

Court File No.:CV-25-00740748-00CL

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

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

APPLICATION RECORD

April 21, 2025

ROBINS APPLEBY LLP

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

David Taub LSO No.: 33518M

Email: dtaub@robapp.com
Tel: (416) 360-3354

Joey Jamil LSO No. 74614L

Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants, First Source
Financial Management Inc. and First Source
Mortgage Corporation

TO: THE SERVICE LIST

SERVICE LIST

TO: **ARJOMANDI LAW**
19 Edenbrook Hill
Etobicoke, ON M9A 3Z7

Seena Arjomandi LSO No. 87152Q
Email: seena@arjomandilaw.com
Tel: (647) 557-8874

Lawyers for the Respondents and Guarantors, Hammer & Nails Developments Ltd. (Maple Street), Hammer & Nails Developments Ltd. (Beckwith Street), Dylan James Sliter and Patrick Barry Lane Linnen

AND TO: **1136234 ONTARIO LTD.**
c/o Howard Kelford & DuBois LLP
1 – 145 Hooper St.,
Carleton Place, ON K7C 0A9

Jonathan P. M. Collings LSO No. 55790
Email: jcollings@valleylaw.ca
Tel: (613) 283-6772 ext 252

AND TO: **TBG MECHANICAL SOLUTIONS LIMITED**
130 Industrial Avenue, Unit 420
Carleton Place, ON K7C 3T2

AND TO: **MASTERPIECE HARDWOOD FLOORING**
1700 Kingsdale Avenue
Ottawa, ON K1T 1H6

AND TO: **4169492 CANADA INC.**
2895 Ahearn Avenue
Ottawa, ON K2B 7A1

AND TO: **CAISSE DESJARDINS ONTARIO CREDIT UNION INC.**
147 Rideau Street
Ottawa, ON K1N 5X4

AND TO: **MITSUBISHI HC CAPITAL CANADA LEASING, INC.**
401-1100 Burloak Drive
Burlington, ON L7L 6B2

AND TO: WESTBORO MANAGEMENT LTD.
267 Richmond Road, 2nd Floor
Ottawa, ON K1Z 6X3

AND TO: TDB Restructuring Limited
11 King St. West, Suite 700
Toronto, ON M5H 4C7

Bryan A. Tannenbaum
Email: btannenbaum@tdbadvisory.ca
Tel: (416) 238-5066

Proposed Receiver

AND TO: ROBINS APPLEBY LLP
2600-120 Adelaide Street West
Toronto, ON M5H 1T1

David Taub LSO No. 33518M
Email: dtaub@robapp.com
Tel: (416) 360-3354

Joey Jamil LSO No. 74614L
Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants, First Source Financial Management Inc. and First Source Mortgage Corporation

Email Service List: seena@arjomandilaw.com; btannenbaum@tdbadvisory.ca; dtaub@robapp.com; jjamil@robapp.com; jcollings@valleylaw.ca

Court File No.:CV-25-00740748-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

TABLE OF CONTENTS

TAB	DOCUMENT
A.	Notice of Application
B.	Affidavit of Leonard Zaidener, sworn April 14, 2025
1.	Exhibit – Corporate Profile for Hammer & Nails Development Ltd. (Maple Street)
2.	Exhibit – PIN 05280-0019 LT, 7 Maple Ave North, Smith Falls, ON
3.	Exhibit – Corporate Profile for Hammer & Nails Development Ltd. (Beckwith Street)
4.	Exhibit – PIN 05269-0273 LT, 161 Beckwith Street, Smith Falls, ON
5.	Exhibit – Initial Commitment and Amended Commitment, dated December 8, 2021
6.	Exhibit – First Amendment to Commitment Letter, dated March 10, 2022
7.	Exhibit – 2023 Increase and Extension Maple Agreement, dated June 26, 2023
8.	Exhibit – Second 2023 Increase Agreement, dated December 23, 2023
9.	Exhibit – 2024 Increase and Extension Agreement, dated August 26, 2024

TAB	DOCUMENT
10.	Exhibit – Charge/Mortgage of Land, registered March 17, 2022 Instrument No. LC235577, Notice registered July 21, 2023, Instrument No. LC250766 and Notice registered September 25, 2024, instrument No. LC263056
11.	Exhibit – Charge/Mortgage of Land, registered September 25, 2024 Instrument No. LC263057
12.	Exhibit – Negative Pledge dated March 14, 2022
13.	Exhibit – Guarantee and Postponement of Claims, dated March 14, 2022
14.	Exhibit – General Security Agreement for Guarantors, dated March 14, 2022
15.	Exhibit – General Security Agreement for Borrower, dated March 14, 2022
16.	Exhibit – Promissory Note dated March 8, 2022
17.	Exhibit – Amendment to Promissory Note, dated September 11, 2024
18.	Exhibit – Notice of Assignment of Rents-General, registered March 17, 2022 Instrument No. LC235578
19.	Exhibit – Notice of Assignment of Rents-General, registered September 25, 2024 Instrument No. LC263058
20.	Exhibit – Omnibus Agreement dated September 11, 2024
21.	Exhibit – Negative Pledge dated September 11, 2024
22.	Exhibit – PPSA Search – Hammer & Nails Developments Ltd. (Maple Street)
23.	Exhibit – PPSA Search – Hammer & Nails Developments Ltd. (Beckwith Street)
24.	Exhibit – PPSA Search – Dylan James Sliter and Patrick Barry Lane Linnen
25.	Exhibit – Construction Lien, registered February 7, 2025 Instrument No. LC267125
26.	Exhibit – Construction Lien, registered February 21, 2025 Instrument No. LC267397
27.	Exhibit – Construction Lien, registered March 5, 2025 Instrument No. LC267700
28.	Exhibit – Construction Lien, registered March 19, 2025 Instrument No. LC268042
29.	Exhibit – Charge/Mortgage of Land, registered April 3, 2024 Instrument No. LC257797
30.	Exhibit – Notice of Security Interest, registered February 14, 2022 Instrument No. LC234446
31.	Exhibit – Postponement of Interest, registered April 3, 2024 Instrument No. LC257799
32.	Exhibit – Postponement of Interest, registered September 25, 2024 Instrument No. LC263059
33.	Exhibit – Annis Execution against the Borrower and Beckwith
34.	Exhibit – Notice of Intention to Enforce Security dated February 19, 2025

TAB	DOCUMENT
35.	Exhibit – Correspondence Arjomandi Law, dated March 14, 2025
36.	Exhibit – Email to Arjomandi Law, dated March 19, 2025
37.	Exhibit – Email from Arjomandi Law dated March 19, 2025
38.	Exhibit – Demand Letter to Arjomandi Law dated March 21, 2025
39.	Exhibit – Notice of Intention to Enforce Security dated March 21, 2025 and registered mail receipts
40.	Exhibit – Consent of TDB Restructuring Limited to act as Receiver, dated April 2, 2025
C.	Draft Order
D.	Redline of Model Order to Draft Order

TAB A



Court File No.:

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

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

NOTICE OF APPLICATION

TO THE RESPONDENTS:

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

THIS APPLICATION will come on for a hearing on

☐ In person;

☐ By telephone conference;

