and this assignment and postponement is independent of the said guarantee and shall remain in full effect until repayment in full to the Chargee of the monies secured by the Charge notwithstanding that the liabilities of the Guarantor under the within guarantee may have been discharged or terminated, the undersigned acknowledges the assignment to the Chargee as set forth herein shall not impose upon the Chargee any obligation to do anything to realize on the assigned debts and claims or to ensure that those debts or claims do not become statute barred by the operation of law relating to limitation of actions or otherwise.

INSURANCE – ADDITIONAL PROVISIONS

In additional to any other insurance provisions contemplated by this Charge or the Standard Charge Terms registered as No. **200033**:

The Chargor will at all times during the term maintain the insurance required by the Charge including, without limitation, the following coverages:

(a) All risks 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 property to be completed (if applicable), for partial occupancy, and for the property 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

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apparatus on the property, 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 rent or loss of business income from the business conducted on the property 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 $5,000,000.00 per occurrence or such other amount as the Chargee may reasonably request;

(e) Theft of chattels;

(f) Prior to any advance of the Principal, the Chargor will provide to the Chargee or its solicitors original or certified copies 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 Letter are satisfied; and

(g) Evidence of policy renewal or satisfactory replacement must be provided annually at least thirty (30) days before expiry.

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 provided that any loss shall be payable to the Chargee as first mortgagee, subject to the standard form of mortgage clauses approved 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.

PAYMENT OF INSURANCE PREMIUMS

Provided that prior to the first advance hereunder, the Chargor shall provide the Chargee with evidence that the premiums for any insurance policies provided for under this Charge have been paid for at least the six (6) months following the first advance hereunder.

CONTINUING SECURITY

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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 readvance 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.

LICENCED PREMISES

In the event that this Charge is secured against lands and premises which premises are premises licenced for the carrying on of a business or for a use of any kind the following provisions shall be applicable:

(a) The Chargor does hereby covenant and agree that all existing or future licences, permits and authorities issued by any body or authority having licensing jurisdiction, in connection with any business or use of any kind carried on upon the charged premises, shall as of and from the date hereof stand as security for and shall be held by the Chargor for the benefit of the Chargee as security for the observance, performance and carrying out of the terms and conditions of the within Charge until the monies secured herein are fully paid and satisfied.

(b) The Chargor covenants and agrees that it has not and will not do or omit to do any act having the effect of terminating, cancelling or preventing the renewal of existing or future licences, permits and authorities issued by any body or authority having licencing jurisdiction in connection with the business being or to be carried on the Lands or special use of any kind carried or to be carried on upon the charged premises, and the Chargor does further covenant with the Chargee that the Chargor shall comply with, observe, perform and carry out all of the provisions of all legislation governing and controlling and affecting the carrying on of the business or the use being carried on or to be carried on at the premises as well as complying, observing, performing and carrying out all of the provisions of all the rules, regulations and directions required to keep the said licences, permits and authorities in full force and effect. It is acknowledged that failure to observe, perform and carry out the terms and conditions of this provision, resulting in cancellation of the licences, permits and authorities issued or to be issued for the charged premises shall constitute default under the terms of this Charge and the whole of the principal sum and interest hereby secured shall, at the option of the Chargee, forthwith become due and payable.

(c) The Chargor further agrees and acknowledges that, in the event of default of payment of any monies secured by this Charge as and when such payments become due, or in the event of failure of the Chargor to observe, perform or carry out any of the covenants and agreements in this Charge contained, including the conditions contained in the within paragraph, such event shall and does operate to constitute the Chargee as a successor and assign, subject to the approval of the body or authority or board or commission having licencing jurisdiction in connection with the aforesaid business or use carried on upon the charged premises or to be carried out, such approval being for all existing or future licences, permits and authorities issued by the said body or authority or board or commission, having such licencing jurisdiction in connection with the aforementioned business or use carried on upon the charged premises; provided however, the assignment is taken only as security for the due payment of the principal and interest hereby secured and as security for the due observance, performance and carrying out of the terms and conditions hereof, and subject to the reservation that none of the rights or remedies of the

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Chargee shall be merged or prejudiced in any way by the acceptance of this assignment as security.

(d) In the event of any proceedings being taken by the Chargee by the reason of default being made in payment of the monies hereby secured, then in such event the Chargor shall be deemed to be in default hereunder and the Chargee shall be entitled to exercise its rights hereunder and to have the Chargee or its nominee or Receiver or assignee become holder of the above mentioned licences, permits and authorities and to apply to the body or authority or board or commission having the necessary jurisdiction for the approval of the transfer to the Chargee or his nominee, Receiver or assignee of all the licences, permits and authorities now or hereafter in existence in connection with any business or use carried on or being made of the charged premises.

(e) This indenture further witnesses that the Chargor and the Guarantor do hereby irrevocably constitute and appoint the Chargee their attorney in the premises to do and perform all acts, matters and things necessary to effectively transfer the said licences, permits and authorities and to vest the same in the Chargee or its nominees, Receiver or assignees to all intents and purposes as the Chargor itself could do; it being agreed that this power of attorney is only exercisable on default by the Chargor. A statutory declaration that default has occurred under and in respect of the said Charge, and that such default still continues, entitling the Chargee to exercise its rights hereunder, shall be conclusive evidence of the Chargee's rights to exercise the power of attorney hereby given.

The Chargee in exercising any of the rights given to the Chargee under this Charge shall not be deemed to be a Chargee in Possession.

The Chargor and/or Guarantor(s) agree that should the Chargee herein be a trustee for beneficiaries, the Chargor and/or Guarantor(s) shall have no claims against the beneficial owners of the 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.2l (the "Act") and covenants and agrees with the Chargee that, in the event that at any time during the term of this Charge the Chargor shall become a "farmer" within the meaning of the Act, if 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 Guarantor will pay when due all amounts owing to any governmental authority which, if unpaid, would give such governmental authority recourse for such amounts ranking in priority to the within Charge or any other documents and agreements given by the Chargee to the Chargor in connection with the advance of funds hereunder and the failure to pay any such amount when due will constitute, at the option of the Chargee, a default hereunder.

UNDERTAKINGS

In the event that the Chargor defaults 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, such default will be an event of default under this Charge and entitle the Chargee to all of its remedies hereunder including the acceleration of the principal without further notice to the Chargee.

SUBSEQUENT ENCUMBRANCES

The Chargor and Guarantor hereby agree that in the event that a subsequent mortgage is placed on the property secured hereby, without the Chargee's written consent, which consent may be

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unreasonably withheld, that the Chargee shall have the right, at its option, to immediately declare all unpaid principal and interest and accrued interest and costs and expenses owing to the Chargee immediately due and payable, together with the Chargee's then current prepayment penalties and fees.

PRIVACY PROVISIONS

(a) The Chargor hereby irrevocably consents to the Chargee releasing and disclosing to any other parties, their authorized agents and solicitors requesting the same, any and all information, whether confidential or not, in its possession regarding the charged lands or the within mortgage loan including, without limitation, details of the mortgage loan balance, the terms of this mortgage loan, defaults hereunder (existing or prior) and like matters.

(b) The Chargor hereby confirms and agrees that the release and disclosure of any such information by the Chargee constitutes the release and disclosure of such information with the full knowledge and consent of the Chargor within the meaning of the Personal Information Protection and Electronic Documentation Act (Canada), as amended.

(c) The Chargor hereby 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.

COSTS

The Chargor covenants and agrees to pay all property tax, utility rates, charges and insurance premiums as and when they become due, to keep all encumbrances and agreements in good standing, comply with all zoning by-laws, standards and work orders and not to permit the existence of any work orders, deficiency notices, letters of compliance or the registration of any liens of any nature or kind; the failure of the Chargor to comply with this covenant shall constitute an event of default hereunder and at law including the right to accelerate the principal sum secured under this Charge, together with all accrued interest thereon, plus costs.

In addition, at the Chargee's sole and absolute discretion, the Chargor agrees that the Chargee may satisfy any charge, lien, any matter raised in the previous paragraph or other encumbrances now or hereafter existing or to arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the lands charged herein and/or collateral property and shall bear interest at Eighteen (18%) per cent per annum, calculated and compounded monthly and shall be payable forthwith by the Chargor to the Chargee and in default of payment, the entire principal sum, accrued interest and costs, shall become payable at the sole and absolute discretion of the Chargee and the remedies hereby given and available at law may be exercised forthwith without notice. In the event of the Chargee satisfying any such charge or claim, it shall be entitled to all equities and securities of the person(s) so satisfied and it may retain any discharge, cessation of charge or assignment of charge unregistered until paid.

DUE ON DEFAULT

In the event of default under this Charge, beyond an applicable cure period, at the option of the Chargee, the full principal balance, together with interest and costs on a substantial indemnity basis in relation thereto shall become immediately due and payable.

DEFAULT OF PRIOR OR SUBSEQUENT ENCUMBRANCES

If at any time or from time to time any default or breach of covenant occurs under any encumbrance registered against the Property and which encumbrance has priority over the

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Charge or which is subordinate to the Charge and which default is not cured within the grace periods permitted, it shall, at the option of the Chargee, constitute default under the Charge and the Chargee may, at its option, pay all monies and take appropriate action to cure any default or breach under any encumbrance.

MAXIMUM LOAN TO VALUE

If at any time prior to the completion of the Project the amount outstanding pursuant to this Charge exceeds 65.70% of the "as is" value of the lands secured hereby as of the date hereof, the Chargee may refuse to advance any further amounts pursuant to this Charge and/or at the option of the Chargee, the Charge may become due and payable.

Any appraisal is to be prepared by a Bona Fide appraiser approved by the Chargee.

CREDIT MANAGEMENT

The Chargor acknowledges it is important to insulate the revenue stream from the Property in order to avoid claims by other projects, commitments or liabilities of the Chargor. If this is not possible, the Chargor agrees to provide the Chargee with a reasonable degree of revenue segregation through separate reporting. In this regard the Chargee shall monitor the financial aspects of the Property, depending upon its financial status.

The Chargor covenants and agrees to provide the Chargee with standalone property reporting isolating the Property's financial and operating information from that of other properties owned by the Chargor. The Chargor further covenants and agrees to provide the Chargee with separate financial statements for the Property. In the event of a default by the Chargor under the Charge, or if the Chargor seeks relief under the *Companies' Creditors Arrangement Act* (Canada) or other debtor relief legislation, the Chargee shall, if possible, be entitled to establish a separate project bank account for the Property.

CONSTRUCTION PROVISIONS

DEFINITIONS

Unless the context requires otherwise, in addition to the terms defined elsewhere herein, the following words or expressions shall have the following meanings:

a) "**Advances**" includes the gross amount of that portion of the Principal Amount advanced by the Chargee from time to time hereunder and shall include any Advances made by the Chargee on account of a default by the Chargor;

b) "**Approved Budget**" means the detailed budget of the total costs (hard and soft) required to service and construct the Project, prepared at the request of the Chargor and submitted to the Chargee for its review and approval and approved by the Chargee, currently being $4,113,200;

c) "**Charged Lands**" means the lands and premises described in this Charge/Mortgage and the improvements thereon;

d) "**Construction Facility**" refers to the amount set out in the Approved Budget and referred to in the Commitment for the construction of a 3 storey and 1 elevated basement multiple unit residential building with 18 suites allowing for 15,000 square feet of above ground rental apartment space and 5,000 square feet of finished basement rental apartment space as described in the Commitment.

e) "**Cost Overruns**" or "**Cost Overrun**" means the amount by which the actual project costs exceed the project costs approved pursuant to the Approved Budget;

f) "**Project**" means the construction of a of a 3 storey and 1 elevated basement multiple unit residential building with 18 suites allowing for 15,000 square feet of above ground rental apartment space and 5,000 square feet of finished basement rental apartment space as described

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in the Commitment.

ADVANCES

The Commitment provides for staged advances of the monies secured hereunder; and notwithstanding anything to the contrary contained herein or in any prior or subsequent oral or written agreement between the parties, the parties hereto hereby covenant, agree and acknowledge that neither the delivery of any Commitment by the Chargee to the Chargor, nor the execution, nor the registration of this Charge nor the advancement in part of the monies hereby secured shall bind the Chargee in law or in equity thereof, but that the advance of the monies hereby secured or any part thereof is to be made from time to time, in such manner and at such time and in such amounts as the Chargee in its sole exclusive discretion may from time to time determine and it is to be clearly understood that the Chargee is not bound to make any Advance hereunder and may at any time refuse to make Advances hereunder.

Without limiting the generality of the foregoing, it is acknowledged and agreed by the Chargor that all Advances are subject to holdbacks hereinafter provided for.

1. Prior to the Chargee making the initial advance of the Advances which are on account of the Construction Facility, the Chargor shall satisfy the preconditions set forth in the Commitment and shall supply or cause to be supplied to the Chargee the following and thereafter such of the following as may be applicable from time to time:

a) a detailed and accurate list of all of the names and addresses of all contractors, subcontractors and trades who are to perform servicing in respect of the Charged Lands together with true copies of all contracts entered into with the said parties which contracts shall be approved by the Chargee;

b) true copies of all engineering drawings and plans (which shall be signed, sealed and dated), as well as a set of plans with the approval of the Building Department of the Municipality or other Governmental Authority having jurisdiction thereon, endorsed thereon;

c) a detailed budget, (inclusive of the Chargor's cost of the borrowing) setting forth all costs, required to be expended to complete the construction of the Project including hard and soft costs;

d) true copies of all architectural drawings and plans (which shall be signed, sealed and dated), as well as a set of plans with the approval of the Building Department of the Municipality or other Governmental Authority having jurisdiction thereon, endorsed thereon;

e) Building Permits for the Project to be constructed on the Charged Lands, as described in the Commitment;

2. Prior to each subsequent advance, the Chargor shall supply to the Chargee or to its solicitors or cause to be supplied to them the following:

a) A Certificate of the Chargor setting out the actual costs of every nature and kind incurred by the Chargor for the Project from the last Advance to date of current Advance and provide the Chargee with true copies of all invoices in respect of the Project;

b) an original up to date survey showing the location of the structure erected on the Charged Lands as well as any easements, right of way and any other material discrepancy. The survey shall be signed, sealed and dated by an Ontario Land Surveyor;

3. It is expressly acknowledged and agreed that in the making of the staged Advances in accordance with the terms of the Commitment, there shall always be held back an amount sufficient to cover the estimated costs to complete the Project, as contemplated by the Commitment, inclusive of all interest cost, from time to time. The Chargor hereby represents, warrants and covenants that the costs as set out in the Approved Budget will have been carefully and conservatively prepared to reflect as accurately as possible the actual costs in accordance with generally accepted accounting/development/construction practices.

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4. It is further expressly agreed that notwithstanding anything herein contained to the contrary, the Chargee shall at all times have the option, from time to time (i) to reduce any advances for which the Chargor has qualified by an amount equivalent to any potential deficiency in any applicable construction lien holdbacks relating to construction with respect to the Charged Lands so as to protect its priority with respect to the equity of the Charged Lands or (ii) to require from the Chargor additional security satisfactory to the Chargee to protect its priority position with respect to such equity in the Charged Lands. In the event that such additional security is by way of cash collateral, any interest earned on such cash collateral, from time to time, shall be credited to the Chargee. Such additional security shall be released upon the Chargee receiving satisfactory evidence that there are no deficiencies in any applicable construction lien holdbacks and that all requisite construction lien periods have expired with no liens registered or notices of lien notified to the Chargee or its solicitors.

5. At the time of each Advance there shall have been full and complete compliance with all requirements of the Construction Act, as amended and/or restated from time to time (the **"Act"**), and the Chargor shall submit to the Chargee, in form and content satisfactory to the Chargee, evidence of such compliance. The Chargor agrees that the Chargee shall be entitled to withhold from any Advance, or pay into court as an Advance, such amounts as the Chargee, in its sole discretion, considers advisable to protect its interests from subordination under the provisions of the said Act, and to secure the priority of the Charge over any actual or potential construction liens. Nothing in this paragraph shall be construed to make the Chargee an "owner" or "payer" as defined by the said Act, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback or otherwise or to maintain on the Chargor's behalf any holdback which may be required to be made by the owner or payer. Any such obligation shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the said Act.

6. The Chargor covenants and agrees to provide to the Chargee, prior to each advance, statutory declarations sworn by the Chargor and outlining the particulars of all contracts entered into by the Chargor in respect of supply of services or material to any improvements on the Charged Lands. Such statutory declarations shall be acceptable to the Chargee as to form and content. In addition, the Chargor covenants and agrees to produce such contracts for examination by the Chargee if and whenever the Chargee shall so require.

7. The Chargor covenants and agrees that all improvements to the Charged Lands shall comply in all respects with the provisions of the said Act and if a construction lien is filed against all or part of the Charged Lands, then within ten (I0) days after receipt of notice thereof, the Chargor shall cause the lien to be vacated or discharged. If the Chargor fails to do so, then in addition to its other rights provided herein, the Chargee shall be entitled to pay into court a sum sufficient to obtain an order vacating such lien or to purchase a financial guarantee bond in the form prescribed under the said Act. All costs, charges and expenses incurred by the Chargee in connection with such payment into court or in connection with the purchase of a financial guarantee bond or in connection with any legal proceedings, together with interest thereon at the rate stipulated herein, shall be added to the principal sum secured herein and shall be payable forthwith by the Chargor to the Chargee. If any person that performs work, labour or services or that provides materials to or for the Charged Lands, names the Chargee as a party to any legal proceedings which it takes to enforce a construction lien or trust claim, then the Chargor agrees to reimburse the Chargee for any and all legal expenses (on a solicitor and his own client basis) incurred by the Chargee in such legal proceedings.

8. The Chargor covenants and agrees with the Chargee that:

a) it will enter into any agreements required by the Municipality, Town/Township or any Governmental Authority or any other governmental authority relating to the servicing, development or construction on the Charged Lands; and keep such agreements in good standing at all times.

b) to do all things that are necessary in order that building permits for the Project to be constructed on the Charged Lands, as described in the Commitment, are issued by the

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Municipality, Town/Township or any Governmental Authority as soon as possible.

c) All servicing and construction on the Charged Lands shall be carried out by reputable contractors with sufficient experience in a Project of this nature and size, which contracts must be previously approved by the Chargee in writing.

d) The servicing of the Charged Lands and the construction of any buildings, structures and improvements located on the Charged Lands, having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in accordance with the plans and specifications delivered to and approved by the Chargee and to the satisfaction of all governmental and regulatory authorities having jurisdiction and in compliance with all by-laws, statutes, rules and regulations and in accordance with the provisions of any agreements entered into with the Municipality, Town/Township or any Governmental Authority or other governmental authority.

e) Should the servicing or construction of the Project cease for any reason whatsoever (strikes, material shortages and weather conditions beyond the control of the Chargor excepted) for a period of at least ten (I0) consecutive business days, then the principal sum secured by this Charge together with all other sums owing, at the option of the Chargee, shall immediately become due and payable. In the event that servicing or construction does cease, or the Chargor is in default hereunder or under any of the security documents, then the Chargee shall have the right, at its sole option, to assume complete control of the construction in such manner and on such terms as it deems advisable. The cost of completion incurred by the Chargee and all costs and expenses incidental thereto, together with a management fee of the greater of $15,000 per month or five per cent (5%) of the mortgage principal plus applicable taxes or fifteen percent (15%) of the cost of such servicing and construction, shall, be added to the principal sum secured herein together with interest thereon at the rate stipulated herein, and shall be payable by the Chargor upon demand.

f) It shall keep all mortgages, liens and encumbrances having priority over or subsequent to the within Charge in good standing and the Chargor acknowledges that a default under any one of such mortgages, liens and encumbrances shall constitute default under the within Charge.

g) The Chargor shall not withdraw or permit the withdrawal of any monies by way of loan, cash payments, salaries, commissions, bonuses, dividends, stock dividends, withdrawal of profits, interest on capital, repayment of loans, redemption, retraction or cancellation of shares or any other means ("Monies") to any shareholder, director or officer of the Chargor or any subsidiary, affiliate, associate or relative of any shareholder, director or officer of the Chargor or any other person or persons on behalf of or for any such shareholder, director, officer, subsidiary, affiliate, associate or relative. Any Monies received by any party contrary to the provisions of the Chargor's covenant herein shall be received in trust by such party for the Chargee until the loan secured herein is fully paid and satisfied;

h) If, from time to time during the construction of the Project, the Chargee, determines that funds are required to satisfy cost overruns, interest or costs which are not included in, or are in excess of, the Approved Budget at any time (the "**Deficiency**"), the Chargee may, by written notice:

(i) require the Chargor to complete the Project and to inject additional funds into the Project in an amount equal to the Deficiency at such time; and

(ii) require the Guarantor to advance funds to the Chargor in an amount equal to the Deficiency at such time.

Within ten (10) days of receipt of a notice given by the Chargee as aforesaid, the Guarantor shall advance additional funds to the Chargor in an amount equal to the Deficiency specified in such notice, by way of equity investment, subordinated loans or such other method as may be approved by the Chargee, and shall cause the Chargor to use such funds to satisfy the Deficiency.

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i) The Chargor shall maintain a Segregated Account for the Project and all payments, rents, deposits, distributions and other amounts received by the Chargor from, for, or in respect of the Project, and all funds payable to the Chargor in connection with the loan secured by the within Charge shall be deposited into the Segregated Account, which shall be held in trust for the benefit of the Chargee and shall be kept separate and apart from other funds, bank accounts and property of the Chargor. The funds in the Segregated Account shall not be applied or used in respect of any other projects of the Chargor or for any other purpose whatsoever, except in respect of the Project.

A breach of any of the forgoing covenants or any other covenant in the within Charge shall be deemed to be a default hereunder and at the option of the Chargee, all sums secured by the within Charge shall become due and payable together with accrued interest.

PROVIDED that the Chargor may, at is sole option, make payments from any advance directly to pay taxes and other accounts payable with respect to the Project.

BLANKET MORTGAGE

The Chargor hereby acknowledges and agrees that the principal sum secured herein shall be secured by all of the lands and premises described under Properties in the Charge/Mortgage of Land to which this Schedule is attached.

For the purposes hereof each of the parcels of land designated by the Land Titles Office in which this Charge is registered, now or in the future, with an individual PIN Number shall herein be referred to as a "Parcel" and all of the Parcels of land shall be collectively referred to as the "Charged Lands".

AND THAT:

(a) The Charge herein shall be registered against the Charged Lands;

(b) Each of the Parcels shall be charged with the whole of the principal sum secured herein together with all interest and costs payable hereunder;

(c) The Chargor agrees notwithstanding anything herein to the contrary, there is no right in the Charge nor shall the Chargor be entitled to require that the principal be apportioned in respect of any of the Parcels;

(d) The Chargor hereby agrees that each Parcel shall be the principal security for the entire principal sum secured herein;

The Chargee shall in the event of default be free to realize in its sole discretion upon any Parcel or Parcels in any order without prejudice to realizing upon any other Parcels from time to time.

Any and all remedies pursued by the Chargee against any one of the Parcels shall not release, diminish, alter or exhaust the Chargee's rights against any of the other Parcels.

REASONABLENESS OF FEES AND CHARGES

The Chargor acknowledges having reviewed and had explained to it all of the possible fees and charges as set forth in this Charge which would be in addition to principal and interest due hereunder. The Chargor acknowledged and agrees that the fees and charges are reasonable and reflect a reasonable pre-estimate of Chargee's actual costs with respect to each of such charges and fees.

VALIDITY OF PROVISIONS

If any provision of this Charge is held to any extent invalid or unenforceable, the remainder of this Charge shall not be affected and shall remain valid and enforceable.

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TIME OF THE ESSENCE

Time shall be of the essence in all matters relating to this Charge.

INTERPRETATION AND HEADINGS

Wherever in this Charge the singular or masculine is used, the same shall be construed as meaning the plural or the feminine or the neuter where the context or the parties hereto so require. The headings do not form part of this Charge and have been inserted for convenience of reference only.

ELECTRONIC IMAGING

The parties hereto agree that, at any time the Chargee and/or its solicitors may convert paper records of the Security Documents and all other documentation delivered to the Chargee (each, a **"Paper Record"**) into electronic images (each, as an **"Electronic Image"**) as part of the Chargee's and/or its solicitors' 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 proceedings as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

This is **Exhibit "E"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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LRO # 51 **Charge/Mortgage** **Registered as SC1971266** on 2023 04 03 at 12:09

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

Properties

PIN	58405 - 0667 LT	*Interest/Estate*	Fee Simple
Description	BLOCK 80, PLAN 51M887, PENETANGUISHENE.		
Address	61 THOMPSON RD WEST PENETANGUISHENE		

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	BLOCK 80 HOLDINGS INC.
Address for Service	135 Holmes Avenue Toronto, Ontario, M2N 4M5

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

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

Chargee(s) *Capacity* *Share*

Name	2070409 ONTARIO INC.
Address for Service	55 Village Centre Place Mississauga, Ontario, L4Z 1V9

Provisions

Principal	$500,000.00	*Currency*	CDN
Calculation Period	Monthly, Not in Advance		
Balance Due Date	2024/03/31		
Interest Rate	12.00%		
Payments	$5,000.00		
Interest Adjustment Date	2023 03 31		
Payment Date	Last Day of Each Month		
First Payment Date	2023 04 30		
Last Payment Date	2024 03 31		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Andre Sherman		

Additional Provisions

See Schedules

Signed By

Sharoon John Gill	106-3410 South Service Road Burlington L7N 3T2	acting for Chargor(s)	Signed	2023 04 03

Tel 289-812-1020

Fax 289-812-1027

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

Submitted By

OAKMONT LAW	106-3410 South Service Road Burlington L7N 3T2	2023 04 03

Tel 289-812-1020

Fax 289-812-1027

Fees/Taxes/Payment

Statutory Registration Fee	$69.00
Total Paid	$69.00

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File Number

Chargee Client File Number : A2310048

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ADDITIONAL PROVISIONS

SCHEDULE "A"

1. This Charge/Mortgage is given as continuing security for payment to the chargee of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Chargor to the chargee pursuant to the mortgage commitment dated March 20, 2023 (the "Mortgage Commitment") between the chargor and the chargee and a promissory note dated March 31, 2023 (the "Note") issued by the chargor to the chargee (such debts and liabilities being hereinafter called the "liabilities"), with interest at the rate set out on Page 1 of this Charge/Mortgage (the "Interest Rate").

2. The chargor covenants to pay each and every liability to the chargee punctually as the same falls due; provided that this Charge/Mortgage is void upon payment on demand of the ultimate balance of the liabilities and all promissory notes, bills of exchange, guarantees and any other instruments whatsoever from time to time representing the liabilities or any part thereof together with the Interest Rate as well after as before maturity and both before and after default and all other amounts payable by the Chargor hereunder.

3. The terms contained in this schedule (and any other schedule attached to this Charge/Mortgage) are in addition to the terms contained in the Standard Charge Terms (as identified on Page 1 of this Charge/Mortgage). In the event of any conflict between the terms contained in this schedule and those contained in the Standard Charge Terms (as identified on Page 1 of this Charge/Mortgage), the terms contained in this schedule shall, to the extent of the conflict, prevail.

4. The chargor shall, at all times, maintain the insurance required by the chargee including, but not limited to, the following coverages:

   (a) Comprehensive General Liability insurance against loss from liability imposed by law as owner or landlord of the Property resulting from personal injury or death, and damage to or loss of property, of any person, in an amount not less than $5,000,000 on a single occurrence basis. When Umbrella/Excess Liability insurance is evidenced, the Umbrella must follow form of the underlying Comprehensive General Liability;

   (b) "All Risks" property insurance in an amount not less than 100% of the full replacement cost of the Property including improvements and personal property or "All Risks" Builders Risk/Course of Construction Insurance on a replacement cost basis including the existing structures and/or new build projects. The insurance must insure against damage to or destruction including but not limited to footings, foundations and all parts above and below grade in the amount that equals the full rebuilding cost; and

   (c) Any and all other insurance coverages which the chargee may reasonably require from time to time.

   Failure of the chargor to maintain the insurance coverage (as set out above) and/or to provide a copy of the policy, on demand, to the chargee, shall represent default under the mortgage.

5. The charged property must comply with all municipal, provincial and federal statues, regulations and requirements. Failure to do so shall constitute default under this Charge/Mortgage.

6. The chargee shall have the right at any reasonable time to inspect the charged property, whether this mortgage is in default or not, including the building to be held as security for the mortgage as long as any monies remain outstanding under

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this Charge/Mortgage. Access shall be on 24 hours' notice to the chargor.

7. All taxes are to be paid in full as they fall due. Failure by the chargor to make such payment shall represent default under this Charge/Mortgage.

8. This Charge/Mortgage shall be non-transferable without the chargee's written consent. If a transfer is allowed, the original chargor shall remain liable for the mortgage and any arrears and expenses.

9. This mortgage also secures, in addition to the amount noted on Page 1 of this Charge/Mortgage, all monies and liabilities whether direct or contingent, now or hereafter owing or incurred by the chargee, including, but not limited to: further advances, renewal fees, property taxes paid, legal costs and payments made on behalf of the chargor on both prior and subsequent mortgages.

10. The terms and conditions of the original mortgage commitment shall continue in effect and be binding upon the chargor and the chargee, whether or not they are set out in this Charge/Mortgage.

11. If this mortgage is in arrears, and the charged property is vacant for a period of ten (10) days, it shall be deemed to be abandoned, and at the chargee's option, it may take immediate possession without notice, change the locks and secure the premises.

12. The chargee shall be entitled to add to the mortgage account, any expenses incurred, where the mortgage is in default for any reason. Default will include non-payment of taxes, allowing criminal activity at the charged premises, and abandoning the charged property. The expenses to be added to the mortgage account will include any fees or costs paid to other parties such as property managers, real estate agents, appraisers, property inspectors, mortgage collections agents, and paralegals.

13. The chargee may use its own staff and resources to administer the mortgage, when the mortgage is in default. The chargee will add to the mortgage account, lender's administration fees in order to recover expenses directly related to any default (default in payment, insurance coverage, payment of taxes, and payment on a prior mortgage). These costs are currently as follows:

Administrative fee in the event this Charge/Mortgage falls into arrears.	$2,000.00 per occurrence
Administrative fee in the event the required insurance is cancelled and the chargee has to address it.	$500.00 per occurrence
Administrative fee in the event the property taxes are in arrears and the chargee has to address it.	$500.00 per occurrence
Administrative fee for each letter, notice, correspondence, etc. required to be sent by the chargee (or on its behalf).	$200.00 per occurrence
Administrative fee for each visit to the charged/mortgaged property required to be made by the chargee.	$200.00 per visit
Administrative/maintenance fee for each day the chargee is a mortgagee in possession.	$85.00 per day

14. The chargee shall add to the mortgage account, in the case of default on the mortgage, all legal expenses incurred on a full indemnity basis.

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ADDITIONAL PROVISIONS

SCHEDULE "B"

RECEIVER

Notwithstanding anything herein contained it is declared and agreed that at any time and from time to time when there shall be default under the provisions of these presents the chargee may at such time and from time to time and with or without entry into possession of the charged premises or any part thereof by writing under its corporate seal appoint a receiver of the charged premises or any part thereof and of the rents and profits thereof and with or without security and may from time to time by similar writing remove any receiver and appoint another in his stead and that, in making any such appointment or removal, the chargee shall be deemed to be acting as the agent or attorney for the chargor. Upon the appointment of any such receiver or receivers from time to time the following provisions shall apply:

1. That the statutory declaration of an officer of the chargee as to default under the provisions of these presents shall be conclusive evidence thereof.

2. That every such receiver shall be the irrevocable agent or attorney of the chargor for the collection of all rents falling due in respect of the charged premises or any part thereof whether in respect of any tenancies created in priority to these presents or subsequent thereto;

3. That every such receiver may, in the discretion of the chargee and by writing under its corporate seal, be vested with all or any of the powers and discretions of the chargee;

4. That the chargee may from time to time by such writing fix the remuneration of every such receiver who shall be entitled to deduct the same out of the charged premises or the proceeds thereof;

5. That every such receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent or attorney of the chargor and in no event the agent of the chargee;

6. That the appointment of every such receiver by the chargee shall not incur or create any liability on the part of the chargee to the receiver in any respect and such appointment or anything which may be done by any such receiver or the removal of any such receiver of the termination of any such receivership shall not have the effect of constituting the chargee a chargee in possession in respect of the charged premises or any part thereof;

7. That every such receiver shall from time to time have the power to rent any portion of the demised premises which may become vacant for such term and subject to such provisions as he may deem advisable or expedient and in so doing every such receiver shall act as the attorney or agent of the chargor and he shall have authority to execute under seal any lease of any such premises in the name of and on behalf of the chargor and the chargor undertakes to ratify and confirm whatever any such receiver may do in the premises;

8. That every such receiver shall have full power to take all steps he deems appropriate to complete any unfinished construction upon the charged premises with the intent that the charged premises and the buildings thereof when so completed shall be the complete structure as represented by the chargor to the chargee for the purpose of obtaining this charge loan;

9. That every such receiver shall have full power to manage, operate, amend, repay, alter or extend the charged premises or any part thereof in the name of the chargor

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for the purpose of securing the payment of rental from the charged premises or any part thereof; and

10. That no such receiver be liable to the chargor to account for monies or damages other than cash received by him in respect of the charged premises or any part thereof and out of such cash so received every such receiver shall in the following order pay:

    (a) His remuneration aforesaid;

    (b) All payments made or incurred by him in connection with the management, operation, amendment, repair, alteration or extension of the charged premises or any part thereof; or completion of any unfinished construction upon same;

    (c) In payment of interest, principal and other money which may, from time to time, be or become charged upon the charged premises in priority to these presents, and all taxes, insurance premiums and every proper expenditure made or incurred by him in respect to the charged premises or any part thereof;

    (d) The chargee in payment of all interest due or falling due under this charge and the balance to be applied upon principal due and payable and secured by this charge; and

    (e) Thereafter any surplus remaining in the hands of every such receiver to the chargor, its successors and assigns.

This is **Exhibit "F"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of the 30th day of March, 2021.

BY:

BLOCK 80 HOLDINGS INC.

(hereinafter called the "**Debtor**")

OF THE FIRST PART

IN FAVOUR OF:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(hereinafter called the "**Secured Party**")

OF THE SECOND PART

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

ARTICLE I
DEFINITIONS

1.01 **Definitions**: Capitalized terms used in this Agreement that are not defined in this section have the respective meanings ascribed thereto in the Act and all other capitalized terms used in this Agreement have the respective meanings ascribed thereto in this section:

(a) the "**Act**" means the *Personal Property Security Act* RSO 1990, as amended or re-enacted from time to time;

(b) "**Buildings**" means all structures, buildings and other improvements constructed, being constructed or to be constructed on the Lands;

(c) "**Collateral**" means all Goods including, without limitation, Equipment and Inventory that is now or hereafter owned or acquired by or on behalf of the Debtor or in respect of which the Debtor now or hereafter has any rights and which is now or hereafter may become located on, affixed or attached to, placed upon, situate in or on, or which may arise out of, from or in connection with the ownership, use or disposition of, the Lands or the Buildings or any part thereof including, without limitation, all increases, additions, substitutions, repairs, renewals, replacements, Accessions, accretions and improvements to any such Goods and all Proceeds and other amounts derived directly or indirectly from any dealings with any such personal property.

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

(i) any act done or taken by the Secured Party or any Receiver, or any proceeding instituted by the Secured Party, the Debtor or any other person, firm or corporation, in connection with or in any way relating to any one or more of the Act, this Agreement or any part hereof, the preservation, protection, enforcement or realization of the Collateral or the Security Interest or both, the recovery of the Indebtedness and responding to enquiries regarding the scope of the Security Interest perfected by the registration of a Financing Statement under the Act;

(ii) the remuneration of the Receiver and its agents, if any; and

(iii) all amounts incurred or paid by or on behalf of the Secured Party pursuant to section 5.03 hereof;

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(e) "**Indebtedness**" means all present and future debts and liabilities due or to become due, absolute or contingent, direct or indirect, now existing or hereafter arising, owing by the Debtor to the Secured Party, whether pursuant to or under the Letter of, the Loan Documents or otherwise and includes any extensions, renewals or replacements thereof and includes the Expenses;

(f) "**Lands**" means the lands and premises described in Schedule "A" annexed hereto;

(g) "**Letter of Commitment**" means that certain commitment letter dated November 30th, 2020 and assigned to the Secured Party in favour of Block 80 Holdings Inc. as same may be amended from time to time;

(h) "**Loan Documents**" means all agreements, instruments and other documents made or assigned by the Debtor in favour of the Secured Party in connection with the loan transaction contemplated in the Letter of Commitment, as same may be amended from time to time; and

(i) "**Security Interest**" means the assignment, transfer, mortgage, charge and security interest provided for in section 2.01 hereof and "**security interest**" has the meaning ascribed thereto in the Act.

ARTICLE II
GRANT OF SECURITY INTEREST AND ATTACHMENT

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

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

(b) grants to and in favour of the Secured Party a security interest in the Collateral;

as and by way of a fixed charge.

2.02 **Attachment**: The Debtor and Secured Party confirm that they have not postponed or agreed to postpone the time for attachment of the Security Interest and that the Debtor has received Value.

ARTICLE III
REPRESENTATIONS, WARRANTIES AND COVENANTS

3.01 **Representations and Warranties**: The Debtor represents and warrants that the Collateral is owned by the Debtor with good and marketable title thereto, free and clear of any assignments, executions, mortgages, charges, hypothecations, pledges, security interests, liens, demands, adverse claims and any other encumbrances whatsoever.

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

(a) the Debtor will at all times maintain its corporate existence;

(b) the Debtor shall diligently maintain and operate the Collateral and shall conduct its operations in a reasonable and prudent manner so as to maintain, preserve and protect the Collateral;

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

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(d) the Debtor will at all times repair the Collateral and keep the Collateral in good order and condition and renew and replace all and any of the same which may become unrepairable or destroyed;

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

(f) the Debtor shall deliver to the Secured Party original or certified true copies of all policies of insurance required to be maintained by the Debtor pursuant hereto and the Debtor shall, at least thirty (30) days prior to the expiry of any such insurance policy, deliver to the Secured Party a renewal receipt, binder or new policy replacing such expiring insurance policy, or otherwise satisfy the Secured Party that such insurance has been renewed;

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

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

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

(j) the Debtor will pay or reimburse the Secured Party upon demand for all Expenses together with interest thereon from the date of payment by the Secured Party until paid in full to the Secured Party by the Debtor at the highest rate of interest payable under the Loan Documents, calculated and compounded monthly before and after demand, maturity, default and judgment, together with interest on overdue interest at the same rate; and

(k) the Debtor shall not transfer, convey, sell, sublease, assign or otherwise deal with or part with possession of the Collateral or any part thereof.

ARTICLE IV
EVENTS OF DEFAULT AND REMEDIES

4.01 **Events of Default**: The Debtor shall be in default hereunder upon the occurrence of any one or more of the following events (which shall collectively be called "**Events of Default**" and individually an "**Event of Default**"):

(a) if the Debtor is in default under or pursuant to, or otherwise fails to perform, fulfill or satisfy any covenant, obligation or condition set out in, or upon the occurrence of an event described as an "Event of Default" or a "Default" in, this Agreement, the Letter of Commitment or any of the Loan Documents; and

(b) if the Debtor or any guarantor or covenantor of the Indebtedness or any part thereof commits an act of bankruptcy or becomes insolvent or has a receiver or receiver and manager appointed for it or over any of its assets or if any creditor takes possession of any of its assets or if any execution, distress or other like process is levied or enforced

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upon the Collateral or any part thereof or if any compromise or arrangement with creditors is made by any of them.

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

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

(b) the Secured Party may appoint and reappoint by instrument in writing, or institute proceedings in any court of competent jurisdiction for the appointment or reappointment of, any person (including the Secured Party) or persons to be a receiver or receiver and manager (collectively called a "**Receiver**") of all or any part of the Collateral. The Secured Party may remove or replace the Receiver from time to time, and appoint another person or persons in his stead or make application to a court of competent jurisdiction to do so. Subject to the provisions of the instrument or court order appointing the Receiver, the Receiver so appointed or replaced shall have, possess and may exercise all or any part of the rights, powers and remedies of the Secured Party (whether conferred upon the Secured Party by this Agreement or otherwise). For greater certainty, where the Secured Party is referred to in this Agreement, the term shall, where the context permits, include the Receiver so appointed or replaced and the officers, employees, servants or agents of the Secured Party and the Receiver;

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

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

(ii) that the Secured Party may, at any time during the day or night, by any lawful means, enter upon the Lands and Buildings and upon any other premises where any of the Collateral may be found for the purpose of rendering unusable any part of the Collateral which constitutes equipment or for the purpose of taking possession of and removing the Collateral or any part thereof or both;

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

(e) subject to the Act, the Secured Party may without notice, retain the Collateral or any part thereof and postpone the sale or any other disposition or dealing with the Collateral or any part thereof for such period as may, in the absolute discretion of the Secured Party, seem to it necessary or advisable;

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

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

(h) the Secured Party may borrow money on the security of the Collateral and create security interests in the Collateral, whether or not in priority to the Security Interest, which, in the absolute discretion of the Secured Party, may impair the Debtor's right to redeem the Collateral;

(i) the Secured Party may carry on or concur in the carrying on of all or any part of the business of the Debtor and may enter upon, occupy and use all or any of the Buildings and buildings occupied or used by the Debtor, or in which the Collateral or any part

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thereof is situate for such time as the Secured Party sees fit, free of charge, to the exclusion of the Debtor; and

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

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

4.04 **Risk of Loss**: Where all or any part of the Collateral is in the possession of the Secured Party or the Receiver the risk of loss or damage, whether caused by the negligence of the Secured Party, the Receiver or otherwise, shall be the sole responsibility and obligation of the Debtor.

ARTICLE V
GENERAL CONTRACT PROVISIONS

5.01 **Secured Party not Liable**: Neither the Secured Party nor the Receiver shall be bound to do any one or more of the following:

(a) give any notice;

(b) make or do any repair, processing or preparation for disposition of the Collateral (whether commercially reasonable or not);

(c) use reasonable care in the custody or preservation of any of the Collateral in its possession;

(d) keep the Collateral identifiable;

(e) proceed in a commercially reasonable manner in the collection from debtors of the Debtor;

(f) exercise any rights, powers and remedies whatsoever including, without limitation, seize, collect, realize upon, lease, sell or otherwise dispose of, borrow money on the security of, release to third parties, obtain possession of, obtain payment for, maintain or preserve or protect, the Collateral or any part thereof or its value; and

(g) institute proceedings for the purpose of seizing, collecting, realizing upon, disposing of or obtaining possession of or payment for, the Collateral or any part thereof or for the purpose of preserving any rights of the Secured Party, the Debtor or any other person, firm or corporation in respect of same;

nor shall the Secured Party or the Receiver be liable or accountable for doing or for failing to do any one or more of the foregoing. Notwithstanding section 4.03 hereof, the Debtor shall be liable for all actions, causes of action, proceedings, debts, demands, claims, losses, damages and other liabilities incurred or suffered by the Debtor, the Secured Party or the Receiver by reason of or on account of any act or failure to act of the Receiver.

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

5.03 **Performance by Secured Party**: If the Debtor fails to perform, fulfill or satisfy any covenant, obligation or condition herein set out including, without limitation, the payment of money, the Secured Party may, in its absolute discretion, but without being bound to do so, perform any such covenant, obligation or condition capable of being performed by the Secured

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Party. No such performance or payment shall relieve the Debtor from any default under this Agreement or any consequence of such default.

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

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

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

5.07 **Notices**: Any notice or demand which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally or by facsimile upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail, in the case of the Debtor, addressed to it at any address for service provided by the Debtor to the Secured Party under any of the Loan Documents and in the case of the Secured Party, addressed to it at the address set out in Box 15 of any mortgage held by the Secured Party in connection with the Indebtedness. The date of receipt of such notice or demand, if served personally or by facsimile, shall be deemed to be the date of the delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Debtor shall be effectively given by delivery to any officer, director or employee of the Debtor. The Secured Party or the Debtor may, from time to time, change its address or stipulate another address from the address described in this Agreement by giving notice in the manner provided in this section.

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

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

5.10 **Entire Agreement**: This Agreement constitutes the entire agreement between the Debtor and the Secured Party relating to the Security Interest and may not be amended in any manner except by written instrument signed by both of them.

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

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

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

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

(Balance of page left blank. Signature page to follow.)

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

BLOCK 30 HOLDINGS INC.

Per: _____

Andre Sherman
Authorized Signing Officer
I have the authority to bind the Corporation

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SCHEDULE "A"

DESCRIPTION OF LANDS

61 Thompson Road West, Town of Penetanguishene
First Mortgage
PIN 58405-0667 (LT)
Block 80, Plan 51M887, Town of Penetanguishene
(the "Property")

This is **Exhibit "G"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

Ontario

- Web Page ID: **WEnqResult**
- System Date: **18APR2024**
- Last Modified: February 21, 2024

Note: All pages have been returned.

Type of Search	Business Debtor						
Search Conducted On	BLOCK 80 HOLDINGS INC.						
File Currency	17APR 2024						
	File Number	**Family**	**of Families**	**Page**	**of Pages**	**Expiry Date**	**Status**
	771151194	1	1	1	1	01APR 2028	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	**Caution Filing**	**Page of**	**Total Pages**	**Motor Vehicle Schedule**	**Registration Number**	**Registered Under**	**Registration Period**
771151194		001	1		20210401 1149 1590 7864	P PPSA	7

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	BLOCK 80 HOLDINGS INC.				
	Address		**City**	**Province**	**Postal Code**
	135 HOLMES AVENUE		TORONTO	ON	M2N 4M5

Individual Debtor	**Date of Birth**	**First Given Name**	**Initial**	**Surname**	
Business Debtor	**Business Debtor Name**			**Ontario Corporation Number**	
	Address		**City**	**Province**	**Postal Code**

Secured Party	**Secured Party / Lien Claimant**			
	FIRST SOURCE FINANCIAL MANAGEMENT INC.			
	Address	**City**	**Province**	**Postal Code**
	2235 SHEPPARD AVENUE EAST, SUITE 1202	TORONTO	ON	M2J 5B5

Collateral Classification	**Consumer Goods**	**Inventory**	**Equipment**	**Accounts**	**Other**	**Motor Vehicle Included**	**Amount**	**Date of Maturity or**	**No Fixed Maturity Date**
		X	X	X	X				

Motor Vehicle Description	**Year**	**Make**	**Model**	**V.I.N.**

General Collateral Description	**General Collateral Description**
	PROPERTY USED IN CONNECTION WITH OR SITUATE AT OR ARISING FROM THE
	OWNERSHIP, DEVELOPMENT, USE OR DISPOSITION OF THE LANDS LOCATED AT 61
	THOMPSON ROAD WEST, TOWN OF PENETANGUISHENE

Registering Agent	**Registering Agent**			
	CHAITONS LLP BARRY ROTENBERG			
	Address	**City**	**Province**	**Postal Code**
	5000 YONGE STREET, 10TH FLOOR	TORONTO	ON	M2N 7E9

LAST PAGE

Note: All pages have been returned.

This is **Exhibit "H"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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WRITS OF EXECUTION

OWL® Report

Date of Search:	April 18, 2024
Name Searched:	BLOCK 80 HOLDINGS INC.
Results:	**No writs of execution were retrieved.**

All 49 Ontario enforcement offices were searched to obtain this result, unless otherwise noted above.

The information in this report is provided on an “as is” basis and is not to be relied upon for land registration purposes.

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This is **Exhibit "I"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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FIRST SOURCE
MORTGAGE CORPORATION

INCREASE AND EXTENSION AGREEMENT

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

March 8, 2022

c/o:

Anders Holteng

By email only: sherman.architect@gmail.com; anders.holteng@gmail.com

Re: First Mortgage Construction Financing – The subject site is located at the municipal addresses Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (PIN 584050667) (Collectively the "Property").

This extension agreement refers to the Commitment letter dated **November 30, 2020.**

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **$3,975,000** or (ii) 66.25% of the "As-Complete" Appraised Value of the Property. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender (the "Loan" or "Loan Facility").

2. **Maturity Date:** The balance due date and maturity date of the charge is extended to January 8th, 2023

3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

   Commencing March 1st, 2022, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 10 months after March 1st, 2022.

   The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After January 8th, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

   The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the

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Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from the interest reserve escrow account.

5. **Prepayment:** The Charge, when not in default, shall be closed for 6 months following March 1st, 2022 and then open for repayment, in whole or in part, at any time or times, upon the Chargor providing the Chargee with thirty (30) days' prior written notice of such intention to repay.

6. **Additional Security:** The following additional security will be required:

    a. Such other reasonable legal security as requested by the Lender and/or its legal counsel.

7. **Conditions Precedent:** The Borrower shall provide First Source with satisfactory evidence of the following otherwise the Extension Agreement shall be considered null and void:

    a. Appraisal: Review and approval by the Lender of an appraisal, by the Lender's approved appraiser, addressed to the Lender and its lender clients, or if acceptable to the Lender, a Reliance Letter provided by the appraiser confirming the "As-Complete" value to be not less than **$6,000,000** for the subject Property. The Appraisal is for the account of the Borrower.

    b. Property Taxes and Other Charges: Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.

8. **Lender Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of **1.85%** of the Principal Amount ($3,975,000).

9. **Consultant Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Consultant Fee to Anders Holteng in the amount of **1.00%** of the Principal Amount ($3,975,000).

10. **Further Rights:** There shall be no further rights of extension with respect to this Charge.

11. **Acknowledgement:** As at the Effective Date, the Chargor and Guarantor acknowledge and confirm that:

    a. There are no claims, rights of setoff or equities with respect to the principal amount or any interest owing thereon outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to any portion of the Loan

    b. All documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent and meaning of this Agreement. And for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment Letter dated November 30, 2020

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c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment Letter dated November 30, 2020 provided by the Guarantor is in full force and effect with respect to the Charge.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

This Extension Agreement is open for acceptance by the Borrower and the Guarantor until 5:00 PM on March 15th, 2022 by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Extension Agreement is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

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Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

DocuSigned by:
David Mandel
ED38E3277FD44CB...

David Mandel – President
I am authorized to bind the corporation.
Principal Broker (License # 10434)
Mortgage Administrator (License # 12594)
www.firstsourcemortgage.ca
david@firstsourcemortgage.ca

Accepted at Toronto **, Ontario this** 9th **day of** March **2022**

Borrower: Block 80 Holdings Inc.

Guarantor: Andre Sherman

Witness Name:

Address:

Tel:

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Engagement Letter with Borrower

March 8, 2022

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

c/o:

Anders Holteng

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation ("First Source", "we" or "us") understand that **Block 80 Holdings Inc**. (the "Borrower" or "you") are seeking to secure financing including through the distribution of syndicated mortgage investments described below (the "SMIs") to qualified investors (the "Offering"). We understand further that the Borrower wishes to retain the services of First Source to provide or arrange for certain mortgage brokerage, advisory and distribution services and to act as your agent (the "Agent") in connection with certain aspects of the Offering. By your acceptance of this engagement letter, you enter into an agreement with us (the "Agreement") and appoint First Source to act as financial advisor and agent in connection with the Offering, on the terms and subject to the conditions set out below.

1. Offering of SMIs. First Source shall provide such advice and assistance as the Borrower may reasonably request in connection with the Offering, which shall consist of the distribution of the following SMI:

Property / Name of Project	Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
Principal Amount	$3,975,000
Term / Maturity	10 months plus 7 days from the Interest Adjustment Date
Priority	1st Ranking Mortgage
Interest Rate	Commencing March 1st, 2022, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 10 months after March 1st, 2022. The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After January 8th, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be

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	fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged. The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

2. Defined Terms in this Agreement. For purposes of this Agreement, the following terms have the meanings set out below:

"Canadian Securities Laws" means any securities statutes, regulations, policies, rules, national instruments, orders, rulings and other directives or guidance and any relief therefrom of any governmental or regulatory authority of any province or territory of Canada having jurisdiction over the parties to this Agreement or the transactions contemplated hereby, all as amended or replaced from time to time;

"Commitment Letter" means the commitment letter of First Source setting out the terms and conditions under which your application for financing has been approved;

"Marketing Material" means any and all marketing, advertising, educational or other promotional material in relation to the Borrower, the Property, the Offering or the SMIs, including, without limitation, any Offering Document, any slide deck or similar presentation document, any video or material intended to be distributed via social media posting, any website disclosure, and all other similar material;

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

"Offering Document" means any offering memorandum (whether or not a "offering memorandum" for purposes of Section 2.9 of NI45-106), term sheet summary, financial statement or financial projection, prospectus, subscription agreement or similar document prepared for delivery to prospective investors in connection with the distribution of the SMIs;

"Property" means the real property or property development project described in Section 1 hereof and in the Commitment Letter.

3. Engagement as Agent. First Source shall act as non-exclusive agent in connection with the Offering and the distribution of the SMIs. First Source make arrangements with our affiliated company, Westboro Management Ltd. ("Westboro"), an exempt market dealer registered to carry on business in Ontario, to distribute the SMIs. First Source and Westboro will identify prospective investors and negotiate the terms of the SMI as may be required. The Offering will be subject to such other terms and conditions as First Source, the Borrower and the

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investors shall agree. The parties acknowledge that there can be no assurance that the Offering will be completed.

4. Services. The services to be provided to the Borrower under this Agreement may include, among other things, the following:

   (a) arranging by or through Westboro for the marketing and distribution of the SMIs;

   (b) providing you with appropriate financial and market analyses to the extent necessary to facilitate the Offering;

   (c) representing you in negotiations with prospective investors;

   (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for review and approval by the Borrower;

   (e) obtaining from prospective investors all executed documents reasonably required by you with respect to the Offering;

   (f) acting as your agent and representative with respect to the giving of all regulatory notices and/or the making of all regulatory filings required in connection with the Offering.

5. Compensation. In consideration of the services provided pursuant to this Agreement, First Source is entitled to compensation in the form of Lender Fees set out in the Commitment Letter. All amounts payable to First Source hereunder shall be subject to applicable taxes (including H.S.T.)

   The Borrower acknowledges that such compensation may be required to be disclosed to securities regulatory authorities including on the filing of a Report of Exempt Distribution in accordance with the requirements of NI 45-106.

6. Expenses. Unless otherwise specified herein or agreed in writing with First Source, expenses in connection with the Engagement and the Offering, including, but not limited to, all filing fees, any other governmental fees, printing costs, postage, courier and mailing expenses, counsel and accounting fees and advertising, marketing and promotional expenses will be borne by First Source.

7. Representations and Warranties of the Agent. The Agent represents and warrants to the Borrower as follows:

   (a) it is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

   (b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

   (c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;

   (d) the execution, delivery and performance of this Agreement by the Agent will not violate, or result in any default under, the Agent's constating documents or by- laws, any other agreement or instrument

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to which the Agent is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body;

(e) Westboro is registered as an exempt market dealer in the Province of Ontario.

The Agent shall promptly notify the Borrower if and when any representation and warranty provided by it pursuant to section 7 of this Agreement ceases to be accurate.

8. Covenants of the Agent. The Agent covenants and agrees with the Borrower as follows:

(a) it will use its reasonable efforts and will cause Westboro to use its reasonable efforts to sell the SMIs, subject to the terms and conditions set out in this Agreement;

(b) it will, and will cause Westboro to, effect sales of the SMIs only in those jurisdictions where they may be lawfully offered for sale or sold on a private placement basis that is exempt from the prospectus requirements of Canadian Securities Laws pursuant to available exemptions;

(c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set out in any Offering Document;

(d) it will maintain such books and records as may be required to accurately record its activities as the Agent in respect of the Offering.