☒ **By video conference.**

at the following location - **Via Zoom videoconference, details of which are to be provided by the Registrar,**

on May 16, 2025, at 11:00am.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: _____

Issued by: _____

Address of court office: **330 University Avenue
Toronto, Ontario, Canada**

TO: THE SERVICE LIST

SERVICE LIST

TO:	ARJOMANDI LAW 19 Edenbrook Hill Etobicoke, ON M9A 3Z7 Seena Arjomandi LSO No. 87152Q Email: seena@arjomandilaw.com Tel: (647) 557-8874 Lawyers for the Respondents and Guarantors, Hammer & Nails Developments Ltd. (Maple Street), Hammer & Nails Developments Ltd. (Beckwith Street), Dylan James Sliter and Patrick Barry Lane Linnen
AND TO:	1136234 ONTARIO LTD. c/o Howard Kelford & DuBois LLP 1 – 145 Hooper St., Carleton Place, ON K7C 0A9 Jonathan P. M. Collings LSO No. 55790 Email: jcollings@valleylaw.ca Tel: (613) 283-6772 ext 252
AND TO:	TBG MECHANICAL SOLUTIONS LIMITED 130 Industrial Avenue, Unit 420 Carleton Place, ON K7C 3T2
AND TO:	MASTERPIECE HARDWOOD FLOORING 1700 Kingsdale Avenue Ottawa, ON K1T 1H6
AND TO:	4169492 CANADA INC. 2895 Ahearn Avenue Ottawa, ON K2B 7A1
AND TO:	CAISSE DESJARDINS ONTARIO CREDIT UNION INC. 147 Rideau Street Ottawa, ON K1N 5X4
AND TO:	MITSUBISHI HC CAPITAL CANADA LEASING, INC. 401-1100 Burloak Drive Burlington, ON L7L 6B2
AND TO:	WESTBORO MANAGEMENT LTD. 267 Richmond Road, 2 nd Floor Ottawa, ON K1Z 6X3

AND TO:	TDB Restructuring Limited 11 King St. West, Suite 700 Toronto, ON M5H 4C7 Bryan A. Tannenbaum Email: btannenbaum@tdbadvisory.ca Tel: (416) 238-5066 Proposed Receiver
AND TO:	ROBINS APPLEBY LLP 2600-120 Adelaide Street West Toronto, ON M5H 1T1 David Taub LSO No. 33518M Email: dtaub@robapp.com Tel: (416) 360-33754 Joey Jamil LSO No. 74614L Email: jjamil@robapp.com Tel: (416) 360-3783 Lawyers for the Applicants, First Source Financial Management Inc. and First Source Mortgage Corporation

Email Service List: seena@arjomandilaw.com; btannenbaum@tdbadvisory.ca;
dtaub@robapp.com; jjamil@robapp.com; jcollings@valleylaw.ca

APPLICATION

1. The Applicants, First Source Financial Management Inc. (“**First Source Inc.**”) and First Source Mortgage Corporation (collectively, “**First Source**”) make an application for an Order substantially in the form set out in the Application Record for, *inter alia*, the following relief:

- (a) an Order abridging the time for service of the Notice of Application and the Application Record herein and dispensing with further service thereof;
- (b) an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 (the “**CJA**”), appointing TDB Restructuring Limited as receiver (in such capacity, the “**Receiver**”), without security, of the properties municipally known as 7 Maple Avenue, Smith Falls, Ontario (“**7 Maple**”) and 161 Beckwith Street North, Smith Falls, Ontario (“**161 Beckwith**”, collectively 7 Maple and 161 Beckwith are the “**Properties**”) respectively owned by the Respondents Hammer & Nails Developments Ltd. (Maple Street) (the “**Borrower**”); and Hammer & Nails Developments Ltd. (Beckwith Street) (“**Beckwith**”); and
- (c) such further and other relief this Honourable Court may deem just and equitable.

THE GROUNDS FOR THE APPLICATION ARE:

The Parties and the Properties

2. The Applicants, First Source, are Ontario corporations with their registered head office in Toronto, Ontario and carry on business in Ontario as, *inter alia*, commercial mortgage lenders. First Source Inc. is the first-ranking mortgagee with respect to the Properties.

3. The Borrower is an Ontario corporation and the owner and landlord of 7 Maple.

4. Beckwith is the owner and landlord of 161 Beckwith and has common ownership with the Borrower.

5. 7 Maple is a 4-storey commercial/multi unit residential apartment building consisting of ground floor commercial space with 33 residential units on the upper 3 floors.

6. 161 Beckwith is 16 unit residential apartment building.

The Loan

7. First Source made a secured loan (the “**Loan**”) to the Borrower to provide Land and Construction financing in the principal amount of the lesser of: (i) \$11,105,250 or (ii) 73.82% of the “As-Complete” Appraised Value of 7 Maple.

8. The Loan was made pursuant to the terms of a mortgage commitment letter dated December 8, 2021, as amended, increased, and extended by:

- (a) the amendment to the commitment letter dated March 10, 2022;
- (b) the increase and extension agreement dated June 26, 2023;
- (c) the increase agreement dated December 23, 2023; and
- (d) the increase and extension agreement dated August 26, 2024.

(Collectively, the “**Commitment**”),

7. Pursuant to the terms of the Commitment, commencing July 1, 2024, the interest rate was amended to its current rate as follows:

The higher of (i) 18.00% or (ii) CIBC Prime + 11.30% 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 February 8th, 2025, 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 + 11.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

9. As security for its indebtedness and obligations to First Source under the Loan, the Borrower delivered, *inter alia*, the following security, without limitation, to First Source (collectively referred to as the “**Security**”):

- (a) a first-ranking Charge/Mortgage of Land on 7 Maple between the Borrower, as mortgagor, and First Source Financial., as mortgagee, registered on March 17, 2022 as Instrument No. LC235577 (the “**Maple Mortgage**”), as amended by the Notice registered on July 21, 2023 as Instrument No. LC250766, and the Notice registered on September 25, 2024 as Instrument No. LC263056;
- (b) a second-ranking Charge/Mortgage of Land on 161 Beckwith between Beckwith as mortgagor, and First Source Inc., as mortgagee, registered on September 25, 2024 as Instrument No. LC263057 (the “**Beckwith Mortgage**”);
- (c) a Negative Pledge between the Borrower, Dylan James Sliter and Patrick Barry Lane Linnen collectively as Guarantor and First Source Inc, dated March 14, 2022;
- (d) Guarantee and Postponement of Claim to First Source Inc. from Dylan James Sliter and Patrick Barry Lane Linnen (the “**Guarantors**”) dated March 14, 2022;
- (e) a General Security Agreement from Dylan James Sliter and Patrick Barry Lane Linnen as Debtors to First Source Inc. as Lender dated March 14, 2022;
- (f) a General Security Agreement from the Borrower as Debtor to First Source Inc. as Lender dated March 14, 2022;
- (g) a Promissory note from the Borrower to First Source Inc. for the principal balance of \$9,210,000 dated March 8, 2022;
- (h) an Indenture from the Borrower to First Source Inc. assigning the Borrower’s rents as security dated March 14, 2022;
- (i) an Omnibus Agreement among First Source Inc., Beckwith, the Borrower, Dylan James Sliter and Patrick Barry Lane Linnen dated September 11, 2024;
- (j) a Negative Pledge between Beckwith, Dylan James Sliter and Patrick Barry Lane Linnen collectively as Guarantor and First Source Inc, dated September 11, 2024; and
- (k) a General Security Agreement from Beckwith as Debtor to First Source Inc. as Secured Party dated September 11, 2024.