(e) it will not prepare or distribute any Marketing Material in relation to the Borrower, the Offering or the SMIs except as approved by the Borrower.

9. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Agent as follows:

(a) it is a corporation subsisting under the laws of Ontario;

(b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law; and

(d) the execution, delivery and performance of this Agreement by the Borrower will not violate, or result in any default under, the Borrower's constating documents, any other agreement or instrument to which the Borrower is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body.

(e) The Borrower understands and acknowledges that each person who purchases the SMIs through Westboro will become a client of Westboro for purposes of Canadian Securities Laws and Westboro will therefore comply with the following in respect of each purchaser of SMIs:

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(i) "know-your-client", "know your product", suitability, trade reporting and other client-related obligations that are imposed upon exempt market dealers by Canadian Securities Laws;

(ii) anti-money laundering and suppression of terrorism regulations imposed upon securities dealers by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Criminal Code of Canada*;

(iii) the *Personal Information Protection and Electronic Documents Act* (Canada) as regards the collection, use and disclosure of personal information respecting each such purchaser;

(f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any securities commission, or similar regulatory authority, which in any way materially adversely affects the Borrower, or the condition (financial or other) of the Borrower or which brings into question the validity of the issuance of the SMIs;

(g) upon issuance of the SMIs pursuant to the terms of the subscription agreement between the Borrower and a purchaser, such SMIs shall have valid and legal obligations of the Borrower enforceable against the Borrower in accordance with their terms.

10. Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) to assist the Agent in responding to any inquiries that the Agent or Westboro may receive from prospective purchasers of SMIs and subscribers from time to time;

(b) providing prompt notice if any representation or warranty made by the Borrower in the Commitment Letter ceases to be true or accurate (or with passage of time will become untrue or inaccurate) in any material respect;

(c) to provide to the Agent copies of any Marketing Material prepared by the Borrower or on behalf of the Borrower (by persons other than the Agent);

(d) to promptly advise the Agent any representation or warranty made by the Borrower in this Agreement is no longer true and accurate, or if it learns of circumstances which would cause any statement contained in the Offering Documents to be materially misleading (even if such statement was not materially misleading at the time it was made).

11. Reliance by First Source on Information Provided by Borrower.

(a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and underwriting procedures contemplated by the Commitment Letter. The Borrower acknowledges that First Source will prepare the Offering Documents relating to the SMIs on behalf of the Issuer, and that the contents of such Offering Document will be based on information contained in, or undertaken to be provided pursuant to, the Commitment Letter.

(b) The Borrower understands, acknowledges and agrees that, in performing its services hereunder, First Source will use and rely upon such information, as well as any publicly available information regarding the Borrower and that First Source does not assume responsibility for independent verification of the

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accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Borrower, including, without limitation, any financial information, forecasts or projections supplied by the Borrower. Accordingly, First Source shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Borrower.

(c) Specifically with respect to the preparation of the Offering Documents,

(i) At the request of First Source, the Borrower shall review any such Offering Document or portions thereof on a timely basis, and the absence of comments shall be deemed as confirmation by the Borrower that the contents as provided to the Borrower are accurate;

(ii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that the information and statements contained in the Offering Documents and any Marketing Material in relation to the Borrower, the Offering or the SMIs are materially correct and accurate and do not contain a misrepresentation;

(iii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that neither the Offering Documents nor any Marketing Materials prepared by the Borrower, as may be applicable, contain any untrue statement of material fact, and do not omit to state any material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(d) Furthermore, the Borrower hereby appoints First Source as its agent and attorney for purposes of completing filings with securities regulators as may be required under Canadian Securities Law and NI 45-106. Specifically, the Borrower delegates to First Source authority to certify information required to be furnished to regulators pursuant to Form 45-106F1 Report of Exempt Distribution, and to file any Offering Document or amendment of any Offering Document on behalf of the Borrower. In order to permit First Source to perform this delegated function, the Borrower shall supply First Source with the information set out in Schedule A;

(e) If any information provided to First Source by the Borrower or any information contained in the Offering Document made available to the Borrower for review and comment becomes inaccurate, incomplete or misleading in any material respect, the Borrower shall promptly so advise First Source.

12. Indemnification in Favour of The Borrower.

(a) The Agent agrees to indemnify and hold harmless the Borrower, and each of their respective directors, officers, employees, partners, shareholders and advisors (each, a **"Borrower Indemnified Party"**) for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that the Borrower Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Agent, including a breach of any representation and warranty provided by the Agent pursuant to this Agreement, or any breach of Canadian Securities Laws by the Agent or by Westboro.

(b) The Agent acknowledges and agrees that the Borrower and its directors, officers, employees, partners, shareholders and advisors are intended to be third party beneficiaries of the indemnity provided by the Agent pursuant to Section 12(a) hereof and, as such, each of them is entitled to

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enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Agent. To the extent necessary to entitle each of the Borrower's directors, officers, employees, partners, shareholders and advisors to enjoy the indemnity provided by the Agent pursuant to Section 12(a) hereof, the Agent hereby appoints the Borrower as the trustee for the directors, officers and employees in respect of such indemnity and the Borrower hereby accepts such appointment.

13. Indemnification in Favour of the Agent.

(a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and each of their respective directors, officers and employees (each, an "**Agent Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Borrower, including a breach of any representation and warranty provided by the Borrower pursuant to this Agreement, or any breach of Canadian Securities Laws by the Borrower.

(b) The Borrower acknowledges and agrees that each of the Agent's directors, officers and employees are intended to be third party beneficiaries of the indemnity provided by the Borrower pursuant to Section 13(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Borrower. To the extent necessary to entitle each of the Agent's directors, officers and employees to enjoy the indemnity provided by the Borrower pursuant to Section 13(a)hereof, the Agent hereby appoints the Agent as the trustee for the directors, officers and employees in respect of such indemnity and the Agent hereby accepts such appointment.

14. Term and Termination.

(a) This Agreement shall commence on the date above written and, subject to earlier termination in accordance with the provisions of this Agreement, shall continue unless either Party provides written notification of termination in accordance with Section 14(b). Notwithstanding the completion of any Offering, this Agreement shall be automatically renewed for such period as required, without any further action of the parties, if the Borrower renews or extends the mortgage loan in respect of the SMI.

(b) The following shall be the termination provisions for this Agreement. Either party may, by sending a written termination notice to the other party, terminate this Agreement at any time after the other party:

(i) files a voluntary petition in bankruptcy or liquidation; or

(ii) winds-up, dissolves, liquidates or takes steps to do so or otherwise ceases to function as a going concern or is prevented from reasonably performing its duties hereunder; or

(iii) an involuntary petition in bankruptcy or liquidation is filed against the other party or if a receiver or other custodian (interim or permanent) of any of the assets of the other party is appointed by private instrument or by court order or if any execution or other similar process of any court becomes enforceable against the other party, or its assets or if distress is made against the other party's assets or any part thereof, and such petition or receiver is not dismissed or stayed within 90 days after such filing, appointment or taking possession; or

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(iv) makes an assignment for the benefit of its creditors or attempts to avail itself of any applicable statute relating to insolvent debtors; or

(v) winds up or otherwise ceases to be a going concern; or

(vi) takes any similar action under similar laws of any jurisdiction.

(c) Other than as set out in Section 12(b)(i), either party may, by sending a written termination notice to the other party, terminate this Agreement if the other party breaches any material provision of this Agreement and such breach is not cured by the other party within fifteen (15) days following the date of the written notice requiring the breach to be remedied.

(d) This Agreement shall be considered to be terminated upon the occurrence of any of the following:

(i) withdrawal or termination of the Commitment Letter; or

(ii) completion of the Offering, and the closing of the related financing, including the making of all regulatory filings in connection there with as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).

(e) Upon termination or expiration of this Agreement for any reason whatsoever, the following shall apply:

(i) the expiration or termination of this Agreement shall not affect any rights accruing to any of the parties as of the expiration or termination nor shall it release the parties from any obligation that may have been incurred as a result of operations conducted under this Agreement;

(ii) both parties shall refrain from holding themselves out as a business partner, of the other except as may be otherwise expressly agreed to by both parties in writing;

(iii) no such termination or expiration shall affect the provisions of Sections 12, 13, 15 and16 hereof, all of which shall survive the termination or expiration of this Agreement.

15. Nature of Relationship. The Borrower acknowledges that First Source has been retained only by the Borrower to provide the services set out herein, and that the Borrower's engagement of First Source is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Borrower or any other person not a party hereto as against First Source or any of its affiliates, or any of its or their officers, directors, controlling persons, employees or agents. Unless otherwise expressly agreed in writing by First Source, no one other than the Borrower is authorized to rely upon this Agreement or any other statements or conduct of First Source, and no one other than the Borrower is intended to be a beneficiary of this Agreement.

16. Compliance with Laws. The Company and the Agent will comply in all material respects with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial or otherwise, applicable to the Offering, including but not limited to the Canadian Securities Laws. In that regard, the parties agree that for purposes of NI 45-106, the "issuer" of securities is the Borrower, and the "securities" are the SMIs and the "distribution" of securities takes place on the closing of the SMI mortgage loan and the issuance of the SMIs to the purchasers. Except to the extent provided herein, the Borrower shall have all of the responsibilities and liabilities of an issuer of securities under applicable Canadian Securities Law.

17. Irrevocable Direction. This Agreement shall act as an irrevocable direction by the Borrower to the Borrower's counsel and/or First Source's counsel to release from any funds held by such counsel (whether in trust or

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otherwise) all amounts due to First Source hereunder or under the Commitment Letter without further authorization or direction from the Borrower.

18. Notices. Any notice, demand, consent, request, agreement or approval which may be delivered or given pursuant to this Agreement shall be in writing and shall be sufficiently given or made is served personally upon the party to whom it is addressed or mailed by registered mail to the address of the party shown below or to such other address in Ontario as such party may from time to time advise the other parties in writing. If to:

(a) First Source:

Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York ON M2J 5B5

Attention: Mr. David Mandel

Email: david@firstsourcemortgage.ca

(b) Block 80 Holdings Inc.

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

Attention: Andre Sherman

Email: block80holdingsinc@gmail.com

19. General. This Agreement shall not be assigned without the prior written consent of First Source and the Borrower; provided however, that in the event of a sale or other transaction in which the Borrower is not the surviving corporation or entity, the Borrower's remaining obligations, if any, under this Agreement shall remain in full force and effect and become obligations of the surviving corporation or entity. This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario without reference to principles of conflicts of law. The parties hereby expressly and irrevocably agree and consent that any action, suit or proceeding arising out of or relating to this Agreement will be submitted to binding arbitration in Toronto, Ontario. This Agreement constitutes the entire Agreement between First Source and the Borrower with respect to the subject matter hereof and supersedes all prior agreements. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

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If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per : DocuSigned by: David Mandel ED38E3277FD44CB...

David Mandel, President

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by Block 80 Holdings Inc.

Dated this 9th day of March, 2022

Block 80 Holdings Inc.

By : 

Andre Sherman

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SCHEDULE A

Requested materials and information includes but is not limited to the following (provided information already supplied pursuant to the Commitment Letter need not be duplicated):

1. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
2. Description of Borrower's business activities, industry sector (including NAICS industry code, if known), how Borrower was created, and any predecessor names used within the last 12 months.
3. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
4. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
5. Borrower's organizational chart.
6. Borrower's ownership chart.
7. Information about Borrower's registration or licensing for other financial products.
8. Information about any past bankruptcy and confirmation that no receiver has been appointed.
9. Borrower's financial year-end and name of auditor if applicable
10. Borrower's most recent financial statements; assets as at date of most recent financial statements.
11. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
12. Information about ongoing investigations into Borrower.
13. Information about civil proceedings or civil judgements.
14. Information about criminal convictions against the Borrower or its principals.

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FIRST SOURCE
MORTGAGE CORPORATION

SECOND INCREASE AND EXTENSION AGREEMENT

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

January 6, 2023

c/o:

Anders Holteng

By email only: sherman.architect@gmail.com; anders.holteng@gmail.com

Re: First Mortgage Construction Financing – The subject site is located at the municipal addresses Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (PIN 584050667) (Collectively the "Property").

This increase and extension agreement refers to the Commitment letter dated **November 30th, 2022** and **Increase and Extension Agreement** dated **March 8th, 2022** (collectively the **"Commitment Letter"**).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **$4,425,000** or (ii) 73.75% of the "As-Complete" Appraised Value of the Property. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender (the "Loan" or "Loan Facility").

2. **Maturity Date:** The balance due date and maturity date of the charge is extended to May 8th, 2023

3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

   Commencing January 1st, 2023, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 4 months after January 1st, 2023.

   The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After May 8th, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

   This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

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The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from loan advance funds.

5. **Prepayment:** Closed for ~~4~~ 3 months, and then open on any payment date with 30 days prior written notice and the payment of one month's interest as a bonus or with 60 days' notice and no bonus.

   For greater clarity, provided that upon giving thirty (30) days' prior written notice and upon payment of one (1) month's interest as a bonus, the Chargor shall have the privilege on or after the 1st day of the ~~4th~~ 3rd month following the Interest Adjustment Date of prepaying, on any payment date, the whole or any part of the said principal sum hereby secured plus interest on the principal amount then outstanding and outstanding costs and in any event upon payment of the discharge statement administration fee of the Chargee as herein set out or, upon giving sixty (60) days' prior written notice, the Chargor shall have the privilege on or after the 1st day of the ~~4th~~ 3rd month following the Interest Adjustment Date of prepaying, on any payment date, on the payment date as set out in the written notice, the whole or any part of the said principal sum hereby secured plus interest on the principal amount then outstanding and outstanding costs and in any event upon payment of the discharge statement administration fee of the Chargee as herein set out.

   (a) if prepayment of any part of the principal 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.

   (b) if the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Maturity Date or on the date set out in a notice of intention to discharge /repay, whichever may be applicable, then the Chargor agrees to pay to the Holder in addition to the amounts required to obtain a discharge, three (3) months interest at the rate of interest chargeable hereunder on the principal balance outstanding on the date the Mortgage was to be repaid in accordance with the foregoing notice.

6. **Additional Security:** The following additional security will be required:

   a. First charge on the subject Property in favour of First Source Financial Management Inc. registered at 1.20x the total loan amount.

   b. Such other reasonable legal security as requested by the Lender and/or its legal counsel.

7. **Conditions Precedent:** The Borrower shall provide First Source with satisfactory evidence of the following otherwise the Extension Agreement shall be considered null and void:

   a. Appraisal: Review and approval by the Lender of an appraisal, by the Lender's approved appraiser, addressed to the Lender and its lender clients, or if acceptable to the Lender, a Reliance Letter provided by the appraiser confirming the "As-Complete" value to be not less than **$6,000,000** for the subject

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Property. The Appraisal is for the account of the Borrower and is to be provided to the Lender by no later than February 1st, 2023.

b. Property Taxes and Other Charges: Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.

8. **Lender Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of **0.80%** of the Principal Amount ($4,425,000). ~~0.20% shall be due monthly on the 1st of each month of the term of the extension (payment dates of i) January 1st, 2023, ii) February 1st, 2023, iii) March 1st, 2023, and iv) April 1st, 2023).~~

Said fee shall be deferred and payable upon the earlier of i) receipt of occupancy permits for the development on the subject property or ii) discharge of the subject loan.

9. **Consultant Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Consultant Fee to Anders Holteng in the amount of **0.30%** of the Principal Amount ($4,425,000). Said fee shall be deferred and payable upon discharge of the subject loan.

10. **Further Rights:** There shall be no further rights of extension with respect to this Charge.

11. **Acknowledgement:** As at the Effective Date, the Chargor and Guarantor acknowledge and confirm that:

a. There are no claims, rights of setoff or equities with respect to the principal amount or any interest owing thereon outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to any portion of the Loan

b. All documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent and meaning of this Agreement. And for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment Letter dated November 30, 2020 and Increase and Extension Agreement dated March 8th, 2022

c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment Letter dated November 30, 2020 and Increase and Extension Agreement dated March 8th, 2022 provided by the Guarantor is in full force and effect with respect to the Charge.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

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In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

This Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on January 13th, 2022** by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Extension Agreement is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

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Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

DocuSigned by:
David Mandel
ED38E3277FD44CB...

David Mandel – ~~President~~ CEO
I am authorized to bind the corporation.
Principal Broker (License # 10434)
Mortgage Administrator (License # 12594)
www.firstsourcemortgage.ca
david@firstsourcemortgage.ca

Accepted at Toronto **, Ontario this** 9th **day of** January **2023**

Andre Sherman
Digitally signed by Andre Sherman
DN: cn=Andre Sherman, o, ou, email=sherman.architect@gmail.com, c=CA
Date: 2023.01.09 14:28:57 -05'00'

Borrower: Block 80 Holdings Inc.

Andre Sherman
Digitally signed by Andre Sherman
DN: cn=Andre Sherman, o, ou, email=sherman.architect@gmail.com, c=CA
Date: 2023.01.09 14:29:14 -05'00'

Guarantor: Andre Sherman

Witness Name:

Address:

Tel:

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Engagement Letter with Borrower

January 6, 2023

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

c/o:

Anders Holteng

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation ("First Source", "we" or "us") understand that **Block 80 Holdings Inc**. (the "Borrower" or "you") are seeking to secure financing including through the distribution of syndicated mortgage investments described below (the "SMIs") to qualified investors (the "Offering"). We understand further that the Borrower wishes to retain the services of First Source to provide or arrange for certain mortgage brokerage, advisory and distribution services and to act as your agent (the "Agent") in connection with certain aspects of the Offering. By your acceptance of this engagement letter, you enter into an agreement with us (the "Agreement") and appoint First Source to act as financial advisor and agent in connection with the Offering, on the terms and subject to the conditions set out below.

1. Offering of SMIs. First Source shall provide such advice and assistance as the Borrower may reasonably request in connection with the Offering, which shall consist of the distribution of the following SMI:

Property / Name of Project	Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
Principal Amount	$4,425,000
Term / Maturity	4 months plus 7 days from the Interest Adjustment Date
Priority	1st Ranking Mortgage
Interest Rate	Commencing January 1st, 2023, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 4 months after January 1st, 2023. The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After May 8th, 2023, unless an extension agreement was previously arranged executed in writing between the

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	Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged. This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing. The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

2. Defined Terms in this Agreement. For purposes of this Agreement, the following terms have the meanings set out below:

"Canadian Securities Laws" means any securities statutes, regulations, policies, rules, national instruments, orders, rulings and other directives or guidance and any relief therefrom of any governmental or regulatory authority of any province or territory of Canada having jurisdiction over the parties to this Agreement or the transactions contemplated hereby, all as amended or replaced from time to time;

"Commitment Letter" means the commitment letter of First Source setting out the terms and conditions under which your application for financing has been approved;

"Marketing Material" means any and all marketing, advertising, educational or other promotional material in relation to the Borrower, the Property, the Offering or the SMIs, including, without limitation, any Offering Document, any slide deck or similar presentation document, any video or material intended to be distributed via social media posting, any website disclosure, and all other similar material;

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

"Offering Document" means any offering memorandum (whether or not a "offering memorandum" for purposes of Section 2.9 of NI45-106), term sheet summary, financial statement or financial projection, prospectus, subscription agreement or similar document prepared for delivery to prospective investors in connection with the distribution of the SMIs;

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"Property" means the real property or property development project described in Section 1 hereof and in the Commitment Letter.

3. Engagement as Agent. First Source shall act as non-exclusive agent in connection with the Offering and the distribution of the SMIs. First Source make arrangements with our affiliated company, Westboro Management Ltd. ("Westboro"), an exempt market dealer registered to carry on business in Ontario, to distribute the SMIs. First Source and Westboro will identify prospective investors and negotiate the terms of the SMI as may be required. The Offering will be subject to such other terms and conditions as First Source, the Borrower and the investors shall agree. The parties acknowledge that there can be no assurance that the Offering will be completed.

4. Services. The services to be provided to the Borrower under this Agreement may include, among other things, the following:

   (a) arranging by or through Westboro for the marketing and distribution of the SMIs;

   (b) providing you with appropriate financial and market analyses to the extent necessary to facilitate the Offering;

   (c) representing you in negotiations with prospective investors;

   (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for review and approval by the Borrower;

   (e) obtaining from prospective investors all executed documents reasonably required by you with respect to the Offering;

   (f) acting as your agent and representative with respect to the giving of all regulatory notices and/or the making of all regulatory filings required in connection with the Offering.

5. Compensation. In consideration of the services provided pursuant to this Agreement, First Source is entitled to compensation in the form of Lender Fees set out in the Commitment Letter. All amounts payable to First Source hereunder shall be subject to applicable taxes (including H.S.T.)

   The Borrower acknowledges that such compensation may be required to be disclosed to securities regulatory authorities including on the filing of a Report of Exempt Distribution in accordance with the requirements of NI 45-106.

6. Expenses. Unless otherwise specified herein or agreed in writing with First Source, expenses in connection with the Engagement and the Offering, including, but not limited to, all filing fees, any other governmental fees, printing costs, postage, courier and mailing expenses, counsel and accounting fees and advertising, marketing and promotional expenses will be borne by First Source.

7. Representations and Warranties of the Agent. The Agent represents and warrants to the Borrower as follows:

   (a) it is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

   (b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

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(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;

(d) the execution, delivery and performance of this Agreement by the Agent will not violate, or result in any default under, the Agent's constating documents or by- laws, any other agreement or instrument to which the Agent is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body;

(e) Westboro is registered as an exempt market dealer in the Province of Ontario.

The Agent shall promptly notify the Borrower if and when any representation and warranty provided by it pursuant to section 7 of this Agreement ceases to be accurate.

8. Covenants of the Agent. The Agent covenants and agrees with the Borrower as follows:

(a) it will use its reasonable efforts and will cause Westboro to use its reasonable efforts to sell the SMIs, subject to the terms and conditions set out in this Agreement;

(b) it will, and will cause Westboro to, effect sales of the SMIs only in those jurisdictions where they may be lawfully offered for sale or sold on a private placement basis that is exempt from the prospectus requirements of Canadian Securities Laws pursuant to available exemptions;

(c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set out in any Offering Document;

(d) it will maintain such books and records as may be required to accurately record its activities as the Agent in respect of the Offering.

(e) it will not prepare or distribute any Marketing Material in relation to the Borrower, the Offering or the SMIs except as approved by the Borrower.

9. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Agent as follows:

(a) it is a corporation subsisting under the laws of Ontario;

(b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law; and

(d) the execution, delivery and performance of this Agreement by the Borrower will not violate, or result in any default under, the Borrower's constating documents, any other agreement or instrument to

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which the Borrower is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body.

(e) The Borrower understands and acknowledges that each person who purchases the SMIs through Westboro will become a client of Westboro for purposes of Canadian Securities Laws and Westboro will therefore comply with the following in respect of each purchaser of SMIs:

(i) "know-your-client", "know your product", suitability, trade reporting and other client-related obligations that are imposed upon exempt market dealers by Canadian Securities Laws;

(ii) anti-money laundering and suppression of terrorism regulations imposed upon securities dealers by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Criminal Code of Canada*;

(iii) the *Personal Information Protection and Electronic Documents Act* (Canada) as regards the collection, use and disclosure of personal information respecting each such purchaser;

(f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any securities commission, or similar regulatory authority, which in any way materially adversely affects the Borrower, or the condition (financial or other) of the Borrower or which brings into question the validity of the issuance of the SMIs;

(g) upon issuance of the SMIs pursuant to the terms of the subscription agreement between the Borrower and a purchaser, such SMIs shall have valid and legal obligations of the Borrower enforceable against the Borrower in accordance with their terms.

10. Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) to assist the Agent in responding to any inquiries that the Agent or Westboro may receive from prospective purchasers of SMIs and subscribers from time to time;

(b) providing prompt notice if any representation or warranty made by the Borrower in the Commitment Letter ceases to be true or accurate (or with passage of time will become untrue or inaccurate) in any material respect;

(c) to provide to the Agent copies of any Marketing Material prepared by the Borrower or on behalf of the Borrower (by persons other than the Agent);

(d) to promptly advise the Agent any representation or warranty made by the Borrower in this Agreement is no longer true and accurate, or if it learns of circumstances which would cause any statement contained in the Offering Documents to be materially misleading (even if such statement was not materially misleading at the time it was made).

11. Reliance by First Source on Information Provided by Borrower.

(a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and underwriting procedures contemplated by the Commitment Letter. The Borrower acknowledges that

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First Source will prepare the Offering Documents relating to the SMIs on behalf of the Issuer, and that the contents of such Offering Document will be based on information contained in, or undertaken to be provided pursuant to, the Commitment Letter.

(b) The Borrower understands, acknowledges and agrees that, in performing its services hereunder, First Source will use and rely upon such information, as well as any publicly available information regarding the Borrower and that First Source does not assume responsibility for independent verification of the accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Borrower, including, without limitation, any financial information, forecasts or projections supplied by the Borrower. Accordingly, First Source shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Borrower.

(c) Specifically with respect to the preparation of the Offering Documents,

(i) At the request of First Source, the Borrower shall review any such Offering Document or portions thereof on a timely basis, and the absence of comments shall be deemed as confirmation by the Borrower that the contents as provided to the Borrower are accurate;

(ii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that the information and statements contained in the Offering Documents and any Marketing Material in relation to the Borrower, the Offering or the SMIs are materially correct and accurate and do not contain a misrepresentation;

(iii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that neither the Offering Documents nor any Marketing Materials prepared by the Borrower, as may be applicable, contain any untrue statement of material fact, and do not omit to state any material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(d) Furthermore, the Borrower hereby appoints First Source as its agent and attorney for purposes of completing filings with securities regulators as may be required under Canadian Securities Law and NI 45-106. Specifically, the Borrower delegates to First Source authority to certify information required to be furnished to regulators pursuant to Form 45-106F1 Report of Exempt Distribution, and to file any Offering Document or amendment of any Offering Document on behalf of the Borrower. In order to permit First Source to perform this delegated function, the Borrower shall supply First Source with the information set out in Schedule A;

(e) If any information provided to First Source by the Borrower or any information contained in the Offering Document made available to the Borrower for review and comment becomes inaccurate, incomplete or misleading in any material respect, the Borrower shall promptly so advise First Source.

12. Indemnification in Favour of The Borrower.

(a) The Agent agrees to indemnify and hold harmless the Borrower, and each of their respective directors, officers, employees, partners, shareholders and advisors (each, a **"Borrower Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that the Borrower Indemnified Party suffers or incurs as the result of any material

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breach of any term or condition of this Agreement by the Agent, including a breach of any representation and warranty provided by the Agent pursuant to this Agreement, or any breach of Canadian Securities Laws by the Agent or by Westboro.

(b) The Agent acknowledges and agrees that the Borrower and its directors, officers, employees, partners, shareholders and advisors are intended to be third party beneficiaries of the indemnity provided by the Agent pursuant to Section 12(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Agent. To the extent necessary to entitle each of the Borrower's directors, officers, employees, partners, shareholders and advisors to enjoy the indemnity provided by the Agent pursuant to Section 12(a) hereof, the Agent hereby appoints the Borrower as the trustee for the directors, officers and employees in respect of such indemnity and the Borrower hereby accepts such appointment.

13. Indemnification in Favour of the Agent.

(a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and each of their respective directors, officers and employees (each, an "**Agent Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Borrower, including a breach of any representation and warranty provided by the Borrower pursuant to this Agreement, or any breach of Canadian Securities Laws by the Borrower.

(b) The Borrower acknowledges and agrees that each of the Agent's directors, officers and employees are intended to be third party beneficiaries of the indemnity provided by the Borrower pursuant to Section 13(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Borrower. To the extent necessary to entitle each of the Agent's directors, officers and employees to enjoy the indemnity provided by the Borrower pursuant to Section 13(a)hereof, the Agent hereby appoints the Agent as the trustee for the directors, officers and employees in respect of such indemnity and the Agent hereby accepts such appointment.

14. Term and Termination.

(a) This Agreement shall commence on the date above written and, subject to earlier termination in accordance with the provisions of this Agreement, shall continue unless either Party provides written notification of termination in accordance with Section 14(b). Notwithstanding the completion of any Offering, this Agreement shall be automatically renewed for such period as required, without any further action of the parties, if the Borrower renews or extends the mortgage loan in respect of the SMI.

(b) The following shall be the termination provisions for this Agreement. Either party may, by sending a written termination notice to the other party, terminate this Agreement at any time after the other party:

(i) files a voluntary petition in bankruptcy or liquidation; or

(ii) winds-up, dissolves, liquidates or takes steps to do so or otherwise ceases to function as a going concern or is prevented from reasonably performing its duties hereunder; or

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(iii) an involuntary petition in bankruptcy or liquidation is filed against the other party or if a receiver or other custodian (interim or permanent) of any of the assets of the other party is appointed by private instrument or by court order or if any execution or other similar process of any court becomes enforceable against the other party, or its assets or if distress is made against the other party's assets or any part thereof, and such petition or receiver is not dismissed or stayed within 90 days after such filing, appointment or taking possession; or

(iv) makes an assignment for the benefit of its creditors or attempts to avail itself of any applicable statute relating to insolvent debtors; or

(v) winds up or otherwise ceases to be a going concern; or

(vi) takes any similar action under similar laws of any jurisdiction.

(c) Other than as set out in Section 12(b)(i), either party may, by sending a written termination notice to the other party, terminate this Agreement if the other party breaches any material provision of this Agreement and such breach is not cured by the other party within fifteen (15) days following the date of the written notice requiring the breach to be remedied.

(d) This Agreement shall be considered to be terminated upon the occurrence of any of the following:

(i) withdrawal or termination of the Commitment Letter; or

(ii) completion of the Offering, and the closing of the related financing, including the making of all regulatory filings in connection there with as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).

(e) Upon termination or expiration of this Agreement for any reason whatsoever, the following shall apply:

(i) the expiration or termination of this Agreement shall not affect any rights accruing to any of the parties as of the expiration or termination nor shall it release the parties from any obligation that may have been incurred as a result of operations conducted under this Agreement;

(ii) both parties shall refrain from holding themselves out as a business partner, of the other except as may be otherwise expressly agreed to by both parties in writing;

(iii) no such termination or expiration shall affect the provisions of Sections 12, 13, 15 and16 hereof, all of which shall survive the termination or expiration of this Agreement.

15. Nature of Relationship. The Borrower acknowledges that First Source has been retained only by the Borrower to provide the services set out herein, and that the Borrower's engagement of First Source is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Borrower or any other person not a party hereto as against First Source or any of its affiliates, or any of its or their officers, directors, controlling persons, employees or agents. Unless otherwise expressly agreed in writing by First Source, no one other than the Borrower is authorized to rely upon this Agreement or any other statements or conduct of First Source, and no one other than the Borrower is intended to be a beneficiary of this Agreement.

16. Compliance with Laws. The Company and the Agent will comply in all material respects with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial or otherwise, applicable to the Offering, including but not limited to the Canadian Securities Laws. In that regard, the parties agree that for

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purposes of NI 45-106, the "issuer" of securities is the Borrower, and the "securities" are the SMIs and the "distribution" of securities takes place on the closing of the SMI mortgage loan and the issuance of the SMIs to the purchasers. Except to the extent provided herein, the Borrower shall have all of the responsibilities and liabilities of an issuer of securities under applicable Canadian Securities Law.

17. Irrevocable Direction. This Agreement shall act as an irrevocable direction by the Borrower to the Borrower's counsel and/or First Source's counsel to release from any funds held by such counsel (whether in trust or otherwise) all amounts due to First Source hereunder or under the Commitment Letter without further authorization or direction from the Borrower.

18. Notices. Any notice, demand, consent, request, agreement or approval which may be delivered or given pursuant to this Agreement shall be in writing and shall be sufficiently given or made is served personally upon the party to whom it is addressed or mailed by registered mail to the address of the party shown below or to such other address in Ontario as such party may from time to time advise the other parties in writing. If to:

(a) First Source:

Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York ON M2J 5B5

Attention: Mr. David Mandel

Email: david@firstsourcemortgage.ca

(b) Block 80 Holdings Inc.

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

Attention: Andre Sherman

Email: block80holdingsinc@gmail.com

19. General. This Agreement shall not be assigned without the prior written consent of First Source and the Borrower; provided however, that in the event of a sale or other transaction in which the Borrower is not the surviving corporation or entity, the Borrower's remaining obligations, if any, under this Agreement shall remain in full force and effect and become obligations of the surviving corporation or entity. This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario without reference to principles of conflicts of law. The parties hereby expressly and irrevocably agree and consent that any action, suit or proceeding arising out of or relating to this Agreement will be submitted to binding arbitration in Toronto, Ontario. This Agreement constitutes the entire Agreement between First Source and the Borrower with respect to the subject matter hereof and supersedes all prior agreements. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

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If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per : DocuSigned by: David Mandel ED38E3277FD44CB...

David Mandel, ~~President~~ CEO

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by Block 80 Holdings Inc.

Dated this

Block 80 Holdings Inc.

By : Andre Sherman Digitally signed by Andre Sherman DN: cn=Andre Sherman, o, ou, email=sherman.architect@gmail.com, c=CA Date: 2023.01.09 14:29:48 -05'00'

Andre Sherman

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SCHEDULE A

Requested materials and information includes but is not limited to the following (provided information already supplied pursuant to the Commitment Letter need not be duplicated):

1. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
2. Description of Borrower's business activities, industry sector (including NAICS industry code, if known), how Borrower was created, and any predecessor names used within the last 12 months.
3. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
4. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
5. Borrower's organizational chart.
6. Borrower's ownership chart.
7. Information about Borrower's registration or licensing for other financial products.
8. Information about any past bankruptcy and confirmation that no receiver has been appointed.
9. Borrower's financial year-end and name of auditor if applicable
10. Borrower's most recent financial statements; assets as at date of most recent financial statements.
11. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
12. Information about ongoing investigations into Borrower.
13. Information about civil proceedings or civil judgements.
14. Information about criminal convictions against the Borrower or its principals.

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FIRST SOURCE
MORTGAGE CORPORATION

THIRD EXTENSION AGREEMENT

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

April 4, 2023

c/o:

Anders Holteng

By email only: sherman.architect@gmail.com; anders.holteng@gmail.com

Re: First Mortgage Construction Financing – The subject site is located at the municipal addresses Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (PIN 584050667) (Collectively the "Property").

This increase and extension agreement refers to the Commitment letter dated **November 30th, 2022, Increase and Extension Agreement** dated **March 8th, 2022, Second Increase and Extension Agreement** dated **January 6th, 2023**(collectively the **"Commitment Letter"**).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **$4,425,000** or (ii) 73.75% of the "As-Complete" Appraised Value of the Property. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender (the "Loan" or "Loan Facility").

2. **Maturity Date:** The balance due date and maturity date of the charge is extended to August 8th, 2023

3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

   Commencing May 1st, 2023, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 3 months after May 1st, 2023.

   The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After August 8th, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

   This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST

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Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from loan advance funds.

5. **Prepayment:** Closed for 3 months, and then open on any payment date with 30 days prior written notice and the payment of one month's interest as a bonus or with 60 days' notice and no bonus.

   For greater clarity, provided that upon giving thirty (30) days' prior written notice and upon payment of one (1) month's interest as a bonus, the Chargor shall have the privilege on or after the 1st day of the 3rd month following the Interest Adjustment Date of prepaying, on any payment date, the whole or any part of the said principal sum hereby secured plus interest on the principal amount then outstanding and outstanding costs and in any event upon payment of the discharge statement administration fee of the Chargee as herein set out or, upon giving sixty (60) days' prior written notice, the Chargor shall have the privilege on or after the 1st day of the 3rd month following the Interest Adjustment Date of prepaying, on any payment date, on the payment date as set out in the written notice, the whole or any part of the said principal sum hereby secured plus interest on the principal amount then outstanding and outstanding costs and in any event upon payment of the discharge statement administration fee of the Chargee as herein set out.

   (a) if prepayment of any part of the principal 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.

   (b) if the principal sum, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Maturity Date or on the date set out in a notice of intention to discharge /repay, whichever may be applicable, then the Chargor agrees to pay to the Holder in addition to the amounts required to obtain a discharge, three (3) months interest at the rate of interest chargeable hereunder on the principal balance outstanding on the date the Mortgage was to be repaid in accordance with the foregoing notice.

6. **Additional Security:** The following additional security will be required:

   a. First Mortgage Instrument to include a covenant of no subsequent financing without the written consent of the Lender, save and except for a second mortgage which is to be in an amount no more than $500,000, subject to a full subordination and unlimited standstill agreement satisfactory to the Lender, in its sole and absolute discretion.

   b. Such other reasonable legal security as requested by the Lender and/or its legal counsel.

7. **Conditions Precedent:** The Borrower shall provide First Source with satisfactory evidence of the following otherwise the Extension Agreement shall be considered null and void:

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a. Property Taxes and Other Charges: Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.

8. **Lender Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of **0.60%** of the Principal Amount ($4,425,000). Said fee shall be deferred and payable upon the earlier of i) receipt of occupancy permits for the development on the subject property or ii) discharge of the subject loan.

9. **Consultant Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Consultant Fee to Anders Holteng in the amount of **0.20%** of the Principal Amount ($4,425,000). Said fee shall be deferred and payable upon discharge of the subject loan.

10. **Further Rights:** There shall be no further rights of extension with respect to this Charge.

11. **Acknowledgement:** As at the Effective Date, the Chargor and Guarantor acknowledge and confirm that:

    a. There are no claims, rights of setoff or equities with respect to the principal amount or any interest owing thereon outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to any portion of the Loan

    b. All documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent and meaning of this Agreement. And for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment Letter dated November 30, 2020, Increase and Extension Agreement dated March 8th, 2022 and Second Increase and Extension Agreement dated January 6th, 2023.

    c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment Letter dated November 30, 2020, Increase and Extension Agreement dated March 8th, 2022 and Second Increase and Extension Agreement dated January 6th, 2023 provided by the Guarantor is in full force and effect with respect to the Charge.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

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In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

This Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on April 10th, 2023** by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Extension Agreement is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

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Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

DocuSigned by:
David Mandel
ED38E3277FD44CB...

David Mandel – CEO
I am authorized to bind the corporation.
Principal Broker (License # 10434)
Mortgage Administrator (License # 12594)
www.firstsourcemortgage.ca
david@firstsourcemortgage.ca

Accepted at Toronto **, Ontario this** 4th **day of** April **2023**

Borrower: Block 80 Holdings Inc.

Guarantor: Andre Sherman

Witness Name: ANDERS A. HOLTENG
Address: 21 BRIDGEVIEW R
Tel: 416.604.4165

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Engagement Letter with Borrower

April 4, 2023

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

c/o:

Anders Holteng

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation ("First Source", "we" or "us") understand that **Block 80 Holdings Inc**. (the "Borrower" or "you") are seeking to secure financing including through the distribution of syndicated mortgage investments described below (the "SMIs") to qualified investors (the "Offering"). We understand further that the Borrower wishes to retain the services of First Source to provide or arrange for certain mortgage brokerage, advisory and distribution services and to act as your agent (the "Agent") in connection with certain aspects of the Offering. By your acceptance of this engagement letter, you enter into an agreement with us (the "Agreement") and appoint First Source to act as financial advisor and agent in connection with the Offering, on the terms and subject to the conditions set out below.

1. Offering of SMIs. First Source shall provide such advice and assistance as the Borrower may reasonably request in connection with the Offering, which shall consist of the distribution of the following SMI:

Property / Name of Project	Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
Principal Amount	$4,425,000
Term / Maturity	3 months plus 7 days from the Interest Adjustment Date
Priority	1st Ranking Mortgage
Interest Rate	Commencing May 1st, 2023, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 3 months after May 1st, 2023. The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After August 8th, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be

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	fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged. This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing. The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

2. Defined Terms in this Agreement. For purposes of this Agreement, the following terms have the meanings set out below:

"Canadian Securities Laws" means any securities statutes, regulations, policies, rules, national instruments, orders, rulings and other directives or guidance and any relief therefrom of any governmental or regulatory authority of any province or territory of Canada having jurisdiction over the parties to this Agreement or the transactions contemplated hereby, all as amended or replaced from time to time;

"Commitment Letter" means the commitment letter of First Source setting out the terms and conditions under which your application for financing has been approved;

"Marketing Material" means any and all marketing, advertising, educational or other promotional material in relation to the Borrower, the Property, the Offering or the SMIs, including, without limitation, any Offering Document, any slide deck or similar presentation document, any video or material intended to be distributed via social media posting, any website disclosure, and all other similar material;

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

"Offering Document" means any offering memorandum (whether or not a "offering memorandum" for purposes of Section 2.9 of NI45-106), term sheet summary, financial statement or financial projection, prospectus, subscription agreement or similar document prepared for delivery to prospective investors in connection with the distribution of the SMIs;

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"Property" means the real property or property development project described in Section 1 hereof and in the Commitment Letter.

3. Engagement as Agent. First Source shall act as non-exclusive agent in connection with the Offering and the distribution of the SMIs. First Source make arrangements with our affiliated company, Westboro Management Ltd. ("Westboro"), an exempt market dealer registered to carry on business in Ontario, to distribute the SMIs. First Source and Westboro will identify prospective investors and negotiate the terms of the SMI as may be required. The Offering will be subject to such other terms and conditions as First Source, the Borrower and the investors shall agree. The parties acknowledge that there can be no assurance that the Offering will be completed.

4. Services. The services to be provided to the Borrower under this Agreement may include, among other things, the following:

   (a) arranging by or through Westboro for the marketing and distribution of the SMIs;

   (b) providing you with appropriate financial and market analyses to the extent necessary to facilitate the Offering;

   (c) representing you in negotiations with prospective investors;

   (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for review and approval by the Borrower;

   (e) obtaining from prospective investors all executed documents reasonably required by you with respect to the Offering;

   (f) acting as your agent and representative with respect to the giving of all regulatory notices and/or the making of all regulatory filings required in connection with the Offering.

5. Compensation. In consideration of the services provided pursuant to this Agreement, First Source is entitled to compensation in the form of Lender Fees set out in the Commitment Letter. All amounts payable to First Source hereunder shall be subject to applicable taxes (including H.S.T.)

   The Borrower acknowledges that such compensation may be required to be disclosed to securities regulatory authorities including on the filing of a Report of Exempt Distribution in accordance with the requirements of NI 45-106.

6. Expenses. Unless otherwise specified herein or agreed in writing with First Source, expenses in connection with the Engagement and the Offering, including, but not limited to, all filing fees, any other governmental fees, printing costs, postage, courier and mailing expenses, counsel and accounting fees and advertising, marketing and promotional expenses will be borne by First Source.

7. Representations and Warranties of the Agent. The Agent represents and warrants to the Borrower as follows:

   (a) it is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

   (b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

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(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;

(d) the execution, delivery and performance of this Agreement by the Agent will not violate, or result in any default under, the Agent's constating documents or by- laws, any other agreement or instrument to which the Agent is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body;

(e) Westboro is registered as an exempt market dealer in the Province of Ontario.

The Agent shall promptly notify the Borrower if and when any representation and warranty provided by it pursuant to section 7 of this Agreement ceases to be accurate.

8. Covenants of the Agent. The Agent covenants and agrees with the Borrower as follows:

(a) it will use its reasonable efforts and will cause Westboro to use its reasonable efforts to sell the SMIs, subject to the terms and conditions set out in this Agreement;

(b) it will, and will cause Westboro to, effect sales of the SMIs only in those jurisdictions where they may be lawfully offered for sale or sold on a private placement basis that is exempt from the prospectus requirements of Canadian Securities Laws pursuant to available exemptions;

(c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set out in any Offering Document;

(d) it will maintain such books and records as may be required to accurately record its activities as the Agent in respect of the Offering.

(e) it will not prepare or distribute any Marketing Material in relation to the Borrower, the Offering or the SMIs except as approved by the Borrower.

9. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Agent as follows:

(a) it is a corporation subsisting under the laws of Ontario;

(b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law; and

(d) the execution, delivery and performance of this Agreement by the Borrower will not violate, or result in any default under, the Borrower's constating documents, any other agreement or instrument to

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which the Borrower is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body.

(e) The Borrower understands and acknowledges that each person who purchases the SMIs through Westboro will become a client of Westboro for purposes of Canadian Securities Laws and Westboro will therefore comply with the following in respect of each purchaser of SMIs:

(i) "know-your-client", "know your product", suitability, trade reporting and other client-related obligations that are imposed upon exempt market dealers by Canadian Securities Laws;

(ii) anti-money laundering and suppression of terrorism regulations imposed upon securities dealers by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Criminal Code of Canada*;

(iii) the *Personal Information Protection and Electronic Documents Act* (Canada) as regards the collection, use and disclosure of personal information respecting each such purchaser;

(f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any securities commission, or similar regulatory authority, which in any way materially adversely affects the Borrower, or the condition (financial or other) of the Borrower or which brings into question the validity of the issuance of the SMIs;

(g) upon issuance of the SMIs pursuant to the terms of the subscription agreement between the Borrower and a purchaser, such SMIs shall have valid and legal obligations of the Borrower enforceable against the Borrower in accordance with their terms.

10. Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) to assist the Agent in responding to any inquiries that the Agent or Westboro may receive from prospective purchasers of SMIs and subscribers from time to time;

(b) providing prompt notice if any representation or warranty made by the Borrower in the Commitment Letter ceases to be true or accurate (or with passage of time will become untrue or inaccurate) in any material respect;

(c) to provide to the Agent copies of any Marketing Material prepared by the Borrower or on behalf of the Borrower (by persons other than the Agent);

(d) to promptly advise the Agent any representation or warranty made by the Borrower in this Agreement is no longer true and accurate, or if it learns of circumstances which would cause any statement contained in the Offering Documents to be materially misleading (even if such statement was not materially misleading at the time it was made).

11. Reliance by First Source on Information Provided by Borrower.

(a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and underwriting procedures contemplated by the Commitment Letter. The Borrower acknowledges that

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First Source will prepare the Offering Documents relating to the SMIs on behalf of the Issuer, and that the contents of such Offering Document will be based on information contained in, or undertaken to be provided pursuant to, the Commitment Letter.

(b) The Borrower understands, acknowledges and agrees that, in performing its services hereunder, First Source will use and rely upon such information, as well as any publicly available information regarding the Borrower and that First Source does not assume responsibility for independent verification of the accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Borrower, including, without limitation, any financial information, forecasts or projections supplied by the Borrower. Accordingly, First Source shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Borrower.

(c) Specifically with respect to the preparation of the Offering Documents,

(i) At the request of First Source, the Borrower shall review any such Offering Document or portions thereof on a timely basis, and the absence of comments shall be deemed as confirmation by the Borrower that the contents as provided to the Borrower are accurate;

(ii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that the information and statements contained in the Offering Documents and any Marketing Material in relation to the Borrower, the Offering or the SMIs are materially correct and accurate and do not contain a misrepresentation;

(iii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that neither the Offering Documents nor any Marketing Materials prepared by the Borrower, as may be applicable, contain any untrue statement of material fact, and do not omit to state any material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(d) Furthermore, the Borrower hereby appoints First Source as its agent and attorney for purposes of completing filings with securities regulators as may be required under Canadian Securities Law and NI 45-106. Specifically, the Borrower delegates to First Source authority to certify information required to be furnished to regulators pursuant to Form 45-106F1 Report of Exempt Distribution, and to file any Offering Document or amendment of any Offering Document on behalf of the Borrower. In order to permit First Source to perform this delegated function, the Borrower shall supply First Source with the information set out in Schedule A;

(e) If any information provided to First Source by the Borrower or any information contained in the Offering Document made available to the Borrower for review and comment becomes inaccurate, incomplete or misleading in any material respect, the Borrower shall promptly so advise First Source.

12. Indemnification in Favour of The Borrower.

(a) The Agent agrees to indemnify and hold harmless the Borrower, and each of their respective directors, officers, employees, partners, shareholders and advisors (each, a **"Borrower Indemnified Party"**) for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that the Borrower Indemnified Party suffers or incurs as the result of any material

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breach of any term or condition of this Agreement by the Agent, including a breach of any representation and warranty provided by the Agent pursuant to this Agreement, or any breach of Canadian Securities Laws by the Agent or by Westboro.

(b) The Agent acknowledges and agrees that the Borrower and its directors, officers, employees, partners, shareholders and advisors are intended to be third party beneficiaries of the indemnity provided by the Agent pursuant to Section 12(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Agent. To the extent necessary to entitle each of the Borrower's directors, officers, employees, partners, shareholders and advisors to enjoy the indemnity provided by the Agent pursuant to Section 12(a) hereof, the Agent hereby appoints the Borrower as the trustee for the directors, officers and employees in respect of such indemnity and the Borrower hereby accepts such appointment.

13. Indemnification in Favour of the Agent.

(a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and each of their respective directors, officers and employees (each, an "**Agent Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Borrower, including a breach of any representation and warranty provided by the Borrower pursuant to this Agreement, or any breach of Canadian Securities Laws by the Borrower.

(b) The Borrower acknowledges and agrees that each of the Agent's directors, officers and employees are intended to be third party beneficiaries of the indemnity provided by the Borrower pursuant to Section 13(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Borrower. To the extent necessary to entitle each of the Agent's directors, officers and employees to enjoy the indemnity provided by the Borrower pursuant to Section 13(a)hereof, the Agent hereby appoints the Agent as the trustee for the directors, officers and employees in respect of such indemnity and the Agent hereby accepts such appointment.

14. Term and Termination.

(a) This Agreement shall commence on the date above written and, subject to earlier termination in accordance with the provisions of this Agreement, shall continue unless either Party provides written notification of termination in accordance with Section 14(b). Notwithstanding the completion of any Offering, this Agreement shall be automatically renewed for such period as required, without any further action of the parties, if the Borrower renews or extends the mortgage loan in respect of the SMI.

(b) The following shall be the termination provisions for this Agreement. Either party may, by sending a written termination notice to the other party, terminate this Agreement at any time after the other party:

(i) files a voluntary petition in bankruptcy or liquidation; or

(ii) winds-up, dissolves, liquidates or takes steps to do so or otherwise ceases to function as a going concern or is prevented from reasonably performing its duties hereunder; or

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(iii) an involuntary petition in bankruptcy or liquidation is filed against the other party or if a receiver or other custodian (interim or permanent) of any of the assets of the other party is appointed by private instrument or by court order or if any execution or other similar process of any court becomes enforceable against the other party, or its assets or if distress is made against the other party's assets or any part thereof, and such petition or receiver is not dismissed or stayed within 90 days after such filing, appointment or taking possession; or

(iv) makes an assignment for the benefit of its creditors or attempts to avail itself of any applicable statute relating to insolvent debtors; or

(v) winds up or otherwise ceases to be a going concern; or

(vi) takes any similar action under similar laws of any jurisdiction.

(c) Other than as set out in Section 12(b)(i), either party may, by sending a written termination notice to the other party, terminate this Agreement if the other party breaches any material provision of this Agreement and such breach is not cured by the other party within fifteen (15) days following the date of the written notice requiring the breach to be remedied.

(d) This Agreement shall be considered to be terminated upon the occurrence of any of the following:

(i) withdrawal or termination of the Commitment Letter; or

(ii) completion of the Offering, and the closing of the related financing, including the making of all regulatory filings in connection there with as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).

(e) Upon termination or expiration of this Agreement for any reason whatsoever, the following shall apply:

(i) the expiration or termination of this Agreement shall not affect any rights accruing to any of the parties as of the expiration or termination nor shall it release the parties from any obligation that may have been incurred as a result of operations conducted under this Agreement;

(ii) both parties shall refrain from holding themselves out as a business partner, of the other except as may be otherwise expressly agreed to by both parties in writing;

(iii) no such termination or expiration shall affect the provisions of Sections 12, 13, 15 and16 hereof, all of which shall survive the termination or expiration of this Agreement.

15. Nature of Relationship. The Borrower acknowledges that First Source has been retained only by the Borrower to provide the services set out herein, and that the Borrower's engagement of First Source is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Borrower or any other person not a party hereto as against First Source or any of its affiliates, or any of its or their officers, directors, controlling persons, employees or agents. Unless otherwise expressly agreed in writing by First Source, no one other than the Borrower is authorized to rely upon this Agreement or any other statements or conduct of First Source, and no one other than the Borrower is intended to be a beneficiary of this Agreement.

16. Compliance with Laws. The Company and the Agent will comply in all material respects with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial or otherwise, applicable to the Offering, including but not limited to the Canadian Securities Laws. In that regard, the parties agree that for

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purposes of NI 45-106, the "issuer" of securities is the Borrower, and the "securities" are the SMIs and the "distribution" of securities takes place on the closing of the SMI mortgage loan and the issuance of the SMIs to the purchasers. Except to the extent provided herein, the Borrower shall have all of the responsibilities and liabilities of an issuer of securities under applicable Canadian Securities Law.

17. Irrevocable Direction. This Agreement shall act as an irrevocable direction by the Borrower to the Borrower's counsel and/or First Source's counsel to release from any funds held by such counsel (whether in trust or otherwise) all amounts due to First Source hereunder or under the Commitment Letter without further authorization or direction from the Borrower.

18. Notices. Any notice, demand, consent, request, agreement or approval which may be delivered or given pursuant to this Agreement shall be in writing and shall be sufficiently given or made is served personally upon the party to whom it is addressed or mailed by registered mail to the address of the party shown below or to such other address in Ontario as such party may from time to time advise the other parties in writing. If to:

(a) First Source:

Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York ON M2J 5B5

Attention: Mr. David Mandel

Email: david@firstsourcemortgage.ca

(b) Block 80 Holdings Inc.

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

Attention: Andre Sherman

Email: block80holdingsinc@gmail.com

19. General. This Agreement shall not be assigned without the prior written consent of First Source and the Borrower; provided however, that in the event of a sale or other transaction in which the Borrower is not the surviving corporation or entity, the Borrower's remaining obligations, if any, under this Agreement shall remain in full force and effect and become obligations of the surviving corporation or entity. This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario without reference to principles of conflicts of law. The parties hereby expressly and irrevocably agree and consent that any action, suit or proceeding arising out of or relating to this Agreement will be submitted to binding arbitration in Toronto, Ontario. This Agreement constitutes the entire Agreement between First Source and the Borrower with respect to the subject matter hereof and supersedes all prior agreements. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

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If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per : DocuSigned by: David Mandel ED38E3277FD44CB...

David Mandel, CEO

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by Block 80 Holdings Inc.

Dated this

Block 80 Holdings Inc.

By : 

Andre Sherman

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SCHEDULE A

Requested materials and information includes but is not limited to the following (provided information already supplied pursuant to the Commitment Letter need not be duplicated):

1. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
2. Description of Borrower's business activities, industry sector (including NAICS industry code, if known), how Borrower was created, and any predecessor names used within the last 12 months.
3. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
4. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
5. Borrower's organizational chart.
6. Borrower's ownership chart.
7. Information about Borrower's registration or licensing for other financial products.
8. Information about any past bankruptcy and confirmation that no receiver has been appointed.
9. Borrower's financial year-end and name of auditor if applicable
10. Borrower's most recent financial statements; assets as at date of most recent financial statements.
11. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
12. Information about ongoing investigations into Borrower.
13. Information about civil proceedings or civil judgements.
14. Information about criminal convictions against the Borrower or its principals.

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FIRST SOURCE
MORTGAGE CORPORATION

FOURTH INCREASE AND EXTENSION AGREEMENT

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

August 10, 2023

c/o:

Anders Holteng

By email only: sherman.architect@gmail.com; anders.holteng@gmail.com

Re: First Mortgage Construction Financing – The subject site is located at the municipal addresses Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (PIN 584050667) (Collectively the "Property").