10. First Source Financial also made registrations pursuant to the *Personal Property Security Act* (the “**PPSA**”) being registration numbers:

- (a) 20220316 1138 1590 2871 filed against the Borrower;

- (b) 20240925 1141 1590 9624 filed against Beckwith; and
- (c) 20220316 1137 1590 2870 and 20240925 1142 1590 9625 filed against Dylan James Sliter and Patrick Barry Lane Linnen.

Default and Demand

11. The Borrower defaulted and breached the terms of the Loan and applicable Security by, *inter alia*:

- (a) failing to repay the Loan on its maturity (February 8, 2025);
- (b) permitting construction liens to be registered on title to 7 Maple; and
- (c) the cross-default in payment of the Maple Mortgage, the Beckwith Mortgage, and the other applicable security.

12. First Source issued a formal demand letter to the Borrower, the Guarantors and Beckwith on March 21, 2025, demanding repayment of all amounts owing under the Loan. The demand letter enclosed a Notice of Intention to Enforce Security pursuant to section 244 of the *Bankruptcy and Insolvency Act* (the demand letter and section 244 notice collectively referred to as the “**Demand**”). The statutory notice period provided for under the BIA and outlined in the Demand has expired.

13. The terms of both the Maple Mortgage and Beckwith Mortgage permit First Source to appoint a receiver over the Properties in the event that the Borrower is in default of the Loan. The terms further provide that in such instance the Borrower and Beckwith shall consent to such appointment.

Indebtedness owed to First Source

14. As of March 20, 2025, the Borrower owed First Source **\$11,892,760.64** plus per diem interest, costs, legal fees and disbursements, and other expenses incurred by First Source.

Status of the Properties

15. Construction on 7 Maple has been completed and the building is partially tenanted. 161 Beckwith is tenanted.
16. There are 4 construction liens registered on title to 7 Maple. As of April 2, 2025, these liens cumulatively totalling \$443,167.
17. The Properties require active management in order to preserve this Borrower's asset, the tenancies and the interests of the tenants.
18. Under its Security, First Source is entitled to collect the rents in order to repay the Loan.

Appointment of the Receiver

19. First Source brings this application for the Court appointment of the Receiver in order to maximize the recovery for all of the Borrower's creditors and other stakeholders. The appointment of the Receiver is just and convenient in the circumstances because:
 - (a) the Maple Mortgage, the Beckwith Mortgage, and applicable Security provide for First Source to appoint a Receiver upon default of the Loan;
 - (b) the Borrower and Beckwith consented to the appointment of the Receiver pursuant to the terms of the Loan and applicable Security;
 - (c) the appointment of the Receiver is necessary to properly manage both 7 Maple and 161 Beckwith, collect rents and deal with the lien claimants; and
 - (d) a Court appointed receivership process will provide the best forum for the Court supervised sale of the Properties and deal with any priority issues between the Lender and other stakeholders.

The Consent of the Receiver

20. TDB Restructuring Limited has consented to its appointment as Receiver.

Other Grounds

21. Rules 1.04, 2.03, 3.02 and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194.
22. Section 101 of the CJA and section 243 of the BIA and such further and other grounds as counsel may advise.
23. Such further and other grounds as the lawyers may advise.

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

- (a) TDB Restructuring Limited's consent to act as Receiver;
- (b) Affidavit of a First Source representative, to be sworn; and
- (c) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

April 8, 2025

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

David Taub LSO No. 33518M
Email: dmichaud@robapp.com
Tel: (416) 360-3354

Joey Jamil LSO No. 74614L
Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants, First Source
Financial Management Inc. and First Source
Mortgage Corporation

**FIRST SOURCE FINANCIAL MANAGEMENT
INC. and FIRST SOURCE MORTGAGE
CORPORATION**

**- and- HAMMER & NAILS DEVELOPMENTS LTD.
(MAPLE STREET) and HAMMER & NAILS
DEVELOPMENTS LTD. (BECKWITH
STREET)**

Applicants

Respondents

Court File No.:

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT TORONTO**

NOTICE OF APPLICATION

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

David Taub LSO No. 33518M
Email: dtaub@robapp.com
Tel: (416) 360-3795

Joey Jamil LSO No. 74614L
Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants, First Source Financial
Management Inc. and First Source Mortgage Corporation

TAB B

Court File No.: CV-25-00740748-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

AFFIDAVIT OF LEONARD ZAIDENER

I, Leonard Zaidener, of the City of Toronto, in the Province of Ontario **MAKE OATH
AND SAY:**

1. I am the President of the Applicants First Source Financial Management Inc. (“**First Source Inc.**”) and First Source Mortgage Corporation (“**First Source Corporation**”) (First Source Inc. and First Source Corporation are collectively, the “**Lender**”). As such, I have knowledge of the matters contained in this affidavit.

2. I am making this affidavit in support of the Applicants’ application for the appointment of TDB Restructuring Limited (“**TDB**”), as receiver and manager (the “**Receiver**”) of the two

properties described herein, respectively owned by the Respondents, Hammer & Nails Development Ltd. (Maple Street) (the “**Borrower**”) and Hammer & Nails Development Ltd. (Beckwith Street) (“**Beckwith**”).

3. Where this affidavit is based on information received from others, I believe that information to be true.

The Parties and the Properties

4. The Applicant, First Source Corporation, is an Ontario corporation with its registered office in Toronto, Ontario. First Source Corporation carries on business as a mortgage lender in Ontario.

5. The Applicant, First Source Inc., is an Ontario corporation with its registered office in Toronto, Ontario. First Source Inc. in its capacity as mortgagee, holds, *inter alia*, the Maple Mortgage (defined below) and the Beckwith Mortgage (defined below).

6. The Respondent Borrower, is an Ontario corporation and is the registered owner of the property municipally known as 7 Maple Avenue, Smith Falls, Ontario, being PIN 05280-0019 (LT) (the “**Maple Property**”). The Maple Property is a 4-storey commercial/multi-residential building. Attached hereto as **Exhibit “1”** is a copy of the corporate profile report for the Borrower. Attached hereto as **Exhibit “2”** is a copy of the parcel register for the Maple Property dated April 2, 2025.

7. The Respondent, Beckwith, is an Ontario corporation and is the registered owner of the property municipally known as 161 Beckwith Street North, Smith Falls, Ontario, being PIN 05269-0273 (LT) (the “**Beckwith Property**”). The Beckwith Property is a 16 unit residential apartment building. Attached hereto as **Exhibit “3”** is a copy of the corporate profile report for Beckwith.

Attached hereto as **Exhibit “4”** is a copy of the parcel register for the Beckwith Property dated April 4, 2025.