This increase and extension agreement refers to the **Commitment letter dated November 30th, 2022, Increase and Extension Agreement dated March 8th, 2022, Second Increase and Extension Agreement dated January 6th, 2023, and Third Increase and Extension Agreement dated April 4th, 2023** (collectively the **"Commitment Letter"**).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **$4,650,000** or (ii) 66.43% of the "As-Complete" Appraised Value of the Property. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender (the "Loan" or "Loan Facility").

2. **Maturity Date:** The balance due date and maturity date of the charge is extended to September 8th, 2023.

3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

   Commencing August 1st, 2023, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 1 month after August 1st, 2023.

   The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After September 8th, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

   This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST

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Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing.

The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from loan advance funds.

5. **Prepayment:** Open for full prepayment on any date.

6. **Additional Security:** The following additional security will be required:

    a. First charge on the subject Property in favour of First Source Financial Management Inc. registered at 1.20x the total loan amount.

    b. Such other reasonable legal security as requested by the Lender and/or its legal counsel.

7. **Conditions Precedent:** The Borrower shall provide First Source with satisfactory evidence of the following otherwise the Extension Agreement shall be considered null and void:

    a. Property Taxes and Other Charges: Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.

8. **Lender Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of **0.20%** of the Principal Amount ($4,650,000). Said fee shall be deferred and payable upon the earlier of i) receipt of occupancy permits for the development on the subject property or ii) discharge of the subject loan.

9. **Consultant Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Consultant Fee to Anders Holteng in the amount of **0.10%** of the Principal Amount ($4,650,000). Said fee shall be deferred and payable upon discharge of the subject loan.

10. **Further Rights:** There shall be no further rights of extension with respect to this Charge.

11. **Acknowledgement:** As at the Effective Date, the Chargor and Guarantor acknowledge and confirm that:

    a. There are no claims, rights of setoff or equities with respect to the principal amount or any interest owing thereon outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to any portion of the Loan

    b. All documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent

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and meaning of this Agreement. And for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment letter

c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment letter provided by the Guarantor is in full force and effect with respect to the Charge.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

This Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on August 17th, 2023** by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Extension Agreement is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

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Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

_____

David Mandel – CEO
I am authorized to bind the corporation.
Principal Broker (License # 10434)
Mortgage Administrator (License # 12594)
www.firstsourcemortgage.ca
david@firstsourcemortgage.ca

Accepted at_____, Ontario this ___ day of _____2023

_____ _____

Borrower: Block 80 Holdings Inc. Guarantor: Andre Sherman

_____

Witness Name:

Address:

Tel:

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Engagement Letter with Borrower

August 10, 2023

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

c/o:

Anders Holteng

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation ("First Source", "we" or "us") understand that **Block 80 Holdings Inc**. (the "Borrower" or "you") are seeking to secure financing including through the distribution of syndicated mortgage investments described below (the "SMIs") to qualified investors (the "Offering"). We understand further that the Borrower wishes to retain the services of First Source to provide or arrange for certain mortgage brokerage, advisory and distribution services and to act as your agent (the "Agent") in connection with certain aspects of the Offering. By your acceptance of this engagement letter, you enter into an agreement with us (the "Agreement") and appoint First Source to act as financial advisor and agent in connection with the Offering, on the terms and subject to the conditions set out below.

1. Offering of SMIs. First Source shall provide such advice and assistance as the Borrower may reasonably request in connection with the Offering, which shall consist of the distribution of the following SMI:

Property / Name of Project	Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
Principal Amount	$4,650,000
Term / Maturity	1 month plus 7 days from the Interest Adjustment Date
Priority	1st Ranking Mortgage
Interest Rate	Commencing August 1st, 2023, the Interest Rate shall be the higher of (i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated monthly on amounts **advanced** and the higher of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 1 month after August 1st, 2023. The higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term. On and After September 8th, 2023, unless an extension agreement was previously arranged executed in writing between

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	the Borrower and Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged. This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax only is for the account of the Borrower and an estimated amount is to be deducted from the Loan Advance. The Lender shall advise the Borrower of the HST Administration Tax on or before Closing. The Charge and Promissory Note shall provide for an interest rate of 18% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

2. Defined Terms in this Agreement. For purposes of this Agreement, the following terms have the meanings set out below:

"Canadian Securities Laws" means any securities statutes, regulations, policies, rules, national instruments, orders, rulings and other directives or guidance and any relief therefrom of any governmental or regulatory authority of any province or territory of Canada having jurisdiction over the parties to this Agreement or the transactions contemplated hereby, all as amended or replaced from time to time;

"Commitment Letter" means the commitment letter of First Source setting out the terms and conditions under which your application for financing has been approved;

"Marketing Material" means any and all marketing, advertising, educational or other promotional material in relation to the Borrower, the Property, the Offering or the SMIs, including, without limitation, any Offering Document, any slide deck or similar presentation document, any video or material intended to be distributed via social media posting, any website disclosure, and all other similar material;

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

"Offering Document" means any offering memorandum (whether or not a "offering memorandum" for purposes of Section 2.9 of NI45-106), term sheet summary, financial statement or financial projection, prospectus, subscription agreement or similar document prepared for delivery to prospective investors in connection with the distribution of the SMIs;

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"Property" means the real property or property development project described in Section 1 hereof and in the Commitment Letter.

3. Engagement as Agent. First Source shall act as non-exclusive agent in connection with the Offering and the distribution of the SMIs. First Source make arrangements with our affiliated company, Westboro Management Ltd. ("Westboro"), or with Waverley Corporate Financial Services Ltd. ("Waverley"), an exempt market dealer registered to carry on business in Ontario, to distribute the SMIs. First Source and Westboro or Waverly will identify prospective investors and negotiate the terms of the SMI as may be required. The Offering will be subject to such other terms and conditions as First Source, the Borrower and the investors shall agree. The parties acknowledge that there can be no assurance that the Offering will be completed.

4. Services. The services to be provided to the Borrower under this Agreement may include, among other things, the following:

   (a) arranging by or through Westboro or Waverly for the marketing and distribution of the SMIs;

   (b) providing you with appropriate financial and market analyses to the extent necessary to facilitate the Offering;

   (c) representing you in negotiations with prospective investors;

   (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for review and approval by the Borrower;

   (e) obtaining from prospective investors all executed documents reasonably required by you with respect to the Offering;

   (f) acting as your agent and representative with respect to the giving of all regulatory notices and/or the making of all regulatory filings required in connection with the Offering.

5. Compensation. In consideration of the services provided pursuant to this Agreement, First Source is entitled to compensation in the form of Lender Fees set out in the Commitment Letter. All amounts payable to First Source hereunder shall be subject to applicable taxes (including H.S.T.)

   The Borrower acknowledges that such compensation may be required to be disclosed to securities regulatory authorities including on the filing of a Report of Exempt Distribution in accordance with the requirements of NI 45-106.

6. Expenses. Unless otherwise specified herein or agreed in writing with First Source, expenses in connection with the Engagement and the Offering, including, but not limited to, all filing fees, any other governmental fees, printing costs, postage, courier and mailing expenses, counsel and accounting fees and advertising, marketing and promotional expenses will be borne by First Source.

7. Representations and Warranties of the Agent. The Agent represents and warrants to the Borrower as follows:

   (a) it is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

   (b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

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(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;

(d) the execution, delivery and performance of this Agreement by the Agent will not violate, or result in any default under, the Agent's constating documents or by- laws, any other agreement or instrument to which the Agent is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body;

(e) Westboro and Waverly are registered as an exempt market dealer in the Province of Ontario.

The Agent shall promptly notify the Borrower if and when any representation and warranty provided by it pursuant to section 7 of this Agreement ceases to be accurate.

8. Covenants of the Agent. The Agent covenants and agrees with the Borrower as follows:

(a) it will use its reasonable efforts and will cause Westboro or Waverly to use its reasonable efforts to sell the SMIs, subject to the terms and conditions set out in this Agreement;

(b) it will, and will cause Westboro or Waverly to, effect sales of the SMIs only in those jurisdictions where they may be lawfully offered for sale or sold on a private placement basis that is exempt from the prospectus requirements of Canadian Securities Laws pursuant to available exemptions;

(c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro or Waverly to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set out in any Offering Document;

(d) it will maintain such books and records as may be required to accurately record its activities as the Agent in respect of the Offering.

(e) it will not prepare or distribute any Marketing Material in relation to the Borrower, the Offering or the SMIs except as approved by the Borrower.

9. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Agent as follows:

(a) it is a corporation subsisting under the laws of Ontario;

(b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law; and

(d) the execution, delivery and performance of this Agreement by the Borrower will not violate, or result in any default under, the Borrower's constating documents, any other agreement or instrument to

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which the Borrower is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body.

(e) The Borrower understands and acknowledges that each person who purchases the SMIs through Westboro or Waverly will become a client of Westboro or Waverly for purposes of Canadian Securities Laws and Westboro or Waverly will therefore comply with the following in respect of each purchaser of SMIs:

(i) "know-your-client", "know your product", suitability, trade reporting and other client-related obligations that are imposed upon exempt market dealers by Canadian Securities Laws;

(ii) anti-money laundering and suppression of terrorism regulations imposed upon securities dealers by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Criminal Code of Canada*;

(iii) the *Personal Information Protection and Electronic Documents Act* (Canada) as regards the collection, use and disclosure of personal information respecting each such purchaser;

(f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any securities commission, or similar regulatory authority, which in any way materially adversely affects the Borrower, or the condition (financial or other) of the Borrower or which brings into question the validity of the issuance of the SMIs;

(g) upon issuance of the SMIs pursuant to the terms of the subscription agreement between the Borrower and a purchaser, such SMIs shall have valid and legal obligations of the Borrower enforceable against the Borrower in accordance with their terms.

10. Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) to assist the Agent in responding to any inquiries that the Agent or Westboro or Waverly may receive from prospective purchasers of SMIs and subscribers from time to time;

(b) providing prompt notice if any representation or warranty made by the Borrower in the Commitment Letter ceases to be true or accurate (or with passage of time will become untrue or inaccurate) in any material respect;

(c) to provide to the Agent copies of any Marketing Material prepared by the Borrower or on behalf of the Borrower (by persons other than the Agent);

(d) to promptly advise the Agent any representation or warranty made by the Borrower in this Agreement is no longer true and accurate, or if it learns of circumstances which would cause any statement contained in the Offering Documents to be materially misleading (even if such statement was not materially misleading at the time it was made).

11. Reliance by First Source on Information Provided by Borrower.

(a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and

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underwriting procedures contemplated by the Commitment Letter. The Borrower acknowledges that First Source will prepare the Offering Documents relating to the SMIs on behalf of the Issuer, and that the contents of such Offering Document will be based on information contained in, or undertaken to be provided pursuant to, the Commitment Letter.

(b) The Borrower understands, acknowledges and agrees that, in performing its services hereunder, First Source will use and rely upon such information, as well as any publicly available information regarding the Borrower and that First Source does not assume responsibility for independent verification of the accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Borrower, including, without limitation, any financial information, forecasts or projections supplied by the Borrower. Accordingly, First Source shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Borrower.

(c) Specifically with respect to the preparation of the Offering Documents,

(i) At the request of First Source, the Borrower shall review any such Offering Document or portions thereof on a timely basis, and the absence of comments shall be deemed as confirmation by the Borrower that the contents as provided to the Borrower are accurate;

(ii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that the information and statements contained in the Offering Documents and any Marketing Material in relation to the Borrower, the Offering or the SMIs are materially correct and accurate and do not contain a misrepresentation;

(iii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that neither the Offering Documents nor any Marketing Materials prepared by the Borrower, as may be applicable, contain any untrue statement of material fact, and do not omit to state any material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(d) Furthermore, the Borrower hereby appoints First Source as its agent and attorney for purposes of completing filings with securities regulators as may be required under Canadian Securities Law and NI 45-106. Specifically, the Borrower delegates to First Source authority to certify information required to be furnished to regulators pursuant to Form 45-106F1 Report of Exempt Distribution, and to file any Offering Document or amendment of any Offering Document on behalf of the Borrower. In order to permit First Source to perform this delegated function, the Borrower shall supply First Source with the information set out in Schedule A;

(e) If any information provided to First Source by the Borrower or any information contained in the Offering Document made available to the Borrower for review and comment becomes inaccurate, incomplete or misleading in any material respect, the Borrower shall promptly so advise First Source.

12. Indemnification in Favour of The Borrower.

(a) The Agent agrees to indemnify and hold harmless the Borrower, and each of their respective directors, officers, employees, partners, shareholders and advisors (each, a **"Borrower Indemnified Party"**) for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and

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disbursements, that the Borrower Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Agent, including a breach of any representation and warranty provided by the Agent pursuant to this Agreement, or any breach of Canadian Securities Laws by the Agent or by Westboro or by Waverly.

(b) The Agent acknowledges and agrees that the Borrower and its directors, officers, employees, partners, shareholders and advisors are intended to be third party beneficiaries of the indemnity provided by the Agent pursuant to Section 12(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Agent. To the extent necessary to entitle each of the Borrower's directors, officers, employees, partners, shareholders and advisors to enjoy the indemnity provided by the Agent pursuant to Section 12(a) hereof, the Agent hereby appoints the Borrower as the trustee for the directors, officers and employees in respect of such indemnity and the Borrower hereby accepts such appointment.

13. Indemnification in Favour of the Agent.

(a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and Waverly and each of their respective directors, officers and employees (each, an "**Agent Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Borrower, including a breach of any representation and warranty provided by the Borrower pursuant to this Agreement, or any breach of Canadian Securities Laws by the Borrower.

(b) The Borrower acknowledges and agrees that each of the Agent's directors, officers and employees are intended to be third party beneficiaries of the indemnity provided by the Borrower pursuant to Section 13(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Borrower. To the extent necessary to entitle each of the Agent's directors, officers and employees to enjoy the indemnity provided by the Borrower pursuant to Section 13(a)hereof, the Agent hereby appoints the Agent as the trustee for the directors, officers and employees in respect of such indemnity and the Agent hereby accepts such appointment.

14. Term and Termination.

(a) This Agreement shall commence on the date above written and, subject to earlier termination in accordance with the provisions of this Agreement, shall continue unless either Party provides written notification of termination in accordance with Section 14(b). Notwithstanding the completion of any Offering, this Agreement shall be automatically renewed for such period as required, without any further action of the parties, if the Borrower renews or extends the mortgage loan in respect of the SMI.

(b) The following shall be the termination provisions for this Agreement. Either party may, by sending a written termination notice to the other party, terminate this Agreement at any time after the other party:

(i) files a voluntary petition in bankruptcy or liquidation; or

(ii) winds-up, dissolves, liquidates or takes steps to do so or otherwise ceases to function as a going concern or is prevented from reasonably performing its duties hereunder; or

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(iii) an involuntary petition in bankruptcy or liquidation is filed against the other party or if a receiver or other custodian (interim or permanent) of any of the assets of the other party is appointed by private instrument or by court order or if any execution or other similar process of any court becomes enforceable against the other party, or its assets or if distress is made against the other party's assets or any part thereof, and such petition or receiver is not dismissed or stayed within 90 days after such filing, appointment or taking possession; or

(iv) makes an assignment for the benefit of its creditors or attempts to avail itself of any applicable statute relating to insolvent debtors; or

(v) winds up or otherwise ceases to be a going concern; or

(vi) takes any similar action under similar laws of any jurisdiction.

(c) Other than as set out in Section 12(b)(i), either party may, by sending a written termination notice to the other party, terminate this Agreement if the other party breaches any material provision of this Agreement and such breach is not cured by the other party within fifteen (15) days following the date of the written notice requiring the breach to be remedied.

(d) This Agreement shall be considered to be terminated upon the occurrence of any of the following:

(i) withdrawal or termination of the Commitment Letter; or

(ii) completion of the Offering, and the closing of the related financing, including the making of all regulatory filings in connection there with as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).

(e) Upon termination or expiration of this Agreement for any reason whatsoever, the following shall apply:

(i) the expiration or termination of this Agreement shall not affect any rights accruing to any of the parties as of the expiration or termination nor shall it release the parties from any obligation that may have been incurred as a result of operations conducted under this Agreement;

(ii) both parties shall refrain from holding themselves out as a business partner, of the other except as may be otherwise expressly agreed to by both parties in writing;

(iii) no such termination or expiration shall affect the provisions of Sections 12, 13, 15 and16 hereof, all of which shall survive the termination or expiration of this Agreement.

15. Nature of Relationship. The Borrower acknowledges that First Source has been retained only by the Borrower to provide the services set out herein, and that the Borrower's engagement of First Source is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Borrower or any other person not a party hereto as against First Source or any of its affiliates, or any of its or their officers, directors, controlling persons, employees or agents. Unless otherwise expressly agreed in writing by First Source, no one other than the Borrower is authorized to rely upon this Agreement or any other statements or conduct of First Source, and no one other than the Borrower is intended to be a beneficiary of this Agreement.

16. Compliance with Laws. The Company and the Agent will comply in all material respects with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial or otherwise, applicable to the Offering, including but not limited to the Canadian Securities Laws. In that regard, the parties agree that for

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purposes of NI 45-106, the "issuer" of securities is the Borrower, and the "securities" are the SMIs and the "distribution" of securities takes place on the closing of the SMI mortgage loan and the issuance of the SMIs to the purchasers. Except to the extent provided herein, the Borrower shall have all of the responsibilities and liabilities of an issuer of securities under applicable Canadian Securities Law.

17. Irrevocable Direction. This Agreement shall act as an irrevocable direction by the Borrower to the Borrower's counsel and/or First Source's counsel to release from any funds held by such counsel (whether in trust or otherwise) all amounts due to First Source hereunder or under the Commitment Letter without further authorization or direction from the Borrower.

18. Notices. Any notice, demand, consent, request, agreement or approval which may be delivered or given pursuant to this Agreement shall be in writing and shall be sufficiently given or made is served personally upon the party to whom it is addressed or mailed by registered mail to the address of the party shown below or to such other address in Ontario as such party may from time to time advise the other parties in writing. If to:

(a) First Source:

Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York ON M2J 5B5

Attention: Mr. David Mandel

Email: david@firstsourcemortgage.ca

(b) Block 80 Holdings Inc.

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

Attention: Andre Sherman

Email: block80holdingsinc@gmail.com

19. General. This Agreement shall not be assigned without the prior written consent of First Source and the Borrower; provided however, that in the event of a sale or other transaction in which the Borrower is not the surviving corporation or entity, the Borrower's remaining obligations, if any, under this Agreement shall remain in full force and effect and become obligations of the surviving corporation or entity. This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario without reference to principles of conflicts of law. The parties hereby expressly and irrevocably agree and consent that any action, suit or proceeding arising out of or relating to this Agreement will be submitted to binding arbitration in Toronto, Ontario. This Agreement constitutes the entire Agreement between First Source and the Borrower with respect to the subject matter hereof and supersedes all prior agreements. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

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If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per : _____

David Mandel, CEO

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by Block 80 Holdings Inc.

Dated this

Block 80 Holdings Inc.

By : _____

Andre Sherman

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SCHEDULE A

Requested materials and information includes but is not limited to the following (provided information already supplied pursuant to the Commitment Letter need not be duplicated):

1. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
2. Description of Borrower's business activities, industry sector (including NAICS industry code, if known), how Borrower was created, and any predecessor names used within the last 12 months.
3. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
4. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
5. Borrower's organizational chart.
6. Borrower's ownership chart.
7. Information about Borrower's registration or licensing for other financial products.
8. Information about any past bankruptcy and confirmation that no receiver has been appointed.
9. Borrower's financial year-end and name of auditor if applicable
10. Borrower's most recent financial statements; assets as at date of most recent financial statements.
11. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
12. Information about ongoing investigations into Borrower.
13. Information about civil proceedings or civil judgements.
14. Information about criminal convictions against the Borrower or its principals.

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FIRST SOURCE
MORTGAGE CORPORATION

FIFTH INCREASE AND EXTENSION AGREEMENT

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

September 27, 2023

c/o:

Anders Holteng

By email only: sherman.architect@gmail.com; anders.holteng@gmail.com

Re: First Mortgage Construction Financing – The subject site is located at the municipal addresses Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario (PIN 584050667) (Collectively the "Property").

This increase and extension agreement refers to the **Commitment letter dated November 30th, 2022, Increase and Extension Agreement dated March 8th, 2022, Second Increase and Extension Agreement dated January 6th, 2023, Third Increase and Extension Agreement dated April 4th, 2023**, and **Fourth Increase and Extension Agreement dated August 10th, 2023** (collectively the **"Commitment Letter"**).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **$4,700,000** or (ii) 67.15% of the "As-Complete" Appraised Value of the Property. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender (the "Loan" or "Loan Facility").

2. **Maturity Date:** The balance due date and maturity date of the charge is extended to November 8th, 2023.

3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows-

   Commencing September 1st, 2023, the interest rate shall be the greater of i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated daily on amounts **advanced** and the greater of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% per annum calculated on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 2 months after September 1st, 2023.

   For the final 7 days of the term, the applicable interest rate shall be the greater of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated daily on the principal outstanding. There shall be no deemed re-investment of payments made. After 2 months and 7 days from September 1st, 2023, unless an extension agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the greater of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated daily and payable monthly with no deemed re-investment of payments on the principal outstanding until discharged.

   The Charge and Promissory Note shall provide for an interest rate of 18% per annum until November 8th, 2023 and thereafter at the greater of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum. The Lender shall only be

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entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property.

This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% per annum calculated on the principal balance of the loan outstanding which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax is for the account of the Borrower. Said cost is to be paid to the Lender on a monthly basis on the 1st of each month the loan balance remains outstanding.

4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from loan advance funds.

5. **Prepayment:** Open for full prepayment on any date.

6. **Additional Security:** The following additional security will be required:

    a. Such other reasonable legal security as requested by the Lender and/or its legal counsel.

7. **Conditions Precedent:** The Borrower shall provide First Source with satisfactory evidence of the following otherwise the Extension Agreement shall be considered null and void:

    a. Property Taxes and Other Charges: Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.

8. **Lender Fee:** In consideration of First Source providing this Extension, the Borrower hereby agrees to pay a Lender Fee in the amount of **0.40**% of the Principal Amount. A credit of **0.20%** of the Principal Amount shall be provided to the Borrower if the loan is fully repaid prior to November 1st, 2023. The Lender Fee is payable upon discharge.

9. **Further Rights:** There shall be no further rights of extension with respect to this Charge.

10. **Acknowledgement:** As at the Effective Date, the Chargor and Guarantor acknowledge and confirm that:

    a. There are no claims, rights of setoff or equities with respect to the principal amount or any interest owing thereon outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to any portion of the Loan

    b. All documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent and meaning of this Agreement. And for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment letter

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c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment letter provided by the Guarantor is in full force and effect with respect to the Charge.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

This Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on October 2nd, 2023** by which time and date a copy of this Commitment duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Extension Agreement is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

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Yours truly,

FIRST SOURCE MORTGAGE CORPORATION

DocuSigned by:
David Mandel
ED38E3277FD44CB...

David Mandel – CEO
I am authorized to bind the corporation.
Principal Broker (License # 10434)
Mortgage Administrator (License # 12594)
www.firstsourcemortgage.ca
david@firstsourcemortgage.ca

Accepted at Toronto **, Ontario this** 27th **day of** September **2023**

DocuSigned by:
Andre Sherman
90FAFBD364B7456...

Borrower: Block 80 Holdings Inc.

DocuSigned by:
Andre Sherman
90FAFBD364B7456...

Guarantor: Andre Sherman

Witness Name:

Address:

Tel:

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Engagement Letter with Borrower

September 27, 2023

Andre Sherman
135 Holmes Avenue
Toronto, Ontario
M2N 4M5

c/o:

Anders Holteng

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation ("First Source", "we" or "us") understand that **Block 80 Holdings Inc**. (the "Borrower" or "you") are seeking to secure financing including through the distribution of syndicated mortgage investments described below (the "SMIs") to qualified investors (the "Offering"). We understand further that the Borrower wishes to retain the services of First Source to provide or arrange for certain mortgage brokerage, advisory and distribution services and to act as your agent (the "Agent") in connection with certain aspects of the Offering. By your acceptance of this engagement letter, you enter into an agreement with us (the "Agreement") and appoint First Source to act as financial advisor and agent in connection with the Offering, on the terms and subject to the conditions set out below.

1. Offering of SMIs. First Source shall provide such advice and assistance as the Borrower may reasonably request in connection with the Offering, which shall consist of the distribution of the following SMI:

Property / Name of Project	Block 80, Bellisle Heights, 61 Thompsons Road, Penetanguishene, Ontario
Principal Amount	$4,700,000
Term / Maturity	November 8th, 2023
Priority	1st Ranking Mortgage
Interest Rate	Commencing September 1st, 2023, the interest rate shall be the greater of i) 9.75% or (ii) CIBC Prime + 7.05% per annum calculated daily on amounts **advanced** and the greater of (i) 6.95% or (ii) CIBC Bank Prime Rate + 4.25% per annum calculated on amounts **unadvanced** with no deemed re-investment of monthly payments on the principal outstanding during the first 2 months after September 1st, 2023. For the final 7 days of the term, the applicable interest rate shall be the greater of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated daily on the principal outstanding. There shall be no deemed re-investment of payments made. After 2 months and 7 days from September 1st, 2023, unless an extension

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	agreement was previously arranged executed in writing between the Borrower and Lender, the rate on funds advanced shall be fixed at the greater of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum calculated daily and payable monthly with no deemed re-investment of payments on the principal outstanding until discharged. The Charge and Promissory Note shall provide for an interest rate of 18% per annum until November 8th, 2023 and thereafter at the greater of (i) 18.00% or (ii) CIBC Prime + 15.55% per annum. The Lender shall only be entitled to interest as determined by the interest rate as set out herein or any amendment to this Commitment which the Borrowers(s) may enter into with the Lender after the date hereof. This provides the Borrower(s) with more flexibility, within the principal amount set out in the Charge, if interest rates are amended, so that the Lender may be in a position to provide amendments to the Commitment/Promissory Note without requiring an amendment to the Charge being registered on title to the Property. This Loan will be administered on behalf of the Lender(s), and where applicable, at a cost to the Lender(s) of approximately .75% per annum calculated on the principal balance of the loan outstanding which cost is subject to any H.S.T. (the "HST Administration Tax"). The HST Administration Tax is for the account of the Borrower. Said cost is to be paid to the Lender on a monthly basis on the 1st of each month the loan balance remains outstanding.

2. Defined Terms in this Agreement. For purposes of this Agreement, the following terms have the meanings set out below:

"Canadian Securities Laws" means any securities statutes, regulations, policies, rules, national instruments, orders, rulings and other directives or guidance and any relief therefrom of any governmental or regulatory authority of any province or territory of Canada having jurisdiction over the parties to this Agreement or the transactions contemplated hereby, all as amended or replaced from time to time;

"Commitment Letter" means the commitment letter of First Source setting out the terms and conditions under which your application for financing has been approved;

"Marketing Material" means any and all marketing, advertising, educational or other promotional material in relation to the Borrower, the Property, the Offering or the SMIs, including, without limitation, any Offering Document, any slide deck or similar presentation document, any video or material intended to be distributed via social media posting, any website disclosure, and all other similar material;

"NI 45-106" means National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators;

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"Offering Document" means any offering memorandum (whether or not a "offering memorandum" for purposes of Section 2.9 of NI45-106), term sheet summary, financial statement or financial projection, prospectus, subscription agreement or similar document prepared for delivery to prospective investors in connection with the distribution of the SMIs;

"Property" means the real property or property development project described in Section 1 hereof and in the Commitment Letter.

3. Engagement as Agent. First Source shall act as non-exclusive agent in connection with the Offering and the distribution of the SMIs. First Source make arrangements with our affiliated company, Westboro Management Ltd. ("Westboro"), or with Waverley Corporate Financial Services Ltd. ("Waverley"), an exempt market dealer registered to carry on business in Ontario, to distribute the SMIs. First Source and Westboro or Waverly will identify prospective investors and negotiate the terms of the SMI as may be required. The Offering will be subject to such other terms and conditions as First Source, the Borrower and the investors shall agree. The parties acknowledge that there can be no assurance that the Offering will be completed.

4. Services. The services to be provided to the Borrower under this Agreement may include, among other things, the following:

   (a) arranging by or through Westboro or Waverly for the marketing and distribution of the SMIs;

   (b) providing you with appropriate financial and market analyses to the extent necessary to facilitate the Offering;

   (c) representing you in negotiations with prospective investors;

   (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for review and approval by the Borrower;

   (e) obtaining from prospective investors all executed documents reasonably required by you with respect to the Offering;

   (f) acting as your agent and representative with respect to the giving of all regulatory notices and/or the making of all regulatory filings required in connection with the Offering.

5. Compensation. In consideration of the services provided pursuant to this Agreement, First Source is entitled to compensation in the form of Lender Fees set out in the Commitment Letter. All amounts payable to First Source hereunder shall be subject to applicable taxes (including H.S.T.)

   The Borrower acknowledges that such compensation may be required to be disclosed to securities regulatory authorities including on the filing of a Report of Exempt Distribution in accordance with the requirements of NI 45-106.

6. Expenses. Unless otherwise specified herein or agreed in writing with First Source, expenses in connection with the Engagement and the Offering, including, but not limited to, all filing fees, any other governmental fees, printing costs, postage, courier and mailing expenses, counsel and accounting fees and advertising, marketing and promotional expenses will be borne by First Source.

7. Representations and Warranties of the Agent. The Agent represents and warrants to the Borrower as follows:

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(a) it is a corporation duly incorporated, organized and subsisting under the laws of Ontario;

(b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law;

(d) the execution, delivery and performance of this Agreement by the Agent will not violate, or result in any default under, the Agent's constating documents or by- laws, any other agreement or instrument to which the Agent is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body;

(e) Westboro and Waverly are registered as an exempt market dealer in the Province of Ontario.

The Agent shall promptly notify the Borrower if and when any representation and warranty provided by it pursuant to section 7 of this Agreement ceases to be accurate.

8. Covenants of the Agent. The Agent covenants and agrees with the Borrower as follows:

(a) it will use its reasonable efforts and will cause Westboro or Waverly to use its reasonable efforts to sell the SMIs, subject to the terms and conditions set out in this Agreement;

(b) it will, and will cause Westboro or Waverly to, effect sales of the SMIs only in those jurisdictions where they may be lawfully offered for sale or sold on a private placement basis that is exempt from the prospectus requirements of Canadian Securities Laws pursuant to available exemptions;

(c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro or Waverly to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set out in any Offering Document;

(d) it will maintain such books and records as may be required to accurately record its activities as the Agent in respect of the Offering.

(e) it will not prepare or distribute any Marketing Material in relation to the Borrower, the Offering or the SMIs except as approved by the Borrower.

9. Representations and Warranties of the Borrower. The Borrower represents and warrants to the Agent as follows:

(a) it is a corporation subsisting under the laws of Ontario;

(b) it has the power, authority and right to enter into and deliver this Agreement, and to perform its obligations pursuant to this Agreement and it has taken all necessary action to authorize same;

(c) its obligations under this Agreement constitute its valid and legally binding obligations, enforceable against it in accordance with their respective terms subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally, and subject, as to

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enforceability, to equitable principles of general application, regardless of whether enforcement is sought in a proceeding in equity or at law; and

(d) the execution, delivery and performance of this Agreement by the Borrower will not violate, or result in any default under, the Borrower's constating documents, any other agreement or instrument to which the Borrower is a party or by which it may be bound or any statute, rule, regulation or order of any government agency or body.

(e) The Borrower understands and acknowledges that each person who purchases the SMIs through Westboro or Waverly will become a client of Westboro or Waverly for purposes of Canadian Securities Laws and Westboro or Waverly will therefore comply with the following in respect of each purchaser of SMIs:

(i) "know-your-client", "know your product", suitability, trade reporting and other client-related obligations that are imposed upon exempt market dealers by Canadian Securities Laws;

(ii) anti-money laundering and suppression of terrorism regulations imposed upon securities dealers by the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *Criminal Code of Canada*;

(iii) the *Personal Information Protection and Electronic Documents Act* (Canada) as regards the collection, use and disclosure of personal information respecting each such purchaser;

(f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any securities commission, or similar regulatory authority, which in any way materially adversely affects the Borrower, or the condition (financial or other) of the Borrower or which brings into question the validity of the issuance of the SMIs;

(g) upon issuance of the SMIs pursuant to the terms of the subscription agreement between the Borrower and a purchaser, such SMIs shall have valid and legal obligations of the Borrower enforceable against the Borrower in accordance with their terms.

10. Covenants of the Borrower. The Borrower covenants and agrees as follows:

(a) to assist the Agent in responding to any inquiries that the Agent or Westboro or Waverly may receive from prospective purchasers of SMIs and subscribers from time to time;

(b) providing prompt notice if any representation or warranty made by the Borrower in the Commitment Letter ceases to be true or accurate (or with passage of time will become untrue or inaccurate) in any material respect;

(c) to provide to the Agent copies of any Marketing Material prepared by the Borrower or on behalf of the Borrower (by persons other than the Agent);

(d) to promptly advise the Agent any representation or warranty made by the Borrower in this Agreement is no longer true and accurate, or if it learns of circumstances which would cause any statement contained in the Offering Documents to be materially misleading (even if such statement was not materially misleading at the time it was made).

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11. Reliance by First Source on Information Provided by Borrower.

(a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and underwriting procedures contemplated by the Commitment Letter. The Borrower acknowledges that First Source will prepare the Offering Documents relating to the SMIs on behalf of the Issuer, and that the contents of such Offering Document will be based on information contained in, or undertaken to be provided pursuant to, the Commitment Letter.

(b) The Borrower understands, acknowledges and agrees that, in performing its services hereunder, First Source will use and rely upon such information, as well as any publicly available information regarding the Borrower and that First Source does not assume responsibility for independent verification of the accuracy or completeness of any information, whether publicly available or otherwise furnished to it, concerning the Borrower, including, without limitation, any financial information, forecasts or projections supplied by the Borrower. Accordingly, First Source shall be entitled to assume and rely upon the accuracy and completeness of all such information and shall not be required to conduct a physical inspection of any of the properties or assets or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities of the Borrower.

(c) Specifically with respect to the preparation of the Offering Documents,

(i) At the request of First Source, the Borrower shall review any such Offering Document or portions thereof on a timely basis, and the absence of comments shall be deemed as confirmation by the Borrower that the contents as provided to the Borrower are accurate;

(ii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that the information and statements contained in the Offering Documents and any Marketing Material in relation to the Borrower, the Offering or the SMIs are materially correct and accurate and do not contain a misrepresentation;

(iii) Following the Borrower's opportunity to review and comment on the Offering Documents, the Borrower represents and warrants that neither the Offering Documents nor any Marketing Materials prepared by the Borrower, as may be applicable, contain any untrue statement of material fact, and do not omit to state any material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

(d) Furthermore, the Borrower hereby appoints First Source as its agent and attorney for purposes of completing filings with securities regulators as may be required under Canadian Securities Law and NI 45-106. Specifically, the Borrower delegates to First Source authority to certify information required to be furnished to regulators pursuant to Form 45-106F1 Report of Exempt Distribution, and to file any Offering Document or amendment of any Offering Document on behalf of the Borrower. In order to permit First Source to perform this delegated function, the Borrower shall supply First Source with the information set out in Schedule A;

(e) If any information provided to First Source by the Borrower or any information contained in the Offering Document made available to the Borrower for review and comment becomes inaccurate, incomplete or misleading in any material respect, the Borrower shall promptly so advise First Source.

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12. Indemnification in Favour of The Borrower.

(a) The Agent agrees to indemnify and hold harmless the Borrower, and each of their respective directors, officers, employees, partners, shareholders and advisors (each, a **"Borrower Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that the Borrower Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Agent, including a breach of any representation and warranty provided by the Agent pursuant to this Agreement, or any breach of Canadian Securities Laws by the Agent or by Westboro or by Waverly.

(b) The Agent acknowledges and agrees that the Borrower and its directors, officers, employees, partners, shareholders and advisors are intended to be third party beneficiaries of the indemnity provided by the Agent pursuant to Section 12(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Agent. To the extent necessary to entitle each of the Borrower's directors, officers, employees, partners, shareholders and advisors to enjoy the indemnity provided by the Agent pursuant to Section 12(a) hereof, the Agent hereby appoints the Borrower as the trustee for the directors, officers and employees in respect of such indemnity and the Borrower hereby accepts such appointment.

13. Indemnification in Favour of the Agent.

(a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and Waverly and each of their respective directors, officers and employees (each, an "**Agent Indemnified Party**") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent Indemnified Party suffers or incurs as the result of any material breach of any term or condition of this Agreement by the Borrower, including a breach of any representation and warranty provided by the Borrower pursuant to this Agreement, or any breach of Canadian Securities Laws by the Borrower.

(b) The Borrower acknowledges and agrees that each of the Agent's directors, officers and employees are intended to be third party beneficiaries of the indemnity provided by the Borrower pursuant to Section 13(a) hereof and, as such, each of them is entitled to enjoy the benefits of such indemnity and has the right to enforce such indemnity directly against the Borrower. To the extent necessary to entitle each of the Agent's directors, officers and employees to enjoy the indemnity provided by the Borrower pursuant to Section 13(a)hereof, the Agent hereby appoints the Agent as the trustee for the directors, officers and employees in respect of such indemnity and the Agent hereby accepts such appointment.

14. Term and Termination.

(a) This Agreement shall commence on the date above written and, subject to earlier termination in accordance with the provisions of this Agreement, shall continue unless either Party provides written notification of termination in accordance with Section 14(b). Notwithstanding the completion of any Offering, this Agreement shall be automatically renewed for such period as required, without any further action of the parties, if the Borrower renews or extends the mortgage loan in respect of the SMI.

(b) The following shall be the termination provisions for this Agreement. Either party may, by sending a written termination notice to the other party, terminate this Agreement at any time after the other party:

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(i) files a voluntary petition in bankruptcy or liquidation; or

(ii) winds-up, dissolves, liquidates or takes steps to do so or otherwise ceases to function as a going concern or is prevented from reasonably performing its duties hereunder; or

(iii) an involuntary petition in bankruptcy or liquidation is filed against the other party or if a receiver or other custodian (interim or permanent) of any of the assets of the other party is appointed by private instrument or by court order or if any execution or other similar process of any court becomes enforceable against the other party, or its assets or if distress is made against the other party's assets or any part thereof, and such petition or receiver is not dismissed or stayed within 90 days after such filing, appointment or taking possession; or

(iv) makes an assignment for the benefit of its creditors or attempts to avail itself of any applicable statute relating to insolvent debtors; or

(v) winds up or otherwise ceases to be a going concern; or

(vi) takes any similar action under similar laws of any jurisdiction.

(c) Other than as set out in Section 12(b)(i), either party may, by sending a written termination notice to the other party, terminate this Agreement if the other party breaches any material provision of this Agreement and such breach is not cured by the other party within fifteen (15) days following the date of the written notice requiring the breach to be remedied.

(d) This Agreement shall be considered to be terminated upon the occurrence of any of the following:

(i) withdrawal or termination of the Commitment Letter; or

(ii) completion of the Offering, and the closing of the related financing, including the making of all regulatory filings in connection there with as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).

(e) Upon termination or expiration of this Agreement for any reason whatsoever, the following shall apply:

(i) the expiration or termination of this Agreement shall not affect any rights accruing to any of the parties as of the expiration or termination nor shall it release the parties from any obligation that may have been incurred as a result of operations conducted under this Agreement;

(ii) both parties shall refrain from holding themselves out as a business partner, of the other except as may be otherwise expressly agreed to by both parties in writing;

(iii) no such termination or expiration shall affect the provisions of Sections 12, 13, 15 and16 hereof, all of which shall survive the termination or expiration of this Agreement.

15. Nature of Relationship. The Borrower acknowledges that First Source has been retained only by the Borrower to provide the services set out herein, and that the Borrower's engagement of First Source is not deemed to be on behalf of, and is not intended to confer rights upon, any shareholder, owner or partner of the Borrower or any other person not a party hereto as against First Source or any of its affiliates, or any of its or their officers, directors, controlling persons, employees or agents. Unless otherwise expressly agreed in writing by First

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Source, no one other than the Borrower is authorized to rely upon this Agreement or any other statements or conduct of First Source, and no one other than the Borrower is intended to be a beneficiary of this Agreement.

16. Compliance with Laws. The Company and the Agent will comply in all material respects with all applicable laws, regulations and policies, whether domestic, foreign, federal, national, provincial or otherwise, applicable to the Offering, including but not limited to the Canadian Securities Laws. In that regard, the parties agree that for purposes of NI 45-106, the "issuer" of securities is the Borrower, and the "securities" are the SMIs and the "distribution" of securities takes place on the closing of the SMI mortgage loan and the issuance of the SMIs to the purchasers. Except to the extent provided herein, the Borrower shall have all of the responsibilities and liabilities of an issuer of securities under applicable Canadian Securities Law.

17. Irrevocable Direction. This Agreement shall act as an irrevocable direction by the Borrower to the Borrower's counsel and/or First Source's counsel to release from any funds held by such counsel (whether in trust or otherwise) all amounts due to First Source hereunder or under the Commitment Letter without further authorization or direction from the Borrower.

18. Notices. Any notice, demand, consent, request, agreement or approval which may be delivered or given pursuant to this Agreement shall be in writing and shall be sufficiently given or made is served personally upon the party to whom it is addressed or mailed by registered mail to the address of the party shown below or to such other address in Ontario as such party may from time to time advise the other parties in writing. If to:

(a) First Source:

Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York ON M2J 5B5

Attention: Mr. David Mandel

Email: david@firstsourcemortgage.ca

(b) Block 80 Holdings Inc.

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

Attention: Andre Sherman

Email: block80holdingsinc@gmail.com

19. General. This Agreement shall not be assigned without the prior written consent of First Source and the Borrower; provided however, that in the event of a sale or other transaction in which the Borrower is not the surviving corporation or entity, the Borrower's remaining obligations, if any, under this Agreement shall remain in full force and effect and become obligations of the surviving corporation or entity. This Agreement shall be governed by and construed in accordance with the internal laws of the Province of Ontario without reference to principles of conflicts of law. The parties hereby expressly and irrevocably agree and consent that any action, suit or proceeding arising out of or relating to this Agreement will be submitted to binding arbitration in

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Toronto, Ontario. This Agreement constitutes the entire Agreement between First Source and the Borrower with respect to the subject matter hereof and supersedes all prior agreements. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination will not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

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If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per : DocuSigned by: David Mandel ED38E3277FD44CB...

David Mandel, CEO

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by Block 80 Holdings Inc.

Dated this

Block 80 Holdings Inc.

By : DocuSigned by: Andre Sherman 90FAFBD364B7456...

Andre Sherman

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SCHEDULE A

Requested materials and information includes but is not limited to the following (provided information already supplied pursuant to the Commitment Letter need not be duplicated):

1. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
2. Description of Borrower's business activities, industry sector (including NAICS industry code, if known), how Borrower was created, and any predecessor names used within the last 12 months.
3. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
4. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
5. Borrower's organizational chart.
6. Borrower's ownership chart.
7. Information about Borrower's registration or licensing for other financial products.
8. Information about any past bankruptcy and confirmation that no receiver has been appointed.
9. Borrower's financial year-end and name of auditor if applicable
10. Borrower's most recent financial statements; assets as at date of most recent financial statements.
11. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
12. Information about ongoing investigations into Borrower.
13. Information about civil proceedings or civil judgements.
14. Information about criminal convictions against the Borrower or its principals.

This is **Exhibit "J"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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LRO # 51 **Notice** **Receipted as SC1883937** on 2022 04 04 at 08:58

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

Properties

PIN	58405 - 0667 LT
Description	BLOCK 80, PLAN 51M887, PENETANGUISHENE.
Address	THOMPSON RD WEST PENETANGUISHENE

Consideration

Consideration $2.00

Applicant(s)

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

Name	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2235 Sheppard Avenue East Suite 1202 Toronto, Ontario M2J 5B5

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

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

Party To(s) *Capacity* *Share*

Name	BLOCK 80 HOLDINGS INC.
Address for Service	135 Holmes Avenue Toronto, Ontario M2N 4M5

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

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

This notice may be deleted by the Land Registrar when the registered instrument, SC1768805 registered on 2021/04/06 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Cheryl Lynn Moore — 5000 Yonge Street, 10th Floor, Toronto, M2N 7E9 — acting for Applicant(s) — Signed 2022 03 29

Tel 416-222-8888

Fax 416-218-1860

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

Submitted By

CHAITONS LLP — 5000 Yonge Street, 10th Floor, Toronto, M2N 7E9 — 2022 04 04

Tel 416-222-8888

Fax 416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee	$66.30
Total Paid	$66.30

File Number

Applicant Client File Number : 69591

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AMENDED CHARGE

WHEREAS:

a. by a mortgage registered in the Land Titles Division of Simcoe (No. 51) on the 6th day of April, 2021 as Instrument No. SC1768805 (the "Charge") **BLOCK 80 HOLDING INC.** (the "Chargor") did grant and mortgage to **FIRST SOURCE FINANCIAL MANAGEMENT INC.** (the "Chargee") on title to the lands described therein (the "Lands") to secure payment of the principal sum of $3,942,000 with interest as therein set (the "Loan" or "Principal Amount").

b. the Chargor, the Guarantor under the Charge, Andre Sherman (the "Guarantor") and the Chargee have agreed to vary certain terms of the Charge, all as more particularly set out in this agreement (the "Agreement").

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of $2.00 now paid by all of the parties hereto to the others, the receipt and sufficiency whereof is hereby acknowledged the parties hereto hereby agree that the Charge is amended as of the 1st day of March, 2022 (the "Effective Date") as follows:

1. the Balance Due Date and Maturity Date of the Charge is extended to January 8th, 2023.

2. The principal amount of the Charge is hereby increased to $4,770,000.

3. Effective March 1st, 2022 the payment provisions pursuant to the Charge are amended as follows:

   Provided this Charge to be void upon payment at the office of the Chargee at Toronto, Ontario of FOUR MILLION SEVEN HUNDRED AND SEVENTY THOUSAND ($4,770,000) DOLLARS of lawful money of Canada (the "Loan") together with interest thereon as hereinafter set forth which interest shall be calculated, as well after as before maturity and both before and after default as follows:

   For the period up to and including December 31st, 2022, interest calculated monthly, not in advance, at the rate of Eighteen (18%) per cent per annum on the amount outstanding from time to time shall become due and be payable monthly on the 1st day of each and every month in each and every year commencing on the 1st day of April, 2022 to and including the 1st day of January, 2023. The first payment of interest is to be computed from the 1st day of March, 2022 on the amount outstanding from time to time, to become due and payable on the 1st day of April, 2022.

   For the period from and including January 1st, 2023, INTEREST calculated daily and compounded monthly, not in advance, at the rate of the greater of 18% per annum or the rate per annum which is 15.55 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be adjusted as to fluctuations in such prime commercial lending rate from time to time, as well after as before maturity and both before and after default.

   The balance of Four Million Seven Hundred and Seventy Thousand ($4,770,000) Dollars, together with interest thereon at the rate of the greater of 18% per annum or the rate per annum which is 15.55 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, together with accrued and unpaid interest and costs shall become due and be payable on the 8th day of January, 2023.

4. The standby fee on the unadvanced portion of the Loan as set out in the Charge is hereby amended as follows:

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"In addition to the interest payable as above noted the Chargor shall pay to the Chargee a standby fee (the **"Standby Fee"**) in Canadian Dollars at the rate per annum which is the greater of 6.95% per annum or the rate per annum which is 4.25 per centage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time on loans made in Canadian funds to its most favoured commercial borrowers on the daily unadvanced portion of the sum of $4,770,000. The Standby Fee will be determined daily beginning March 1st, 2022, and will be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and will be payable by the Chargor monthly in arrears by way of the Chargee deducting same from the interest reserve provided for in the Budget pursuant to this loan until such interest reserve is fully utilized in accordance with its terms, or if the Lender cannot make an advance pursuant to the Loan, the Chargor shall, in either event pay the Standby Fee from its own resources".

5. The Charge, when not in default, shall be open for repayment, after September 1st, 2022, in whole or in part, at any time or times, upon the Chargor providing the Chargee with thirty (30) days' prior written notice of such intention to repay.

6. There shall be no further rights of extension with respect to this Charge.

7. As at the March 1st, 2022, the Chargor and Guarantor acknowledge and confirm that:

   (a) there are no claims, rights of setoff or equities with respect to the said principal amount outstanding of $2,316,569.05, plus the March 1st, 2022 interest payment that is due plus extension fees to be charged for this Amendment to Charge of $113,287.50 or any interest owing thereon outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to the Loan; and

   (b) all documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent and meaning of this Agreement including the increased Loan and for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment Letter dated November 30th, 2020, as amended by Increase and Extension Agreement dated March 8th, 2022.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

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The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan dated the 30th day of March, 2021 provided by the Guarantor is in full force and effect with respect to the Charge as amended hereby.

The parties hereto agree that this Agreement Amending Charge may be transmitted by facsimile, email or such similar device and that the reproduction of signatures by facsimile, email or such similar device will be treated as binding as if an original.

(Balance of page intentionally left blank. Signature page to follow).

SIGNED, SEALED AND DELIVERED) **FIRST SOURCE FINANCIAL MANAGEMENT INC.**

)

) Per: David Mandel

) David Mandel

) President

) I have the authority to bind the Corporation

)

)

) **BLOCK 80 HOLDINGS INC.**

)

) Per: Andre Sherman

) Andre Sherman

) President

) I have the authority to bind the Corporation

)

) Andre Sherman

)

Witness: JOHN E WALKER

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LRO # 51 **Notice** **Receipted as SC1958918** on 2023 01 23 at 10:51

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

Properties

PIN	58405 - 0667 LT
Description	BLOCK 80, PLAN 51M887, PENETANGUISHENE.
Address	THOMPSON RD WEST PENETANGUISHENE

Consideration

Consideration $2.00

Applicant(s)

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

Name	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2235 Sheppard Avenue East, Suite 1202, Atria II Toronto, Ontario M2J 5B5

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

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

Party To(s) *Capacity* *Share*

Name	BLOCK 80 HOLDINGS INC.
Address for Service	135 Holmes Avenue Toronto, Ontario M2N 4M5

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

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

This notice may be deleted by the Land Registrar when the registered instrument, SC1768805 registered on 2021/04/06 to which this notice relates is deleted

Schedule: See Schedules

Signed By

Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Applicant(s)	Signed	2023 01 23

Tel 416-222-8888

Fax 416-218-1860

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

Submitted By

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9	2023 01 23

Tel 416-222-8888

Fax 416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee	$69.00
Total Paid	$69.00

File Number

Applicant Client File Number : 75848

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AMENDED CHARGE

WHEREAS:

a. by a mortgage registered in the Land Titles Division of Simcoe (No. 51) on the 6th day of April, 2021 as Instrument No. SC1768805 (the "Charge") **BLOCK 80 HOLDING INC.** (the "Chargor") did grant and mortgage to **FIRST SOURCE FINANCIAL MANAGEMENT INC.** (the "Chargee") on title to the lands described therein (the "Lands") to secure payment of the principal sum of $3,942,000 with interest as therein set.

b. by an agreement amending charge registered in the Land Titles Division of Simcoe (No. 52) on the 4th day of April, 2022 as Instrument No. SC1883937 the principal amount of the Charge was increased to $4,770,000, the maturity date was extended;

c. the Chargor, the Guarantor under the Charge, Andre Sherman (the "Guarantor") and the Chargee have agreed to further vary certain terms of the Charge, all as more particularly set out in this agreement (the "Agreement").

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of $2.00 now paid by all of the parties hereto to the others, the receipt and sufficiency whereof is hereby acknowledged the parties hereto hereby agree that the Charge is amended as of the 1st day of January, 2023 (the "Effective Date") as follows:

1. the Balance Due Date and Maturity Date of the Charge is extended to May 8th, 2023.

2. The principal amount of the Charge is hereby increased to $5,310,000 (the "Loan").

3. Effective January 1st, 2023 the payment provisions pursuant to the Charge are amended as follows:

Provided this Charge to be void upon payment at the office of the Chargee at Toronto, Ontario of FIVE MILLION THREE HUNDRED AND TEN THOUSAND ($5,310,000) DOLLARS of lawful money of Canada (the "Loan") together with interest thereon as hereinafter set forth which interest shall be calculated, as well after as before maturity and both before and after default as follows:

For the period up to and including April 30th, 2023, interest calculated monthly, not in advance, at the rate of Eighteen (18%) per cent per annum on the amount outstanding from time to time shall become due and be payable monthly on the 1st day of each and every month in each and every year commencing on the 1st day of January, 2023 to and including the 1st day of May, 2023. The first payment of interest is to be computed from the lst day of January, 2023 on the amount outstanding from time to time, to become due and payable on the 1st day of February, 2023.

For the period from and including May 1st, 2023, INTEREST calculated daily and compounded monthly, not in advance, at the rate of the greater of 18% per annum or the rate per annum which is 15.30 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be adjusted as to fluctuations in such prime commercial lending rate from time to time, as well after as before maturity and both before and after default.

The balance of Five Million Three Hundred and Ten Thousand ($5,310,000) Dollars, together with interest thereon at the rate of the greater of 18% per annum or the rate per annum which is 15.30 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, together with accrued and unpaid interest and costs shall become due and be payable on the 8th day

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of May, 2023.

4. The Standby Fee on the unadvanced portion of the Loan as set out in the Charge is hereby amended as follows:

"In addition to the interest payable as above noted, the Chargor shall pay to the Chargee a standby fee (**the "Standby Fee"**) in Canadian Dollars at the rate per annum which is the greater of 6.95% per annum or the rate per annum which is 4.25 per centage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time on loans made in Canadian funds to its most favoured commercial borrowers on the daily unadvanced portion of the sum of $5,310,000. The Standby Fee will be determined daily beginning January 1st, 2023, and will be calculated on the basis of a calendar year of 365 or 366 days, as the case may be, and will be payable by the Chargor monthly in arrears.

5. The Charge, when not in default, shall be open for repayment, on any payment date, after April 1st, 2023, in whole or in part, at any time or times, upon the Chargor providing the Chargee with thirty (30) days' prior written notice of such intention to repay and payment of one (1) month's interest on the principal amount repaid as a bonus or upon the Chargor providing the Chargee with sixty (60) days' prior written notice of such intention to repay then no bonus is payable, but the Chargee's discharge administration fee shall be due and payable.

6. The Chargor and Guarantor acknowledge that as of January 12th, 2023 the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce is 6.45% per annum.

7. There shall be no further rights of extension with respect to this Charge.

8. As at the January 1st, 2023, the Chargor and Guarantor acknowledge and confirm that:

(a) there are no claims, rights of setoff or equities with respect to the said principal amount outstanding of $3,600,211.19, plus the January 1st, 2023 interest payment that is due plus extension fees due to First Source Mortgage Corporation charged for this Amendment to Charge of $35,400 or any interest owing on the Loan outstanding as of the date hereof, in accordance with the terms of the Charge or this Agreement and the Chargor and Guarantor have no defences, rights of set off, equities or claims as against the Chargee with respect to the Loan; and

(b) all documents delivered to the Chargee as security for the Loan secured hereby, as amended hereby, to the date hereof (the "Loan Documents") shall continue to be valid, binding and enforceable and shall remain in full force and effect as security for the monies and obligations secured by the Charge, as amended hereby, with such necessary amendments and variations thereto so as to reflect the true intent and meaning of this Agreement including the increased Loan and for greater particularity the Loan Documents shall not merge as a result of the execution and delivery of this Agreement or as a result of the completion of the transaction pertaining to the Commitment Letter dated November 30th. 2020, as amended by Increase and Extension Agreement dated March 8th, 2022, as further amended by Second Increase and Extension Agreement dated January 6th, 2023.