8. The Maple Property and the Beckwith Property are collectively referred to as the **“Properties”**.

The Loan

9. First Source made a secured loan (the **“Loan”**) to the Borrower to provide Land and Construction financing in the principal amount of the lesser of: (i) \$11,105,250 or (ii) 73.82% of the **“As-Complete”** Appraised Value of 7 Maple.

10. The Loan was made pursuant to the terms of a mortgage commitment letter dated December 8, 2021, (the **“Original Commitment”**, attached hereto as **Exhibit “5”**) as amended, increased, and extended by:

- (a) the amendment to the Original Commitment dated March 10, 2022 (attached hereto as **Exhibit “6”**);
- (b) the increase and extension agreement and an Engagement Letter with the Borrower, both dated June 26, 2023 (Collectively, the **“2023 Increase and Extension Agreement”** and attached hereto as **Exhibit “7”**);
- (c) the increase agreement and an Engagement Letter with the Borrower both dated December 23, 2023 (Collectively, the **“Second 2023 Increase Agreement”**), Attached hereto as **(Exhibit “8”)**; and
- (d) the increase and extension agreement dated August 26, 2024 between the Lender and the Borrower (the **“2024 Increase and Extension Agreement”** attached hereto as **Exhibit “9”**).

(Collectively, the **“Commitment”**)

11. Pursuant to the terms of the Commitment, commencing July 1, 2024, the interest rate was

amended to 11% per annum during the first 7 months after July 1st, 2024, then increasing to the current rate as follows:

The higher of (i) 18.00% or (ii) CIBC Prime + 11.30% 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 February 8th, 2025, 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 + 11.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

12. As security for its indebtedness and obligations to First Source under the Loan, the Borrower delivered, *inter alia*, the following security, without limitation, to First Source (collectively referred to as the “**Security**”):

- (a) a first-ranking Charge/Mortgage of Land on the Maple Property between the Borrower, as mortgagor, and First Source Inc., as mortgagee, registered on March 17, 2022 as Instrument No. LC235577 (the “**Maple Mortgage**”), as amended by the Notice registered on July 21, 2023 as Instrument No. LC250766, and the Notice registered on September 25, 2024 as Instrument No. LC263056; (Attached hereto as **(Exhibit “10”)**);
- (b) a second-ranking Charge/Mortgage of Land on 161 Beckwith between Beckwith as mortgagor, and First Source Inc., as mortgagee, registered on September 25, 2024 as Instrument No. LC263057 (the “**Beckwith Mortgage**”); (Attached hereto as **Exhibit “11”**);
- (c) a Negative Pledge between the Borrower, Dylan James Sliter and Patrick Barry Lane Linnen collectively as Guarantor and First Source Inc, dated March 14, 2022; (Attached hereto as **Exhibit “12”**);
- (d) Guarantee and Postponement of Claim to First Source Inc. from Dylan James Sliter and Patrick Barry Lane Linnen (the “**Guarantors**”) dated March 14, 2022; (Attached hereto as “**Exhibit “13”**”);
- (e) a General Security Agreement from Dylan James Sliter and Patrick Barry Lane Linnen as Debtors to First Source Inc. as Lender dated March 14, 2022; (Attached hereto as **Exhibit “14”**);

- (f) a General Security Agreement (the “**Maple GSA**”) from the Borrower as Debtor to First Source Inc. as Lender dated March 14, 2022; (Attached hereto as **Exhibit “15”**);
- (g) a Promissory Note from the Borrower to First Source Inc. for the principal balance of \$9,210,000 dated March 8, 2022; (Attached hereto as **Exhibit “16”**);
- (h) an Amendment to Promissory Note from the Borrower to First Source Inc. for the principal balance of \$13,326,300 dated September 11, 2024; (Attached hereto as **Exhibit “17”**);
- (i) an Indenture from the Borrower to First Source Inc. assigning the Borrower’s rents as security dated March 14, 2022 and registered on title to the Maple Property on March 17, 2022 as a Notice of Assignment of Rents-General as Instrument no.LC235578 ; (Attached hereto as **Exhibit “18”**);
- (j) an Indenture from Beckwith to First Source Inc. assigning Beckwith’s rents as security dated September 11, 2024 and registered on title to the Beckwith Property on September 25, 2024 as a Notice of Assignment of Rents-General as Instrument no.LC263058 ; (Attached hereto as **Exhibit “19”**);
- (k) an Omnibus Agreement among First Source Inc., Beckwith, the Borrower, Dylan James Sliter and Patrick Barry Lane Linnen dated September 11, 2024; (Attached hereto as **Exhibit “20”**);
- (l) a Negative Pledge between Beckwith, Dylan James Sliter and Patrick Barry Lane Linnen collectively as Guarantor and First Source Inc, dated September 11, 2024; (Attached hereto as (**Exhibit “21”**);and

13. First Source Inc. also made registrations pursuant to the *Personal Property Security Act* (the “**PPSA**”) being registration numbers:

- (a) 20220316 1138 1590 2871 filed against the Borrower;
- (b) 20240925 1141 1590 9624 filed against Beckwith; and
- (c) 20220316 1137 1590 2870 and 20240925 1142 1590 9625 filed against Dylan James Sliter and Patrick Barry Lane Linnen.

Copies of the above-noted PPSA Registrations are attached as **Exhibits “22”** (the Borrower), **“23”**, (Beckwith) and **“24”** (Dylan James Sliter and Patrick Barry Lane Linnen).

14. Under the terms of the Original Commitment, the loan indebtedness accrued interest at:

- (a) the higher of (i) 8.75% or (ii) CIBC Prime plus 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 18 months after the interest adjustment date;
- (b) the higher of (i) 18.00% or (ii) CIBC Prime plus 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; and
- (c) after 18 months and 7 days from the interest adjustment date, unless an extension agreement was previously arranged executed in writing between the Maple Borrower and the Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime plus 15.55% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

15. Under the 2023 Increase and Extension Agreement (Exhibit 7 herein), the loan amount was increased to the lesser of \$9,355,000.00 or 74.92% of the Appraised Value of the Security (inclusive of all debt) (as capitalized in the 2023 Increase and Extension Agreement).

16. Under the 2023 Increase and Extension Agreement, the interest rate was amended as follows:

- (a) commencing July 1, 2023, the higher of (i) 8.75% or (ii) CIBC Prime plus 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after July 1, 2023;
- (b) the higher of (i) 18.00% or (ii) CIBC Prime plus 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; and
- (c) on and after July 8, 2024, unless an extension agreement was previously arranged executed in writing between the Borrower and the Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime plus 15.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

17. Under the Second 2023 Increase Agreement (Exhibit 8 herein), the loan amount was

increased to the lesser of \$9,805,000.00 or 74.7% of the Appraised Value of the Security (inclusive of all debt) (as capitalized in the Increase Agreement).

18. Under the Second 2023 Increase Agreement, the interest rate was amended as follows:

- (a) commencing January 1, 2024, the higher of (i) 8.75% or (ii) CIBC Prime plus 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 6 months after January 1, 2024;
- (b) for the final 7 days of the term, the applicable interest rate shall be the greater of (i) 18.00% or (ii) CIBC Prime plus 15.30% per annum calculated daily on the principal outstanding. There shall be no deemed re-investment of payments made; and
- (c) on and after July 8, 2024, unless an extension agreement was previously arranged executed in writing between the Borrower and the Lender, the rate on funds advanced shall be fixed at the greater of (i) 18.00% or (ii) CIBC Prime plus 15.30% per annum calculated daily and payable monthly with no deemed re-investment of payments on the principal outstanding until discharged.