9. The parties hereto acknoweldge and agree that this Charge, as amended, now secures the deferred extension fee of $35,400 due to First Source Mortgage Corporation and the fee due to Standby Fee and the fee for this extension and a fee due to Anders Holtent in the amount of $13,275 which is also deferred until the earlier of (i) receipt of occupancy permits for the development on the Charged Land; or (ii) discharge of this Charge.

It is further expressly declared and agreed that these presents shall not create any merger or alter or prejudice the rights and priorities of the Chargee against any surety, subsequent encumbrancer or other person interested in the said Lands and not a party hereto, or the rights

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of any such surety, subsequent encumbrancer or other person, all of which rights are hereby reserved. It is also agreed that the Chargor, and its successors and assigns, shall be bound by and liable under every term, proviso, license, power and condition contained in the Charge and as amended hereby.

In all other respects the parties hereto confirm the terms and conditions contained in the Charge as amended by this Agreement.

The Chargor and Guarantor covenant to execute and deliver to the Chargee, forthwith upon request, all such further and other assurances, deeds, postponements, charges, amendments, assignments or other documents as the Chargee may require in order to give effect to the foregoing and to ensure repayment in full to the Chargee of all amounts due and owing to it by the Chargor pursuant to the Charge as amended hereby.

In construing this Agreement the words "Chargor" and "Chargee" and all personal pronouns shall be read as the number and gender of the party or parties referred to herein requires and all necessary grammatical changes, as the context requires, shall be deemed to be made.

The provisions of this Agreement shall enure to the benefit of and be binding upon the parties hereto and their heirs, executors, administrators, successors and assigns and all covenants, liabilities and obligations shall be joint and several.

Time is of the essence of this agreement and of each and every provision hereof. This Agreement shall be governed by the laws of the Province of Ontario.

The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan dated the 30th day of March, 2021 provided by the Guarantor is in full force and effect with respect to the Charge as amended hereby.

The parties hereto agree that this Agreement Amending Charge may be transmitted by facsimile, email or such similar device and that the reproduction of signatures by facsimile, email or such similar device will be treated as binding as if an original.

(Balance of page intentionally left blank. Signature page to follow).

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SIGNED, SEALED AND DELIVERED) **FIRST SOURCE FINANCIAL**
) **MANAGEMENT INC.**
)
) Per: DocuSigned by: David Mandel
) David Mandel
) ~~President~~ CEO
) I have the authority to bind the Corporation
)
)
) **BLOCK 80 HOLDINGS INC.**
)
) Per: [signature]
) Andre Sherman
) President
) I have the authority to bind the Corporation
)
)
) Andre Sherman
)

Witness: [signature]

This is **Exhibit "K"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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FORBEARANCE AND LOAN AMENDMENT AGREEMENT

THIS AGREEMENT is made as of the 1st day of November, 2023.

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(the "Lender")

-and-

BLOCK 80 HOLDINGS INC.

(the "Borrower")

-and-

ANDRE SHERMAN

(the "Guarantor")

RECITALS:

A. First Source Mortgage Corporation ("**First Source**") granted a loan to the Borrower in the principal amount of $3,285,000, secured by (among other things) a first-ranking mortgage registered as instrument number SC1768805 (the "**Original Mortgage**") in the principal amount of $3,942,000 in favour of the Lender against title to the property municipally known as 61 Thompsons Road West, Town of Penetanguishene being Block 80, Plan 51M887, Town of Penetanguishene, pursuant to a Commitment Letter dated November 30th, 2020, which Commitment Letter was amended by Increase and Extension Agreement dated March 8th, 2022 and which was further amended by a Second Increase and Extension Agreement dated January 6th, 2023 and was further amended by Third Increase and Extension Agreement dated April 4th, 2023 and which was further amended by Fourth Increase and Extension Agreement dated August 10th, 2023 (collectively the "**Commitment**") which Original Mortgage was amended by Agreement Amending Charge, notice of which was registered as Instrument No. SC1883937 on the 4th day of April, 2022 increasing the principal amount of the Original Mortgage to $4,770,000 and which Original Mortgage was further amended by Agreement Amending Charge, notice of which was registered as Instrument No. SC1958918 on the 23rd day of January, 2023 increasing the principal amount of the Original Mortgage to $5,310,000 (collectively the "**Mortgage**");

B. The amount currently advanced by the Lender and secured by the Mortgage and Security is $4,880,805.81 (the "**Loan**");

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C. the obligations of the Borrower to the Lender were guaranteed by the Guarantor;

D. First Source Mortgage Corporation assigned all of its right, title and interest in the Commitment Letter to the Lender;

E. the Borrower and the Guarantor (collectively the "**Obligors**") have executed and delivered to the Lender various agreements, including those described in **Schedule A** attached hereto, as evidence of and/or security for their respective debts and other obligations to the Lender (collectively the "**Loan Security Documents**" or "**Security**");

F. the Borrower is in default with respect to:

(a) completing construction of the project, being the construction of a 3 storey plus 1 elevated basement, multiple unit residential building with 18 suites allowing for 15,000 square feet of above ground rental apartment space and 5,000 square feet of finished basement rental apartment space in accordance with the original approved budget (the "**Project**");

(b) paying the Cost Overruns for the Project which have occurred to date;

G. The Borrower is unable to repay the Loan as of the maturity date of November 8th, 2023;

H. the Borrower and Guarantor have requested that the Lender not proceed at this time to enforce their Loan pursuant to the rights the Lender has pursuant to the Loan Security Documents;

I. The Borrower and Guarantor have requested the Lender to advance further funds to help the Borrower substantially complete the development of the Project;

J. the Lender is prepared to forbear from enforcing its security from November 1st, 2023 to February 8th, 2024, subject to and in accordance with the terms and conditions of this Forbearance Agreement (this "**Agreement**");

K. The Lender is prepared to advance additional funds, at its sole and absolute discretion, to help facilitate the substantial completion of the Project strictly in accordance with the Completion Budget, as hereinafter defined, under the supervision of Core Constructors Ltd. ("**Core**") and with contributions from the Borrower and/or Guarantor and the Project as hereinafter provided, the Borrower hereby accepting the fees to Core of $50,000 per month.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

Acknowledgements

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1. Recitals – The parties hereto acknowledge and agree that each of the foregoing recitals are true and accurate both in substance and in fact.

2. Liability – The Obligors acknowledge that as of November 1st, 2023, the aggregate amount owing to the Lender under the Loan and secured by the Mortgage is $4,880,805.81, plus legal fees, as more particularly described in **Schedule B** hereto. The sum of $4,880,805.81, plus legal fees, plus accrued interest, fees, deferred extension fees and costs incurred by the Lender subsequent to October 31st, 2023, further advances by the Lender after the date hereof and all other amounts due or to become due by the Borrower under the Loan, this Agreement or otherwise to the date of repayment of the said Loan in full, is hereinafter collectively referred to as the **"Debt"**. The Obligors hereby confirm that they do not dispute their liability to pay the Debt on any ground whatsoever, that they have no claim, demand, set-off or counter-claim against the Lender on any basis whatsoever, and that there is no matter, fact or thing which may be asserted by them in extinction or diminution of the Debt or result in any bar to or delay in the recovery thereof. If there are any claims for set-off, counter-claim or damages, they are hereby expressly released and discharged by the Obligors.

3. Default – The Borrower acknowledges and agrees that it is in default of its obligations under the Loan.

4. Security – The Borrower acknowledges and agrees that the Loan Security Documents are valid, binding and enforceable against it in accordance with its terms. The Borrower further acknowledges and agrees that the Loan Security Documents shall secure all of its obligations and liabilities related to, arising from or connected with the Loan in accordance with the Loan Security Documents.

5. The Lender's Rights – The Obligors acknowledge and agree that, except as expressly provided in this Agreement, the Lender (by itself or through its employees or agents) has not made any promises, or taken any action or omitted to take any action, which would constitute a waiver of its right to take any enforcement action in connection with the enforcement of the Loan and the Security, or which would estop it from so doing, and that no statement, representation, promise, act or omission by the Lender or its employees or agents shall create such a waiver or estoppel unless the Lender executes and delivers a written waiver of any such rights.

6. The Guarantee – The Guarantor confirms that it has guaranteed the payment and performance of the Debt owing by the Borrower to the Lender by granting the guarantee to the Lender. The Guarantor does not dispute its liability on any basis whatsoever and confirms it has no claim for set-off, counter-claim or damages on any basis whatsoever against the Lender. If there are any claims, such claims are hereby expressly released and discharged. The Guarantor confirms that the guarantee granted by it has not been released, waived or varied, that it is binding upon it and that it is valid and enforceable against it.

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Forbearance

7. The Lender agrees not to take any steps to enforce the Loan or the Security until the earlier of:

   (a) February 8th, 2024; and

   (b) the occurrence of an Event of Default (as hereinafter defined)

   (hereinafter referred to as the **"Forbearance Termination Date"**, and the period commencing on the date hereof and ending on (but excluding) the Forbearance Termination Date is hereinafter referred to as the **"Forbearance Period"**).

   Upon the expiration or termination of the Forbearance Period, the agreement of the Lender to forebear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lender to exercise its rights and remedies under the Loan Security Documents immediately.

8. Forbearance Fees – In consideration for the Lender's forbearance and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower shall pay to the Lender the following sums. as liquidated damages and not as a penalty, at the times as hereinafter provided:

   (a) the sum of $13,750 per month on the 1st day of each month for each month commencing November 1st, 2023 until such time as the Debt is repaid in full. Any partial month shall not be pro-rated. The Borrower and Guarantors acknowledge that the sum of $13,750 per month is a reasonable estimate of the time and effort the Lender and its staff will be providing to manage the Loan and the terms of this Agreement (collectively the **"Forbearance Fee"**).

   (b) Legal fees payable to Chaitons LLP for preparation of this Forbearance Agreement in the amount of $6,500 plus HST plus $500 in disbursements for a total of $7,845, to be paid from advances under the Completion Budget as hereinafter defined.

Covenants and Agreements

The terms and covenants of this Agreement are set out hereunder.

9. Amendment to Interest Rate

   In consideration of the Lender agreeing to execute this Forbearance Agreement in addition to the other matters provided for herein, the payment terms of the Loan shall be amended effective as of November 1st, 2023 to be as follows:

   (a) For the period commencing November 1st, 2023 to and including January 31st, 2024 the interest rate pursuant to the Loan shall be the greater of 9.75% per annum or the

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rate per annum which is 7.05 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be calculated monthly, not in advance and adjusted as to fluctuations in such prime commercial lending rate of interest from time to time.

(b) Commencing February 1st, 2024 the interest rate pursuant to the Loan shall be the greater of 18% per annum or the rate per annum which is 15.30 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be calculated daily, not in advance and adjusted as to fluctuations in such prime commercial lending rate of interest from time to time, as well after as before maturity and both before and after default.

(c) No further interest will be charged on advances funds until funds are advanced by the Lender.

10. Payment Terms – The Borrower shall pay to the Lender:

a. the Forbearance Fee for the month of November, 2023 on or before November 8th, 2023.

b. interest outstanding on the Loan from October 1st, 2023, together with interest on same, on or before November 1st, 2023;

c. interest on the Loan due on November 1st, 2023 on or before November 8th, 2023;

d. interest on the Loan due on December 1st, 2023 on or before December 1st, 2023;

e. interest on the Loan due on January 1st, 2024 on or before January 1st, 2024;

f. interest on the Loan due on February 1st, 2024 on or before February 1st, 2024;

g. the balance of the Debt prior to the Forbearance Termination Date.

Provided that if the Lender approves the Completion Budget and is advancing same and the Forbearance Term has not been ended by and Event of Default or otherwise, the payments due under this Section 10 a., b., c., d., e., and f. and Section 11 shall be paid from advances under the Completion Budget.

11. Interest Payments – Interest shall continue to accrue on the Loan and interest on the Debt for the period up to and including the date of repayment in full. The November 1st, 2023 interest payment shall become due on November 1st, 2023 and be payable on November, 1st, 2023, the December 1st, 2023 interest payment shall become due and payable on December 1st, 2023 and the January 1st, 2024 interest payment shall become due and payable on January 1st, 2024 and the February 1st, 2024 interest payment shall become due and payable on February 1st, 2024.

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12. The Property

    a. The Borrower shall maintain the Property in good order and repair.

    b. The Borrower shall pay when due all operating costs with respect to the Property, including but not limited to realty taxes, insurance, heat, water, gas, hydro and any other utility charges which may be levied upon or in connection with the Property as and when due.

    c. The Borrower shall promptly provide the Lender with documentation and information that it may reasonably require pertaining to the status of the Property.

    d. The Borrower shall provide the Lender with proof of payment of realty taxes upon the execution hereof.

    e. The Borrower shall provide the Lender with evidence of insurance with respect to the Property satisfactory to the Lender upon request by the Lender on the date this Agreement is executed, including loss of rental insurance.

    f. The Borrower shall not enter into any new leases or occupancy arrangements with respect to the Property or terminate or forgive rent for existing leases, save for rental of apartments in the Project to arm's length third parties for rental rates not less than those set out in the Completion Budget, without the prior written consent of the Lender, which consent may be withheld in its sole and absolute discretion.

    g. Upon execution hereof, the Borrower shall provide the Lender with a Direction to Tenants to make payment of rents to the Lender in the event that the Loan is in default.

    h. The Borrower and Guarantor confirm that the Security Documents apply to the Loan as my be increased as provided for herein.

    i. The Borrower will, if requested by the Lender, obtain the consent and subordination of the existing Second Mortgagee of the Property.

13. Encumbrances – The Borrower shall not encumber, sell, transfer, convey or otherwise dispose of the Property or any part thereof without the prior written consent of the Lender, which consent may be withheld in the Lender's sole discretion.

14. Notice of Default – The Obligors shall, upon becoming aware of same, forthwith provide the Lender with written notice of the occurrence of an Event of Default hereunder.

15. Notice of Enforcement – The Obligors shall notify the Lender in writing immediately upon receipt of any claim or demand, verbal or written, from any person, for the payment of indebtedness (excluding claims or demands for repayment of trade payables in the ordinary course of business), or immediately of learning of any actual or potential seizure or repossession of property of the Borrower, or the enforcement of security against the Borrower in relation to the Property.

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16. Notice of Proceedings – The Obligors shall provide the Lender with notice of the commencement of any law suit, proceedings or other action brought by any person against the Borrower and/or with respect to the Property within one business day of receipt of same, and provide the Lender with a copy of the relevant pleadings and diligently keep the Lender current and up to date with respect to the status of any such law suit, proceeding or other action.

17. Priority Claims – The Obligors shall keep current all of their obligations to creditors who may have a lien, charge, security interest or deemed trust in its property and assets which may rank in priority to the security held by the Lender on such property and assets, including, without limitation, all amounts owing for wages, vacation pay, employee source deductions, goods and services tax, harmonized sales tax, provincial sales tax, employer health tax, construction liens, property taxes and Workplace Safety and Insurance Board premiums.

18. Material Contracts – The Borrower shall not surrender, terminate, repudiate or amend, vary or modify in a manner adverse to the Lender acting reasonably, any material contract with respect to their respective business without the prior written consent of the Lender which may be withheld in the Lender's sole discretion.

19. Other Agreements – The covenants and other terms and conditions of the Loan and the Security shall continue in full force and effect, except that, to the extent there exists any actual inconsistency between such provisions and the provisions of this Agreement, the provisions of this Agreement shall govern.

20. Provision of Information - On the lst and 15th of each month commencing December 1st, 2023, the Borrower shall provide the Lender with full disclosure of all income received with respect to the Property for the previous 15 days as well as a list of all expenses paid with respect to the Property during such period as well as a rent roll listing all tenants, the terms of the leases and copies of all leases not previously provided for the Property. This information shall be supported by bank statements and deposits slips. It being understood and agreed that no salaries shall be paid to any member of the Borrower's or Guarantor's family directly or indirectly.

21. Restructuring and Reorganization Proceedings – The Obligors shall not commence any restructuring or reorganization proceeding under the *Bankruptcy and Insolvency Act* (Canada) or similar statute without the Lender's prior written consent. In the event that the Borrower does so, it agrees that the Lender shall be an "unaffected creditor" under any such proceedings, and hereby consents to a court order lifting any stay of proceeding as against the Lender.

Default

22. Events of Default - Any one or more of the following events will constitute an event of default under this Agreement (each an **"Event of Default"**):

    (a) failure to pay the Debt and interest on the Debt on or before February 8th, 2024.

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(b) the non-payment, when due, of any Forbearance Fee, principal, interest or other amounts payable by the Borrower to the Lender under this Agreement, the Loan, Debt or otherwise;

(c) the failure to co-operate with and provide access to all information requested for Core and/or by the Quantity Surveyor;

(d) a default or breach of any obligation, promise, covenant, term or condition occurs under this Agreement, including, without limitation, the reporting conditions and non-payment of salaries referred to in Section 20 are breached;

(e) any representation or warranty made by the Borrower in any certificate or other document delivered to the Lender in connection herewith is learned to be false or misleading in any material respect;

(f) any financial reporting information provided by or on behalf of the Borrower to the Lender proves to be false, misleading, inaccurate or incorrect in any material respect, or if there is a failure to provide the Lender with the reporting required under this Agreement as and when such reporting is required to be delivered;

(g) a default pursuant to any subsequent encumbrances;

(h) a proceeding is taken by or against the Borrower and/or with respect to the Property for a reorganization, compromise or arrangement with creditors, or to have the Borrower declared bankrupt, or a proceeding is taken to have a receiver, interim receiver, lien trustee, receiver and manager or agent appointed over all or any part of the property, assets or undertakings of the Borrower (including the private appointment of any such receiver, receiver and manager or agent), or a party takes possession of all or any part of the property and assets of the Borrower by distress or execution, or a similar process is levied or enforced against all or any material part of the property of the Borrower;

(i) failure to immediately apply all cash received from reductions of the Letters of Credit for the Project as received from time to time to the completion of the Project;

(j) if a Construction Lien is registered against the Property;

(k) the Borrower commits or allows to occur an act of bankruptcy or makes an unauthorized assignment or bulk sale of its property or assets;

(l) there is a change in the *de facto* control of the Borrower;

(m) the Lender, in its sole and absolute discretion, believes that the prospect of payment of the Debt or performance by the Obligors of any of their obligations under this Agreement or the Loan is or is about to be impaired or that all or any part of the Borrower's assets is or is about to be placed in jeopardy;

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(n) the Borrower fails to comply with the Milestones as hereinafter defined and/or exceedances of the line items in the Completion Budget and the Borrower or Guarantor fails to pay such exceedances from its own resources forthwith;

(o) the failure of the Borrower to lease all 18 units at rental rates as previously approved by the Lender or more than such approved rates, on or before January 10th, 2024 (copies of all signed leases to be sent to the lender within three (3) days of signing same and sign the Direction to Tenants provided by the Lender's solicitors).

(p) failure to apply the net rental income after operating expenses from the Project to the completion of the Project or repayment of the Debt.

23. Amendments to the Loan Commitment – In an attempt to support the Borrower to substantially complete the Project, the Lender is prepared to increase the Loan by up to $400,000 strictly in accordance with the terms of the Lender's Security, the *Construction Act* and the Completion Budget and this Agreement with advances to be made in the Lender's sole and absolute discretion.

The Borrower working together with Core shall prepare and submit for approval of the Lender a budget for the costs to complete the Project (the **"Completion Budget"**).

The Completion Budget shall be prepared by the Borrower and submitted to the Lender within ten (10) days of the execution hereof and shall be subject to the approval of the Lender in is sole and unfettered discretion.

The Completion Budget shall include the following:

Cost to Complete:	Hard Costs to complete Interest on Loan HST refunds and payments due Forbearance Fees The Fees to Core of $50,000 per month Holdback requirements
Source of Funds:	Letters of Credit reduction to be utilized solely in the Project Net Rental income Increase in Loan $400,000

And shall also include Milestones which if not complied with shall be an Event of Default hereunder.

Milestones:
(a) Elevators installed and operational by December 10th, 2023;
(b) Landscaping/paving, as weather permits;
(c) Occupancy permits for all 18 units on or before December 13th, 2023;
(d) Tenants in possession of all 18 units by January 10th, 2024;
(e) Application to reduce Letters of Credit.

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The Borrower agrees to immediately engage Core for the above purposes and ongoing supervision.

24. Remedies – In addition to the Lender's rights and remedies available under the Loan, the Security, this Agreement, at law or in equity, upon the occurrence of an Event of Default:

    (a) the Debt shall, at the option of the Lender, become immediately due and payable; and

    (b) the Loan Security Documents and the Security shall, at the Lender's option, become enforceable in accordance with its terms;

    (c) the Lender may appoint a receiver, interim receiver, or receiver and manager (the "**Receiver**") over the property, assets or undertakings of the Borrower, including the Property; and

    (d) the Borrower shall, upon request by the Lender, allow the Lender or third parties engaged by the Lender to conduct environmental assessments, appraisals, valuations or assessments of the Property, and all fees, costs, disbursements and taxes incurred by the Lender in relation thereto shall be promptly paid by the Borrower, and to the extent not paid shall be added to the Debt secured by the Security.

Consents

25. Subject to applicable law, upon the occurrence of an Event of Default, the Obligors each consent to any proceeding by the Lender in connection with the enforcement of the Loan Security Documents, including, without intending to limit the generality of the foregoing any Notice of Sale or the matters referred to in Schedule 'D", without the necessity of further demand, and hereby agree not to directly or indirectly commence, carry on, consent to, or be a party in any way to any proceeding which would constrain any such action or which would call into question the validity or enforceability of the Debt and/or the Loan Security Documents.

26. Without limiting the generality of the foregoing, upon or after the occurrence of an Event of Default, the Obligors each hereby irrevocably consent to the appointment of the Receiver in respect of any or all of the property, assets or undertakings of the Borrower.

27. Concurrently with the execution of this Agreement, the Obligors shall execute consents in the form attached hereto as **Schedule D**, which comprises:

    (a) a consent for judgment against the Obligors for the full amount of the Debt owing to the Lender; and

    (b) a consent to appoint RSM Canada as Receiver over all of the property, assets and undertakings of the Borrower, including the Property, pursuant to the model receivership Order (collectively, the "**Consents**").

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28. The Obligors hereby agree that, upon the occurrence of an Event of Default, the Lender may, in its sole and unfettered discretion, file the Consents to obtain judgment against the Obligors for the Debt and appoint the Receiver over the property, assets and undertakings of the Borrower.

Miscellaneous

29. Release – In consideration of the agreements of the Lender contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, each of the Borrower and the Guarantor, on their own behalf and on behalf of their agents, representatives, officers, directors, advisors, employees, subsidiaries, affiliates, successors, heirs and assigns (collectively, the "**Releasors**"), hereby absolutely and irrevocably releases, remises, acquits and forever discharges the Lender, its respective employees, agents, representatives, consultants, counsel, fiduciaries, servants, officers, directors, partners, predecessors, successors and assigns, subsidiary corporations, parent corporations, shareholders, and related corporate divisions and the successors and assigns of each of the foregoing (all of the foregoing hereinafter called the "**Released Parties**"), from any and all actions and causes of action, judgments, executions, suits, debts, claims, demands, liabilities, obligations, damages and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any manner or things done, omitted or suffered to be done by any of the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected to this Agreement or the Loan Security Documents (the "**Released Matters**"). The foregoing release shall survive the termination of this Agreement and the Loan Security Documents and the payment in full and in cash of the Debt provided that the Lender assigns the Mortgage to the Guarantor on payment of the Debt.

30. Independent Legal Advice – Each of the Borrower and the Guarantor acknowledges that, in executing and delivering this Agreement, they have acted and continue to act freely and without duress. Each of the Borrower and the Guarantor confirms that they have had the benefit of independent legal advice in connection with the preparation and negotiation of this Agreement. Each of the Borrower and the Guarantor hereby waives and agrees not to assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Agreement, and each of them hereby releases the Lender from any and all claims they may have with respect thereto arising on or before the date of this Agreement.

31. Further Assurances – The Obligors, upon request by the Lender, shall promptly do, make, execute and deliver all such further acts, documents and instruments as the Lender may reasonably require to allow the Lender to enforce any of its rights under this Agreement and to give effect to the intention thereof.

32. Capacity and Authority – The Obligors represent and warrant to the Lender that they have the capacity and authority to enter into and perform their obligations under this Agreement.

33. Headings – The headings contained herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

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34. Severability – If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

35. Time – Time is of the essence in the performance of the parties' respective obligations.

36. Amendment – No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.

37. Notices – Any notice, consent or approval required or permitted to be given in connection with this Agreement (a "Notice") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or other means of electronic communication including e-mail:

(i) in the case of a Notice to the Lender, at:

2235 Sheppard Avenue East
Suite 1202, Atria II
Toronto, Ontario
M2J 5B5

Attention: David Mandel
Email: dmandel@firstsource.com

with a copy to:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Attention: Barry Rotenberg
Facsimile: (416) 218-1133
Email: brotenberg@chaitons.com

in the case of a Notice to the Borrower and the Guarantor:

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

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and with a copy to:

HGR Graham Partners LLP
518 Yonge Street
Midland, Ontario
L4R 2C5

Attention: John Walker

Email: jwalker@hgrgp.ca

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the facsimile number or electronic address if sent by facsimile transmission or electronic communication (including email), respectively, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission. "**Business Day**" means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario or Canada, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal business hours.

38. Assignment – Neither the Borrower nor the Guarantor may assign this Agreement or any rights or obligations under this Agreement except with the prior written consent of the Lender which may be withheld in the Lender's sole discretion.

39. Enurement – This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party), permitted assigns, heirs and estate trustees.

40. No Third Party Beneficiaries – Unless expressly stated herein, this Agreement shall be solely for the benefit of the parties hereto and no other person or entity shall be a third party beneficiary hereof.

41. No Novation – This Agreement shall not constitute and shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of any of the Loan Security Documents.

42. Governing Law – This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

43. Execution and Delivery – This Agreement may be executed in counterparts, and acceptance of this Agreement may be provided by facsimile transmission or email transmission in PDF format and, on such execution and transmission, this Agreement shall be binding on the parties with the same force and effect as if originally executed.

44. Entire Agreement – This Agreement, together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement

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between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understanding or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

[remainder of page intentionally left blank]

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IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

FIRST SOURCE FINANCIAL MANAGEMENT INC.

By: DocuSigned by: David Mandel ED38E3277FD44CB

David Mandel
CEO
I have the authority to bind the Corporation

BLOCK 80 HOLDIGNS INC.
By:

Andre Sherman
President
I have authority to bind the corporation.

Witness

Andre Sherman – Guarantor

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SCHEDULE "A"
LOAN SECURITY DOCUMENTS
SECURITY

1. Commitment Letter dated November 30th, 2020;
2. Mortgage/charge in the principal amount of $3,942,000, registered on April 6th, 2021, as instrument number SC1768805 against title to the Property in the Land Registry Office for the Land Titles Division of Simcoe (No. 51).
3. Notice of Assignment of Rents - General registered on April 6th, 2021, as Instrument number SC1768806;
4. Agreement Amending Charge increasing the principal amount to $4,770,000 notice of which was registered on the 4th day of April, 2022 as Instrument No. SC1883937;
5. Agreement Amending Charge increasing the principal amount to $5,310,000 notice of which was registered on the 3rd day of April, 2023 as Instrument No. SC1958918.
6. Guarantee of Andre Sherman. dated March 30th, 2021.
7. Promissory Note dated March 30th, 2021.
8. General Security Agreement from Block 80 Holdings Inc. dated March 30th, 2021.
9. Negative Pledge dated March 30th, 2021.
10. Acknowledgement re. Interest Reserve dated March 30th, 2021.
11. Assignment and Pledge of Securities re. Interest Reserve dated March 30th, 2021.
12. Assignment of Documents dated March 30th, 2021.
13. Assignment of Agreements of Purchase and Sale dated March 30th, 2021;
14. Acknowledgement re. Interest Rate and Principal Amount dated March 30th, 2021;
15. Cost Overrun and Completion Guarantee Agreement dated March 30th, 2021;
16. Undertaking Not to Withdraw Equity dated April 17th, 2019.
17. Hazardous Substances Indemnity dated March 30th, 2021;
18. Assignment of Insurance Interest dated March 30th, 2021
19. Undertaking and Acknowledgement re. Withholding Tax dated March 30th, 2021.
20. Non-Merger Acknowledgement dated March 30th, 2021.
21. Direction to Tenants.