19. Under the 2024 Increase and Extension Agreement, (Exhibit 9 herein) the loan amount was increased to the lesser of \$11,105,250.00 or 73.82% of the “As-Complete” Appraised Value (as capitalized in the 2024 Increase and Extension Maple Agreement) of the Maple Property (the “**Maple Loan**”).

20. Under the 2024 Increase and Extension Maple Agreement, the interest rate was amended as follows:

- (a) commencing July 1, 2024, the higher of (i) 11.00% or (ii) CIBC Prime plus 4.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 7 months after July 1, 2024;
- (b) the higher of (i) 18.00% or (ii) CIBC Prime plus 11.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding for the final 7 days of the term; and
- (c) on and after February 8, 2025, unless an extension agreement was previously

arranged executed in writing between the Borrower and the Lender, the rate on funds advanced shall be fixed at the higher of (i) 18.00% or (ii) CIBC Prime plus 11.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

21. The Maple Loan matured on February 8, 2025 with no further renewal or extension, but has not been repaid.

Other Creditors

22. First Source Inc. is the first ranking mortgagee on the Maple Property and there are no other charges registered against the Maple Property as at April 2, 2025.

23. As at April 2, 2025, there were four two registered construction liens on the Maple Property:

- (a) a construction lien for the amount of \$173,684 registered on February 7, 2025 as Instrument No. LC267125 by 1136234 Ontario Ltd., a copy of which is attached hereto as **Exhibit “25”**; and
- (b) a construction lien for the amount of \$45,360 registered on February 21, 2025 as Instrument No. LC267397 by TBG Mechanical Solutions Limited, a copy of which is attached hereto as **Exhibit “26”**;
- (c) a construction lien for the amount of \$37,651 registered on March 5, 2025 as Instrument No. LC267700 by Masterpiece Hardwood Flooring, a copy of which is attached hereto as **Exhibit “27”**; and
- (d) a construction lien for the amount of \$186,466.28 registered on March 19, 2025 as Instrument No. LC268042 by 2384921 Ontario Ltd., a copy of which is attached hereto as **Exhibit “28”**.

24. First Source Inc. is the second ranking mortgagee on the Beckwith Property. The Beckwith Property has the following encumbrances registered on title in the following priority:

Creditor	Amount	Registration
-----------------	---------------	---------------------

Caisse Desjardins Ontario Credit Union Inc. (“ Caisse Inc. ”)	\$4,255,855.00	Charge registered as Instrument No. LC257797 on April 3, 2024 A copy of the registered Charge in favour of Caisse Inc. is attached hereto as Exhibit “29”
First Source Inc.	\$13,326,300.00	Beckwith Mortgage
Evolve Services Inc.	\$250,000.00	Notice of Security Interest registered as Instrument No. LC234446 on February 14, 2022 (the “ Evolve NOSI ”) A copy of the registered Evolve NOSI is attached hereto as Exhibit “30” . Copies of the registered postponements, postponing the Evolve NOSI to Caisse Inc. (Instrument No. LC257799) and to First Source Inc. (Instrument No. LC263059) are attached hereto as Exhibits “31” and “ 32 ”, respectively.

25. As at April 4, 2025, there is one execution creditor whose judgment is registered against both the Borrower and Beckwith. Annis O’Sullivan Vollebekk (Kemptville) Ltd. (“**Annis**”) has registered its judgment dated January 16, 2025 for the principal sum of \$4,378.27 plus \$362 for costs, both sums accruing interest at 5% per annum. Copies of the Annis Execution against the Borrower and Beckwith are attached hereto as **Exhibit “33”**.

Default and Demand

26. The Loan matured on February 8, 2025 and was not repaid on that date or thereafter. The Borrowers defaulted and breached the terms of the loans and applicable Security by, *inter alia*:

- (a) failing to repay the Loan on its maturity (February 8, 2025);
- (b) permitting executions and construction liens to be registered on title to the Maple Property and the Beckwith Property; and
- (c) the cross-default in payment of the Maple Mortgage, the Beckwith Mortgage, and

the other applicable security.

27. On or about February 19, 2025, the Lender's real estate counsel issued a Notice of Intention to Enforce Security (the "**NITES**") pursuant to section 244 of the *Bankruptcy and Insolvency Act* ("**BIA**") on the Borrower, Beckwith and the Guarantors in respect of the Maple Mortgage and the Beckwith Mortgage. The statutory notice required under the BIA and set out in the NITES has expired. A copy of the February 19, 2025 NITES is attached hereto as **Exhibit "34"**.

28. By letter to the Lenders' real estate counsel dated March 14, 2025, Seena Arjomandi of Arjomandi Law advised that he had been retained on behalf of the Borrower and asked that not enforcement proceedings be initiated without reasonable written notice. A copy of the March 14, 2025 letter is attached as **Exhibit "35"**.

29. By email to Arjomandi Law dated March 19, 2025, the Lender's litigation counsel advised that they had been instructed to issue a proceeding in order to enforce the Lender's security and requested confirmation that Arjomandi Law was authorized to accept service on behalf of the borrower and guarantors. A copy of the March 19, 2025 email from the Lender's litigation is attached as **Exhibit "36"**.

30. By email to the Lender's litigation counsel, also dated March 19, 2025, Arjomandi Law confirmed its authority to accept service on behalf of the Borrower and Guarantors. A copy of the March 19, 2025 email from Arjomandi Law is attached as **Exhibit "37"**.

31. By letter dated March 21, 2025 (the "**Demand**"), the Lender's litigation counsel made demand upon the Borrowers and the Guarantors for repayment of all amounts owing to the Lender. The Demand attached a Discharge Statement setting out the amounts due and owing to the Lender as at March 20, 2025. The Demand stated in part:

Accordingly, the Lender hereby demands that the Borrower makes payment in full of the amount of the Loan indebtedness for principal, interest and costs as of **March 20, 2025**, in the sum of **\$11,892,760.64**, plus legal costs of \$5,000 and per diem interest at the rate of **\$5,476.56** to March 31, 2025, increasing thereafter to \$5,622.60 per diem as of April 1, 2025 (the "**Indebtedness**"). Enclosed is a copy of the March 20, 2025 Loan discharge statement. Accordingly, the Lender hereby demands payment of the Indebtedness and costs by **March 31, 2025**.

A copy of the Demand together with the Discharge Statement is attached hereto as **Exhibit "38"**.

32. Also on March 21, 2025, the Lender's litigation counsel issued a further NITES including additional creditors that were not named in the initial NITES. A copy of the NITES dated March 21, 2025 is attached hereto as **Exhibit "39"** together with copies of the registered mail receipts.

33. Under the terms of the Maple Mortgage and the Beckwith Mortgage, the occurrence of an event of default under any one of the Security constitutes as an event of default under all other Security. The relevant section of each of the mortgages state as follows:

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 Guarantors or a company related to the Chargor and/or any of the Guarantors will constitute an event of default under all other security documents and loans to the Chargor and/or any of the Guarantors or a company related to the Chargor and/or the Guarantors or any of them held by the Chargee or in the name of an associated or affiliated corporation to the Chargee.

If the Chargee 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 (pursuant to this schedule) and a property inspection fee in addition to all other fees, costs, claims or demands to which the Chargee is also entitled.

34. The terms of the Maple Mortgage, the Beckwith Mortgage, the Maple GSA, and the Beckwith GSA, among other Security, permit the Lender to appoint a receiver over the Properties when the Borrowers are in default of the respective loans. Specifically,

- (a) Both the Maple Mortgage and the Beckwith Mortgage respectively provide at page 13, in part, 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 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...[emphasis added]; and

- (b) The General Security Agreements signed by the Borrower and Beckwith respectively, both provide at Article 4.02 that upon the occurrence of an Event of Default, that First Source Inc. may, *inter alia*, appoint a Receiver over all or any part of the Collateral.

Indebtedness

35. As set out in the Discharge Statement (Exhibit 37 herein), on March 20, 2025, the Borrower, Beckwith and the Guarantors owed the Lender the sum of **\$11,892,760.64**, plus legal costs of \$5,000 and per diem interest at the rate of \$5,476.56 to March 31, 2025, increasing thereafter to \$5,622.60 per diem as of April 1, 2025 (the "**Indebtedness**").

Status of the Properties

36. To the best of my knowledge, in reliance on information provided to me by the Borrower, Beckwith and Guarantors:

- (a) construction of the Maple Property has been completed and as at the date of this affidavit, the Maple Property is partially tenanted;
- (b) There are four construction liens registered on title to the Maple Property as at February April 2, 2025, as set out above; and
- (c) the Beckwith Property was fully constructed prior to the registration of the Beckwith Mortgage and is more or less fully tenanted.

37. The Properties require active management in order to preserve the Borrower's assets, and

properly maintain the Properties, their tenancies and the interests of the tenants.

Appointment of the Receiver

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

- (a) the Maple Mortgage, the Beckwith Mortgage, the Maple GSA, and the Beckwith GSA provide for the Lender to appoint a Receiver upon default of the loans;
- (b) the Indenture/Assignment of Rents entitles the Lender to collect the rents from the Properties in order to recue the Indebtedness;
- (c) the Lender has lost faith in the Borrowers' ability to repay the respective loan indebtedness;
- (d) the appointment of the Receiver is necessary to properly manage matters pertaining to Properties; and
- (e) a Court appointed receivership process will provide the best forum for the Court supervised sale of the Properties and deal with any priority issues between the Lender and other stakeholders.

The Consent of the Receiver

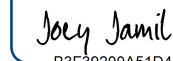
39. TDB has consented to its appointment as Receiver. An executed copy of the Receiver's consent is attached hereto as **Exhibit "40"**.

40. I make this Affidavit in support of the within Application and for no improper purpose.

- 14 -

SWORN remotely by Leonard Zaidener
before me at the City of Toronto, in the
Province of Ontario, on the 14th day of April,
2025, in accordance with O. Reg. 431/20,
Administering Oath or Declaration Remotely

DocuSigned by:

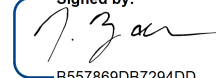


B3F39200A51D40F...

Commissioner for Taking Affidavits
(or as may be)

JOEY JAMIL

Signed by:



B557869DB7294DD

LEONARD ZAIDENER

THIS IS **EXHIBIT "1"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39299A64D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



Ministry of Public and
Business Service Delivery

Profile Report

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) as of February 21, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)
Ontario Corporation Number (OCN)	2816119
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	February 12, 2021
Registered or Head Office Address	Attention/Care of PATRICK LINNEN, 420 Percey Crescent, Carleton Place, Ontario, K7C 0C4, Canada

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

V. Quintanilla W.

Director/Registrar

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

Minimum Number of Directors 1
Maximum Number of Directors 5

Active Director(s)

Name PATRICK LINNEN
Address for Service 420 Percey Crescent, Carleton Place, Ontario, K7C 0C4,
Canada
Resident Canadian Yes
Date Began February 12, 2021

Name DYLAN JAMES SLITER
Address for Service 3023 Drummond Concession 10a Road, Balderson, Ontario,
K0G 1A0, Canada
Resident Canadian Yes
Date Began February 12, 2021

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

V. Quintanilla W.
Director/Registrar

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

Active Officer(s)

Name

PATRICK LINNEN

Position

President

Address for Service

420 Percey Crescent, Carleton Place, Ontario, K7C 0C4,
Canada

Date Began

February 12, 2021

Name

DYLAN JAMES SLITER

Position

Secretary

Address for Service

3023 Drummond Concession 10a Road, Balderson, Ontario,
K0G 1A0, Canada

Date Began

February 12, 2021

Name

DYLAN JAMES SLITER

Position

Treasurer

Address for Service

3023 Drummond Concession 10a Road, Balderson, Ontario,
K0G 1A0, Canada

Date Began

February 12, 2021

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

V. Quintanilla W.

Director/Registrar

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

Corporate Name History

Name

Effective Date

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)
February 12, 2021

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

V. Quintanilla W.

Director/Registrar

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

Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
Annual Return - 2023 PAF: PATRICK LINNEN	June 18, 2024
Annual Return - 2024 PAF: PATRICK LINNEN	May 03, 2024
Annual Return - 2023 PAF: PATRICK LINNEN	May 03, 2024
Annual Return - 2022 PAF: Patrick LINNEN	October 12, 2022
CIA - Initial Return PAF: PATRICK LINNEN - DIRECTOR	March 11, 2021
BCA - Articles of Incorporation	February 12, 2021

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


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

V. Quintanilla W.

Director/Registrar

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

THIS IS **EXHIBIT "2"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3E39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



LAND
REGISTRY
OFFICE #27

05280-0019 (LT)

PAGE 1 OF 2
PREPARED FOR rcheung01
ON 2025/04/04 AT 14:07:03

000043

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

PROPERTY DESCRIPTION: PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

PROPERTY REMARKS:

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
FIRST CONVERSION FROM BOOK

PIN CREATION DATE:
1999/12/13

OWNERS' NAMES
HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
EFFECTIVE 2000/07/29 THE NOTATION OF THE "BLOCK IMPLEMENTATION DATE" OF 1999/12/13 ON THIS PIN						
WAS REPLACED WITH THE "PIN CREATION DATE" OF 1999/12/13						
** PRINTOUT INCLUDES ALL DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED) **						
**SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:						
** SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES *						
** AND ESCHEATS OR FORFEITURE TO THE CROWN.						
** THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF						
** IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY						
** CONVENTION.						
** ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.						
**DATE OF CONVERSION TO LAND TITLES: 1999/12/13 **						
27R244	1974/02/05	PLAN REFERENCE				C
RS77292	1980/02/06	AGREEMENT				C
RS82285	1981/06/25	ORDER				C
REMARKS: VACATING RS81277 & RS81970						
RS148548Z	1993/06/04	REST COV APL ANNEX				C
LC224922	2021/07/02	TRANSFER	\$720,000	2523652 ONTARIO INC.	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	C
REMARKS: PLANNING ACT STATEMENTS.						
LC234490	2022/02/15	NOTICE	\$1	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	THE CORPORATION OF THE TOWN OF SMITHS FALLS	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