Items 2 to 20 above, as well as any documents listed as security in the Commitment Letter and Amendment which are not enumerated above, are herein collectively referred to as the "**Security**".

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SCHEDULE "B"

DEBT OWING as at November 1st, 2023

Principal Amount:	$4,699,541.62
Interest October 1-31, 2023 (31 days)	$ 56,881.79
Lender Fee (Ext. January 1, 2023)	$ 35,400.00
Consultant Fee – Anders Holteng (Ext. January 1, 2023)	$ 13,275.00
First Source Admin Fee (Ext. January 1, 2023)	$ 500.00
First Source Disbursements (Ext. January 1, 2023)	$ 500.00
First Source Site Visit Fee (Ext. January 1, 2023)	$ 500.00
Extension Fee (Ext. May 1, 2023)	$ 26,550.00
Consultant Fee – Anders Holteng (Ext. May 1, 2023)	$ 8,850.00
First Source Admin Fee (Ext. May 1, 2023)	$ 500.00
First Source Disbursements (Ext. May 1, 2023)	$ 500.00
First Source Site Visit Fee (Ext. May 1, 2023)	$ 500.00
Extension Fee (Ext. August 1, 2023)	$ 9,300.00
Consultant Fee – Anders Holteng (Ext. August 1, 2023)	$ 4,650.00
First Source Admin Fee (Ext. August 1, 2023)	$ 500.00
First Source Disbursements (Ext. August 1, 2023)	$ 500.00
First Source Site Visit Fee (Ext. August 1, 2023)	$ 500.00
Extension Fee (Ext. September 1, 2023)	$ 18,800.00
Failure to provide proof of insurance after requested (March 2023)	$ 450.00
Failure to provide proof of insurance policy renewal after requested (August 2022)	$ 450.00
Request for Discharge Statements x 3 Sched A 2k)	$ 2,250.00
Less Trust Reserve	($ 92.60
Legal Fees ($6,500 plus HST plus estimated Disbursement)	$ 7,845.00
	$4,888,650.81

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SCHEDULE "D"

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Plaintiff

- and -

BLOCK 80 HOLDINGS INC. AND ANDRE SHERMAN

Defendants

CONSENT

The Defendants hereby consent to judgment being entered against them in favour of the Plaintiff in an amount equal to their respective indebtedness to the Plaintiff relating to the loan of $5,500,000 granted by the Plaintiff to the Defendant, Block 80 Holdings Inc. (guaranteed by Andre Sherman), including principal, interest, fees, including Forbearance Fees and expenses, together with interest at the rates applicable thereto and for that purpose. The amounts stated by the Plaintiff shall be binding and conclusive in the absence of manifest error.

DATED at , this day of _____, 2024.

BLOCK 80 HOLDINGS INC.

Per: _____

DATED at , this day of _____, 2024.

ANDRE SHERMAN

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Per: _____

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Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E N:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Plaintiff

- and -

BLOCK 80 HOLDINGS INC. AND ANDRE SHERMAN

Respondents

CONSENT

The Respondents, by their solicitors duly authorized, hereby consent to the form and contents of the draft order attached hereto as Schedule "A" and confirm that no person or party to these proceedings is under any legal disability.

DATED at , this day of _____, 2024.

BLOCK 80 HOLDINGS INC.

Per: _____

DATED at , this day of _____, 2024.

ANDRE SHERMAN

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Per: _____

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Schedule "A"

Court File No. CV-

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	____DAY, THE
	)	
JUSTICE	)	DAY OF , 2024

BETWEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Plaintiff

- and -

BLOCK 80 HOLDINGS INC.

Respondent

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

ORDER
(appointing Receiver)

THIS APPLICATION 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 as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of Block 80 Holdings Inc. (the "**Debtor**"), acquired for or used

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in relation to the Debtor's business, including the real property municipally known as 61 Thompsons Road West, Penetanguishene, as set out on **Schedule "A"** hereto (the **"Lands"**), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of _____ sworn _____ and the exhibits thereto, on hearing the submissions of counsel for the Applicant and such other parties listed on the Counsel Slip, with no one else appearing for any party served as appears from the affidavit(s) of service of _____ sworn _____, and on reading the consent of RSM Canada to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion 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 is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof and the Lands and 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:

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(a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

(d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;

(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;

(f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;

(g) to settle, extend or compromise any indebtedness owing to the Debtor;

(h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

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(i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(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 $_____, provided that the aggregate consideration for all such transactions does not exceed $_____; 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.

(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

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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 Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor 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 Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Debtor, (ii) all of its 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

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

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this

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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. Block 80 Holdings Inc. (the **"Debtor"**), 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.

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NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH THE RECEIVER

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

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CONTINUATION OF SERVICES

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

RECEIVER TO HOLD FUNDS

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

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herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

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

PIPEDA

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

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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.

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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 $_____ (or such greater amount as this Court may by further Order authorize) at any time, at

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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 "B"** 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

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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 Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

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 Debtor.

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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 Debtor's 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"

LEGAL DESCRIPTION OF THE PROPERTY

PIN 58405-0667 (LT)
Block 80, Plan 51M887, Penetanguishene

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SCHEDULE "B"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that RSM Canada, the receiver (the "**Receiver**") of the assets, undertakings and properties of Block 80 Holdings Inc. (the "**Debtor**"), acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof and the Lands and 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.

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

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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 _____, 20__.

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

Per: _____

Name:

Title:

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SECOND FORBEARANCE AND LOAN AMENDMENT AGREEMENT

THIS AGREEMENT is made as of the 27th day of January, 2024.

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(the **"Lender"**)

-and-

BLOCK 80 HOLDINGS INC.

(the **"Borrower"**)

-and-

ANDRE SHERMAN

(the **"Guarantor"**)

RECITALS:

A. The parties hereto entered into a Forbearance and Loan Amendment Agreement dated the 1st day of November, 2023.

B. The amount currently advanced by the Lender and secured by the Mortgage and Loan Security Documents, will, on February 6th, 2024 be $5,352,817.47 plus $3,139.58 in outstanding legal fees (the **"Loan"**).

C. The Borrower has advised the Lender that it will be unable to repay the Loan as of the Maturity Date of February 8th, 2024;

D. the Borrower and Guarantor have requested that the Lender not proceed at this time to enforce their Loan pursuant to the rights the Lender has pursuant to the Loan Security Documents and the Forbearance and Loan Amendment Agreement dated November 1st, 2023;

E. the Lender is prepared to forbear from enforcing its security from February 8th, 2024 to March 8th, 2024, subject to and in accordance with the terms and conditions of this Second Forbearance and Loan Agreement (this "**Agreement**");

F. All capitalized terms utilized in this Agreement shall have the same meaning ascribed to them in the Forbearance and Loan Amendment Agreement dated November 1st, 2023 unless amended in this Agreement.

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NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

Acknowledgements

1. Recitals – The parties hereto acknowledge and agree that each of the foregoing recitals are true and accurate both in substance and in fact.

2. Liability – The Obligors acknowledge that as of February 6th, 2024, the aggregate amount owing to the Lender under the Loan and secured by the Mortgage is $5,352,817.47, plus legal fees of $4,455 for this Agreement and outstanding legal fees of $3,139.58. The sum of $5,352,817.47, plus legal fees, plus accrued interest, fees, deferred extension fees and costs incurred by the Lender subsequent to February 5th, 2024, further advances by the Lender after the date hereof and all other amounts due or to become due by the Borrower under the Loan, this Agreement or otherwise to the date of repayment of the said Loan in full, is hereinafter collectively referred to as the **"Debt"**. The Obligors hereby confirm that they do not dispute their liability to pay the Debt on any ground whatsoever, that they have no claim, demand, set-off or counter-claim against the Lender on any basis whatsoever, and that there is no matter, fact or thing which may be asserted by them in extinction or diminution of the Debt or result in any bar to or delay in the recovery thereof. If there are any claims for set-off, counter-claim or damages, they are hereby expressly released and discharged by the Obligors.

Forbearance

3. The Lender agrees not to take any steps to enforce the Loan or the Security until the earlier of:

   (a) March 8th, 2024; and

   (b) the occurrence of an Event of Default;

   (being the revised **"Forbearance Termination Date",** and the period commencing on the 8th day of February, 2024 and ending on (but excluding) the Forbearance Termination Date is hereinafter defined as the **"Forbearance Period"**).

   Upon the expiration or termination of the Forbearance Period, the agreement of the Lender to forebear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lender to exercise its rights and remedies under the Loan Security Documents immediately.

   Provided it shall be an Event of Default if the Borrower does not pay the interest payment due on February 1st, 2024 on or before February 14th, 2024 from its own resources.

4. Forbearance Fees – In consideration for the Lender's forbearance and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower shall pay to the Lender the following sums. as liquidated damages and not as a penalty, at the times as hereinafter provided:

(a) the sum of $13,750 per month on the 1st day of each month for each month commencing February 1st, 2024 until such time as the Debt is repaid in full. Any partial month shall not be pro-rated. The Borrower and Guarantors acknowledge that the sum of $13,750 per month is a reasonable estimate of the time and effort the Lender and its staff will be providing to manage the Loan and the terms of this Agreement to be paid by the Borrower on the Forbearance Termination Date.

(b) Legal fees payable to Chaitons LLP for preparation of this Second Forbearance Loan Amendment Agreement in the amount of $3,500 plus HST plus $500 in disbursements for a total of $4,455, to be paid by the Borrower plus outstanding legal fees of $3,139.58.

Interest Rate

9. Amendment to Interest Rate

In consideration of the Lender agreeing to execute this Forbearance Agreement in addition to the other matters provided for herein, the payment terms of the Loan shall be amended effective as of February 1st, 2024 to be as follows:

(a) For the period commencing February 1st, 2024 to and including February 29th, 2024 the interest rate pursuant to the Loan shall be the greater of 9.75% per annum or the rate per annum which is 7.05 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be calculated monthly, not in advance and adjusted as to fluctuations in such prime commercial lending rate of interest from time to time.

(b) Commencing March 1st, 2024 the interest rate pursuant to the Loan shall be the greater of 18% per annum or the rate per annum which is 15.30 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be calculated daily, not in advance and adjusted as to fluctuations in such prime commercial lending rate of interest from time to time, as well after as before maturity and both before and after default.

Miscellaneous

10. Independent Legal Advice – Each of the Borrower and the Guarantor acknowledges that, in executing and delivering this Agreement, they have acted and continue to act freely and without duress. Each of the Borrower and the Guarantor confirms that they have had the benefit of independent legal advice in connection with the preparation and negotiation of this Agreement. Each of the Borrower and the Guarantor hereby waives and agrees not to

assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Agreement, and each of them hereby releases the Lender from any and all claims they may have with respect thereto arising on or before the date of this Agreement.

11. Further Assurances – The Obligors, upon request by the Lender, shall promptly do, make, execute and deliver all such further acts, documents and instruments as the Lender may reasonably require to allow the Lender to enforce any of its rights under this Agreement and to give effect to the intention thereof.

12. Capacity and Authority – The Obligors represent and warrant to the Lender that they have the capacity and authority to enter into and perform their obligations under this Agreement.

13. Headings – The headings contained herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

14. Severability – If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

15. Time – Time is of the essence in the performance of the parties' respective obligations.

16. Amendment – No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.

17. Notices – Any notice, consent or approval required or permitted to be given in connection with this Agreement (a **"Notice"**) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or other means of electronic communication including e-mail:

(i) in the case of a Notice to the Lender, at:

2235 Sheppard Avenue East
Suite 1202, Atria II
Toronto, Ontario
M2J 5B5

Attention: David Mandel
Email: dmandel@firstsource.com

with a copy to:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

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Attention: Barry Rotenberg
Facsimile: (416) 218-1133
Email: brotenberg@chaitons.com

in the case of a Notice to the Borrower and the Guarantor:

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

and with a copy to:

HGR Graham Partners LLP
518 Yonge Street
Midland, Ontario
L4R 2C5

Attention: John Walker

Email: jwalker@hgrgp.ca

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the facsimile number or electronic address if sent by facsimile transmission or electronic communication (including email), respectively, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission. **"Business Day"** means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario or Canada, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal business hours.

18. **Amendment to November 1st, 2023 Forbearance and Loan Amending Agreement - Save as amended hereby all terms and conditions of the Forbearance and Loan Amendment Agreement dated November 1st, 2023 shall remain the same.**

19. Enurement – This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party), permitted assigns, heirs and estate trustees.

20. No Novation – This Agreement shall not constitute and shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of any of the Loan Security Documents.

21. Governing Law – This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

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22. Execution and Delivery – This Agreement may be executed in counterparts, and acceptance of this Agreement may be provided by facsimile transmission or email transmission in PDF format and, on such execution and transmission, this Agreement shall be binding on the parties with the same force and effect as if originally executed.

23. Entire Agreement – This Agreement, together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understanding or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

[remainder of page intentionally left blank]

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IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

FIRST SOURCE FINANCIAL MANAGEMENT INC.

By: DocuSigned by: David Mandel ED38E3277FD44CB...

David Mandel
CEO
I have the authority to bind the Corporation

BLOCK 80 HOLDINGS INC.

By:

Andre Sherman
President
I have authority to bind the corporation.

Witness	**Andre Sherman – Guarantor**

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THIRD FORBEARANCE AND LOAN AMENDMENT AGREEMENT

THIS AGREEMENT is made as of the 1st day of March, 2024.

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(the **"Lender"**)

-and-

BLOCK 80 HOLDINGS INC.

(the **"Borrower"**)

-and-

ANDRE SHERMAN

(the **"Guarantor"**)

RECITALS:

A. The parties hereto entered into a Forbearance and Loan Amendment Agreement dated the 1st day of November, 2023.

B. The parties hereto entered into a Second Forbearance and Loan Amendment Agreement dated the 27th day of January, 2024;

C. The amount currently advanced by the Lender and secured by the Mortgage and Loan Security Documents, will, on March 1st, 2024 be $5,365,298.50 including the March 1st, 2024 interest payment (the **"Loan"**).

D. The Borrower has advised the Lender that it will be unable to repay the Loan as of the Maturity Date of February 8th, 2024;

E. the Borrower and Guarantor have requested that the Lender not proceed at this time to enforce their Loan pursuant to the rights the Lender has pursuant to the Loan Security Documents and the Forbearance and Loan Amendment Agreement dated November 1st, 2023 and the Second Forbearance and Loan Amendment Agreement dated January 27th, 2024;

F. the Lender is prepared to forbear from enforcing its security from March 8th, 2024 to April 8th, 2024, subject to and in accordance with the terms and conditions of this Third Forbearance and Loan Agreement (this "**Agreement**");

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G. All capitalized terms utilized in this Agreement shall have the same meaning ascribed to them in the Forbearance and Loan Amendment Agreement dated November 1st, 2023 and January 27th, 2024, unless amended in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

Acknowledgements

1. Recitals – The parties hereto acknowledge and agree that each of the foregoing recitals are true and accurate both in substance and in fact.

2. Liability – The Obligors acknowledge that as of March 1st, 2024, the aggregate amount owing to the Lender under the Loan and secured by the Mortgage is $5,365,298.50, including legal fees of $4,455 for this Agreement and the March 1st, 2024 interest payment. The sum of $5,365,298.50, plus legal fees, plus accrued interest, fees, deferred extension fees and costs incurred by the Lender subsequent to February 29th, 2024, further advances by the Lender after the date hereof and all other amounts due or to become due by the Borrower under the Loan, this Agreement or otherwise to the date of repayment of the said Loan in full, is hereinafter collectively referred to as the **"Debt"**. The Obligors hereby confirm that they do not dispute their liability to pay the Debt on any ground whatsoever, that they have no claim, demand, set-off or counter-claim against the Lender on any basis whatsoever, and that there is no matter, fact or thing which may be asserted by them in extinction or diminution of the Debt or result in any bar to or delay in the recovery thereof. If there are any claims for set-off, counter-claim or damages, they are hereby expressly released and discharged by the Obligors.

Forbearance

3. The Lender agrees not to take any steps to enforce the Loan or the Security until the earlier of:

   (a) April 8th, 2024; and

   (b) the occurrence of an Event of Default;

   (being the revised **"Forbearance Termination Date"**, and the period commencing on the 8th day of March, 2024 and ending on (but excluding) the Forbearance Termination Date is hereinafter defined as the **"Forbearance Period"**).

   Upon the expiration or termination of the Forbearance Period, the agreement of the Lender to forebear shall automatically and without further action terminate and be of no further force and effect, it being expressly agreed that the effect of such termination will be to permit the Lender to exercise its rights and remedies under the Loan Security Documents immediately.

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Provided it shall be an Event of Default if the Borrower does not pay the interest payment due on March 1st, 2024 in the amount of $58,250.17 on or before March 15th, 2024 from its own resources.

4. Forbearance Fees – In consideration for the Lender's forbearance and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower shall pay to the Lender the following sums. as liquidated damages and not as a penalty, at the times as hereinafter provided:

   (a) the sum of $13,750 per month on the 1st day of each month for each month commencing March 1st, 2024 until such time as the Debt is repaid in full. Any partial month shall not be pro-rated. The Borrower and Guarantors acknowledge that the sum of $13,750 per month is a reasonable estimate of the time and effort the Lender and its staff will be providing to manage the Loan and the terms of this Agreement to be paid by the Borrower on the Forbearance Termination Date.

   (b) Legal fees payable to Chaitons LLP for preparation of this Third Forbearance Loan Amendment Agreement in the amount of $3,500 plus HST plus $500 in disbursements for a total of $4,455, to be paid, by the Borrower plus outstanding legal fees of $3,139.58 and $4,455.

   The aforesaid amounts in this Section 4, if not paid shall become due and be payable on the earlier of:

   (a) April 8th, 2024; or

   (b) repayment of the Debt;

   (c) the occurrence of an Event of Default.

Interest Rate

5. Amendment to Interest Rate

   In consideration of the Lender agreeing to execute this Third Forbearance Agreement in addition to the other matters provided for herein, the payment terms of the Loan shall be amended effective as of March 1st, 2024 to be as follows:

   (a) For the period commencing March 1st, 2024 to and including March 31st, 2024 the interest rate pursuant to the Loan shall be the greater of 9.75% per annum or the rate per annum which is 7.05 percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be calculated monthly, not in advance and adjusted as to fluctuations in such prime commercial lending rate of interest from time to time.

   (b) Commencing April 1st, 2024 the interest rate pursuant to the Loan shall be the greater of 18% per annum or the rate per annum which is 15.30 percentage points above the

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prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from time to time, on loans made in Canadian funds to its most favoured commercial borrowers, which interest shall be calculated daily, not in advance and adjusted as to fluctuations in such prime commercial lending rate of interest from time to time, as well after as before maturity and both before and after default.

Miscellaneous

6. Independent Legal Advice – Each of the Borrower and the Guarantor acknowledges that, in executing and delivering this Agreement, they have acted and continue to act freely and without duress. Each of the Borrower and the Guarantor confirms that they have had the benefit of independent legal advice in connection with the preparation and negotiation of this Agreement. Each of the Borrower and the Guarantor hereby waives and agrees not to assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Agreement, and each of them hereby releases the Lender from any and all claims they may have with respect thereto arising on or before the date of this Agreement.

7. Further Assurances – The Obligors, upon request by the Lender, shall promptly do, make, execute and deliver all such further acts, documents and instruments as the Lender may reasonably require to allow the Lender to enforce any of its rights under this Agreement and to give effect to the intention thereof.

8. Capacity and Authority – The Obligors represent and warrant to the Lender that they have the capacity and authority to enter into and perform their obligations under this Agreement.

9. Headings – The headings contained herein are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

10. Severability – If, in any jurisdiction, any provision of this Agreement or its application to any party or circumstance is restricted, prohibited or unenforceable, such provision shall, as to such jurisdiction, be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement and without affecting the validity or enforceability of such provision in any other jurisdiction or without affecting its application to other parties or circumstances.

11. Time – Time is of the essence in the performance of the parties' respective obligations.

12. Amendment – No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.

13. Notices – Any notice, consent or approval required or permitted to be given in connection with this Agreement (a **"Notice"**) shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by facsimile or other means of electronic communication including e-mail:

(i) in the case of a Notice to the Lender, at:

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2235 Sheppard Avenue East
Suite 1202, Atria II
Toronto, Ontario
M2J 5B5

Attention: David Mandel
Email: dmandel@firstsource.com

with a copy to:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, ON M2N 7E9

Attention: Barry Rotenberg
Facsimile: (416) 218-1133
Email: brotenberg@chaitons.com

in the case of a Notice to the Borrower and the Guarantor:

135 Holmes Avenue
Toronto, Ontario
M2N 4M5

and with a copy to:

HGR Graham Partners LLP
518 Yonge Street
Midland, Ontario
L4R 2C5

Attention: John Walker

Email: jwalker@hgrgp.ca

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the facsimile number or electronic address if sent by facsimile transmission or electronic communication (including email), respectively, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission. **"Business Day"** means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario or Canada, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal business hours.

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14. **Amendment to November 1st, 2023 Forbearance and Loan Amending Agreement - Save as amended hereby all terms and conditions of the Forbearance and Loan Amendment Agreement dated November 1st, 2023, as amended by the Second Forbearance and Loan Amendment Agreement amended January 27th, 2024, shall remain the same.**

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[remainder of page intentionally left blank]

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IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

FIRST SOURCE FINANCIAL MANAGEMENT INC.

By:

_____
David Mandel
CEO
I have the authority to bind the Corporation

BLOCK 80 HOLDINGS INC.
By:

_____
Andre Sherman
President
I have authority to bind the corporation.

Witness

Andre Sherman – Guarantor

WE HEREBY CONFIRM that the provisions of the above-noted Fifth Forbearance Agreement shall have priority over our Mortgage registered as Instrument No. SC1971266 and Assignment of Rents registered as Instrument No. SC1971267.

DATED this 1st day of March, 2024.

2070409 ONTARIO INC.

Per:_____
Name:
Title:
I have the authority to bind the Corporation

This is **Exhibit "L"**

in the Affidavit of Kunj Patel

affirmed the 7th day of June, 2024



Commissioner for Taking Affidavits, etc.

Ryan Shah (LSO # 88250C)

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Discharge Statement

FIRST SOURCE
FINANCIAL MANAGEMENT INC.

Borrower
Block 80 Holdings Inc.
Property
Block 80, Bellisle Heights, 61 Thompsons Rd. W., Penetanguishene, ON

Account Number	1338.20.12R4
Payoff Due Date	21-May-24
Payoff Amount	$6,002,774.66
Total Loan Amount	$5,100,000.00
Advanced Amount	$5,100,000.00
Unadvanced Amount	$0.00
Advanced Interest Rate as of Feb 1/24: Higher of 9.75% or (CIBC Prime + 7.05%)	14.25%
Advanced Interest Rate as of Apr 1/24: Higher of 18.00% or (CIBC Prime + 15.30%)	22.50%
Interest Per Diem	$3,277.74

After 2024-05-21, please pay an additional $3,277.74 per day. This notice expires on 2024-05-31, at which time you are instructed to contact this office for additional instructions.

Funds may be tendered any time up to 1:00 pm May 21, 2024 based on the existing statement.
If funds are tendered after 1:00 pm, May 21, 2024 please add additional per diem to NEXT business day.
Subject to adjustments to legal fees, disbursements, charges, etc.
E. & O.E.

Account Activity

Principal Balance	$5,100,000.00
February 1 - 29, 2024 (29 days interest)	$58,250.17
March 1 - 31, 2024 (31 days interest)	$62,428.96
April 1 - 30, 2024 (30 days interest)	$96,546.81
May 1 - 20, 2024 (20 days interest)	$65,554.84
3 Months Interest Bonus at 22.50%	$286,875.00
Consultant Fee - Anders Holteng (Ext. Aug 1/23)	$4,650.00
Consultant Fee - Anders Holteng (Ext. Jan 1/23)	$13,275.00
Consultant Fee - Anders Holteng (Ext. May 1/23)	$8,850.00
Extension Fee (Ext. Aug 1/23)	$9,300.00
Extension Fee (Ext. May 1/23)	$26,550.00
Extension Fee (Ext. Sep 1/23)	$18,800.00
Failure to provide proof of insurance after requested (March 2023)	$450.00
Failure to provide proof of insurance policy renewal after requested (Aug.2022)	$450.00
First Source Admin Fee (Ext. Aug 1/23)	$500.00
First Source Admin Fee (Ext. Jan 1/23)	$500.00
First Source Admin Fee (Ext. May 1/23)	$500.00
First Source Disbursements (Ext. Aug 1/23)	$500.00
First Source Disbursements (Ext. Jan 1/23)	$500.00
First Source Disbursements (Ext. May 1/23)	$500.00
First Source Site Visit Fee (Ext. Aug 1/23)	$500.00
First Source Site Visit Fee (Ext. Jan 1/23)	$500.00
First Source Site Visit Fee (Ext. May 1/23)	$500.00
Forbearance Fee (Nov 1/23)	$13,750.00
Forbearance Fee (Dec 1/23)	$13,750.00
Forbearance Fee (Jan 1/24)	$13,750.00
Forbearance Fee (Feb 1/24)	$13,750.00
Forbearance Fee (Mar 1/24)	$13,750.00
Forbearance Fee (Apr 1/24)	$13,750.00
Forbearance Fee (May 1/24)	$13,750.00
Lender Fee (Ext. Jan 1/23)	$35,400.00
Sched A 2k) Request for Discharge Statement 7x	$5,850.00
ProIncon INV#33621 Insurance Review (reimburse FS)	$423.75
Holding Over Fee	$89,922.17
Chaitons LLP - Legal Fees (Feb 1, 2024 Forbearance)	$4,455.00
Chaitons LLP - Legal Fees (Mar 1, 2024 Forbearance)	$4,455.00
Chaitons LLP - Outstanding Legal Fees	$6,480.56
Late Charges	$3,150.00
Trust Reserve	-$92.60
Total Outstanding Amount	**$6,002,774.66**

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Interest Charge Summary

Interest Charges on Loan Balances (Daily balances exclude reserve balances, impound balances, late charges):

Date	Daily Balance	Days	Daily Periodic Rate	Interest Rate	Interest Charge
02/01/2024	$5,162,008.55	21	0.0390411%	14.25%	$42,321.40
02/22/2024	$5,100,000.00	8	0.0390411%	14.25%	$15,928.77
					$58,250.17
03/01/2024	$5,158,250.17	31	0.0390411%	14.25%	$62,428.96
04/01/2024	$5,220,679.13	30	0.0616438%	22.50%	$96,546.81
05/01/2024	$5,317,225.94	20	0.0616438%	22.50%	$65,554.84

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Court File No. CV-24-00720929-00CL

FIRST SOURCE FINANCIAL MANAGEMENT INC. Applicant	-and-	BLOCK 80 HOLDINGS INC. et al. Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

AFFIDAVIT OF KUNJ PATEL

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant

Court File No. CV-24-00720929-00CL

FIRST SOURCE FINANCIAL MANAGEMENT INC. Applicant	-and-	BLOCK 80 HOLDINGS INC. et al. Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

MOTION RECORD OF THE APPLICANT

PALIARE ROLAND ROSENBERG ROTHSTEIN LLP
155 Wellington Street West, 35th Floor
Toronto, ON M5V 3H1
Fax: (416) 646-4301

Jeffrey Larry (LSO#44608D)
Tel: (416) 646-4330
jeff.larry@paliareroland.com

Ryan Shah (LSO# 88250C)
Tel: 416.646.6356
ryan.shah@paliareroland.com

Lawyers for the Applicant