LAND
REGISTRY
OFFICE #27

05280-0019 (LT)

PAGE 2 OF 2
PREPARED FOR rcheung01
ON 2025/04/04 AT 14:07:03

000044

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
27R11814	2022/02/24	PLAN REFERENCE				C
		REMARKS: LC234789.				
LC235577	2022/03/17	CHARGE	\$9,210,000	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
LC235578	2022/03/17	NO ASSGN RENT GEN		HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
		REMARKS: LC235577				
LC236601	2022/04/13	TRANSFER EASEMENT	\$1,000	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	HYDRO ONE NETWORKS INC.	C
LC250766	2023/07/21	NOTICE	\$2	FIRST SOURCE FINANCIAL MANAGEMENT INC.	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	C
		REMARKS: LC235577				
LC263056	2024/09/25	NOTICE	\$2	HAMMERS & NAILS DEVELOPMENTS LTD. (MAPLE STREET)	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
		REMARKS: AMENDS LC235577				
LC267125	2025/02/07	CONSTRUCTION LIEN	\$173,684	1136234 ONTARIO LTD.		C
LC267397	2025/02/21	CONSTRUCTION LIEN	\$45,360	TBG MECHANICAL SOLUTIONS LIMITED		C
LC267700	2025/03/05	CONSTRUCTION LIEN	\$37,651	MASTERPIECE HARDWOOD FLOORING		C
LC268042	2025/03/19	CONSTRUCTION LIEN	\$186,466	2384921 ONTARIO LTD.		C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

THIS IS **EXHIBIT "3"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39200A51D40E...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



Ministry of Public and
Business Service Delivery

Profile Report

HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) as of February 21, 2025

Act	Business Corporations Act
Type	Ontario Business Corporation
Name	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)
Ontario Corporation Number (OCN)	2731862
Governing Jurisdiction	Canada - Ontario
Status	Active
Date of Incorporation	December 12, 2019
Registered or Head Office Address	Attention/Care of DYLAN JAMES SLITER, 420 Percey Crescent, Carleton Place, Ontario, K7C 0C4, Canada

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

V. Quintanilla W.

Director/Registrar

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

Minimum Number of Directors 1
Maximum Number of Directors 5

Active Director(s)

Name PATRICK LINNEN
Address for Service 420 Percey Crescent, Carleton Place, Ontario, K7C 0C4,
Canada
Resident Canadian Yes
Date Began December 12, 2019

Name DYLAN JAMES SLITER
Address for Service 3023 Drummond Concession 10a Road, Balderson, Ontario,
K0G 1A0, Canada
Resident Canadian Yes
Date Began December 12, 2019

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

V. Quintanilla W.

Director/Registrar

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

Active Officer(s)

Name

PATRICK LINNEN

Position

Secretary

Address for Service

420 Percey Crescent, Carleton Place, Ontario, K7C 0C4,
Canada

Date Began

December 12, 2019

Name

DYLAN JAMES SLITER

Position

President

Address for Service

3023 Drummond Concession 10a Road, Balderson, Ontario,
K0G 1A0, Canada

Date Began

December 12, 2019

Name

DYLAN JAMES SLITER

Position

Treasurer

Address for Service

3023 Drummond Concession 10a Road, Balderson, Ontario,
K0G 1A0, Canada

Date Began

December 12, 2019

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

V. Quintanilla W.

Director/Registrar

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

Corporate Name History

Name

Effective Date

HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)
December 12, 2019

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

V. Quintanilla W.

Director/Registrar

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

Active Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Expired or Cancelled Business Names

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

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

V. Quintanilla W.

Director/Registrar

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

Document List

Filing Name	Effective Date
Annual Return - 2024 PAF: DYLAN JAMES SLITER	May 03, 2024
Annual Return - 2023 PAF: DYLAN JAMES SLITER	May 03, 2024
Annual Return - 2022 PAF: Dylan James SILTER	October 12, 2022
Annual Return - 2021 PAF: Dylan James SILTER	October 12, 2022
Archive Document Package	April 01, 2022
CIA - Initial Return PAF: DYLAN JAMES SLITER - DIRECTOR	May 14, 2020
BCA - Articles of Incorporation	December 12, 2019

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

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

V. Quintanilla W.

Director/Registrar

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

THIS IS **EXHIBIT "4"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

BSF39200A51D40F....

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



LAND
REGISTRY
OFFICE #27

05269-0273 (LT)

PAGE 1 OF 2
PREPARED FOR rcheung01
ON 2025/04/04 AT 14:02:55

000054

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

PROPERTY DESCRIPTION: PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT LC108052.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
CONSOLIDATION FROM 05269-0125, 05269-0126, 05269-0127

PIN CREATION DATE:
2020/10/23

OWNERS' NAMES
HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)

CAPACITY SHARE
ROWN

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
** PRINTOUT	INCLUDES ALL	DOCUMENT TYPES (DELETED INSTRUMENTS NOT INCLUDED)	**			
**SUBJECT,	ON FIRST REGISTRATION UNDER THE	LAND TITLES ACT, TO:				
**	SUBSECTION 44(1) OF THE	LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES	*			
**	AND ESCHEATS OR FORFEITURE TO THE	CROWN.				
**	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE	LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF				
**	IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY					
**	CONVENTION.					
**	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE	REGISTRY ACT APPLIES.				
**DATE OF CONVERSION TO	LAND TITLES:	1999/12/13	**			
27R5385	1992/10/30	PLAN REFERENCE				C
RS146037	1993/02/12	BYLAW				C
RS146038	1993/02/12	AGREEMENT			TOWN OF SMITHS FALLS	C
	REMARKS: ENCROACHMENT					
LC134303	2013/06/26	CERTIFICATE		THE BANK OF NOVA SCOTIA TRUST COMPANY		C
LC205793	2020/02/05	TRANSFER	\$48,500	2481286 ONTARIO INC.	HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	C
	REMARKS: PLANNING ACT STATEMENTS.					
LC205794	2020/02/05	TRANSFER	\$48,500	2481286 ONTARIO INC.	HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	C
	REMARKS: PLANNING ACT STATEMENTS.					
LC205795	2020/02/05	TRANSFER	\$52,000	LACOSTE, PAUL	HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	C

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.



LAND
REGISTRY
OFFICE #27

05269-0273 (LT)

PAGE 2 OF 2
PREPARED FOR rcheung01
ON 2025/04/04 AT 14:02:55


000055

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

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD	
LC213316	2020/09/25	APL CONSOLIDATE		HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	C	
LC217021	2020/12/21	APL CH NAME OWNER		HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET)		C	
LC220674	2021/03/30	NOTICE		\$2	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	THE CORPORATION OF THE TOWN OF SMITHS FALLS	C
LC220675	2021/03/30	NOTICE		\$2	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	THE CORPORATION OF THE TOWN OF SMITHS FALLS	C
LC234446	2022/02/14	NO SEC INTEREST		\$250,000	EVOLVE SERVICES INC	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.	C
LC257797	2024/04/03	CHARGE		\$4,255,855	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)		C
LC257798	2024/04/03	NO ASSGN RENT GEN			HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)		C
REMARKS: LC257797							
LC257799	2024/04/03	POSTPONEMENT			EVOLVE SERVICES INC		C
REMARKS: LC234446 TO LC257797, LC257798							
27R12285	2024/05/23	PLAN REFERENCE					C
LC263057	2024/09/25	CHARGE		\$13,326,300	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
LC263058	2024/09/25	NO ASSGN RENT GEN			HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: LC263057							
LC263059	2024/09/25	POSTPONEMENT			EVOLVE SERVICES INC	FIRST SOURCE FINANCIAL MANAGEMENT INC.	C
REMARKS: LC234446 TO LC263057 & LC263058							

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED FOR THIS PROPERTY.
NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

THIS IS **EXHIBIT "5"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

**FIRST SOURCE
MORTGAGE CORPORATION**

Dylan Sliter and Patrick Linnen
Hammer & Nails Development Ltd. (Maple Street)

December 8, 2021

c/o

Richard Morgan
Capital Mortgages Inc.
Broker License #M08000208
71 Siltan Road #6
Woodbridge, Ontario
L4L 7Z8

By Email: Richard@capitalmortgages.com

Re: Land and Construction Financing – The subject site is 0.60 acres located downtown core of the Town of Smiths Falls one block from Beckwith Street North, the main street traveling north-south through the downtown core. The subject is located at the southeast corner of Maple Avenue and William Street West. The subject property is to be developed into a 4-storey wood-frame commercial/multi-residential building consisting of ground-floor commercial space, with 33 residential units spanning the three upper storeys with 42,682 square feet gross floor area. Although not yet finalized, the exterior of the building is scheduled to be finished with brick veneer and stucco, with a flat rubber membrane roof. The main floor of the building will have a rectangular footprint, while the three upper storeys are L-shaped. There will be a rooftop patio on the second storey for residential use. Interior finishes have not yet been finalized, but will reportedly be good quality finishes consisting of a mix of luxury vinyl plank and ceramic tile flooring, or equivalent. Each unit is to include in-unit laundry, air conditioning, and separately metered natural gas-fired heating. Units will range in size from 403 square feet for the bachelor units up to 776 square feet for the largest 2-bedroom units. The site is to include 47 exterior parking spaces. The municipal address of the subject property is 7 Maple Avenue, Smiths Falls, Ontario and the PIN is 052800019.

(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, Hammer & Nails Development Ltd. (Maple Street). (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:

Atria II, Suite 1202 – 2235 Sheppard Avenue East, North York, Ontario M2J 5B5 • Tel: 416-221-2238 • Fax: 647-799-0338
Principal Broker (License # 10434) • Mortgage Administrator (License # 12594)

www.firstsourcemortgage.ca

MORTGAGE DETAILS

ARTICLE 1.00

- 1.01 Loan Amount:** The lesser of: (i) \$7,200,000 or (ii) 68.58% of the Satisfactory Appraised "As-Complete" Value for the subject property and proposed development, which is to be not less than \$10,500,000. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender. (the "Loan" or "Loan Facility").
- 1.02 Advances:** The Funds are to be advanced against a work in place on a cost to complete basis against monthly draw requests with the exception of the interest reserve subject to satisfaction of the Conditions Precedent and supported by a recent Quantity Surveyor Report. Each advance shall not be more than every 30 days and in amounts of not less than \$500,000, all subject to required holdbacks, based on a "cost to date / cost to complete basis" from a budget prepared by the Borrower and approved by the Lender and its Quantity Surveyor (the "QS"). All advances shall be subject to required holdbacks pursuant to the Construction Lien Act (Ontario) or any other applicable legislation. Sub search costs plus disbursements, shall be applicable in addition and a \$500 administration charge will be deducted from each advance. No equity take-outs are permitted.
- 1.03 Interest Rate:** The higher of (i) 8.75% or (ii) CIBC Prime + 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 18 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 18 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 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.

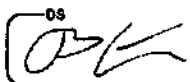
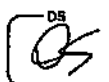
- 1.04 Term:** 18 months plus 7 days from the Interest Adjustment Date PROVIDED, that, notwithstanding anything herein before provided, upon the Maturity Date of the Charge, the Chargee shall be entitled to enter into an agreement with the Chargor to extend the Maturity Date, increase the interest rate or amend any of the other terms of this Charge without the requirement to obtain the postponement of any



DocuSign Envelope ID: 56EEF32D-988F-4707-8308-A2122EBE4EE4

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.

- 1.05 Amortization:** Nil.
- 1.06 Guarantor:** 100% Guarantee from Dylan Sliter, Pat Linnen 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.
- 1.07 Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from the interest reserve.
- 1.08 Interest Adjustment Date:** The 1st day of the month following the first advance.
- 1.09 Closing Date:** The initial advance shall be not later than January 10th, 2022. The initial advance is to be inclusive of all broker and lender fees and interest reserve for the full term of the loan. 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.
- 1.10 Prepayment Privileges:** Closed for 9 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.
- 1.11 Purpose:** To provide a construction loan to develop a 4-storey wood frame commercial/multi-residential building with ground floor commercial space and 33 residential units spanning the upper 3-storeys, provide a full term of interest reserve, and funding for closing and arranging costs.
- 1.12 Security:**
- 1) Promissory Note from the Borrower.
 - 2) First Charge in favour of First Source Financial Management Inc. that is registered at 1.20x the total loan amount on the property
 - 3) First General Security Agreement ("GSA") against all personal property of the Borrower.
 - 4) First Assignment of insurance for the Property
 - 5) First Assignment of all permits, plans, approvals, construction contracts, development information, and other contracts held or in possession of the Borrower as reasonably required by the Lender for the continuing operation and/or development of the Property with full copies to be provided prior to funding.
 - 6) Guarantees as aforesaid together with General Security Agreement



DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

- 7) Subordination and Postponement of Claim from shareholders of the Borrower.
- 8) Fraud, Misrepresentation, and Environmental Indemnity Agreement.
- 9) Cost Overrun and Development and Construction Completion Guarantee from the Borrower and Guarantors
- 10) First Assignment of all rents, leases, existing, expected or received throughout the term of the Loan for the Property, if applicable
- 11) First assignment of material contracts for the Property including, without limitation, the property management contract(s), if applicable.
- 12) First Mortgage Instrument to include a covenant of no subsequent financing without the written consent of the Lender, which may be unreasonably withheld, save and except for a 2nd Mortgage in the amount of \$380,000 subject of a full subordination and unlimited standstill agreement to the satisfaction of the Lender and the Lender's counsel.
- 13) 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.
- 14) Such other reasonable legal security as requested by the Lender and/or its legal counsel.

LENDER FEES

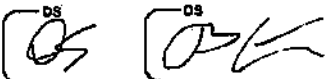
ARTICLE 2.00

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 2.25% of the Loan Amount;

- a) \$20,000 by cheque upon acceptance of this Commitment (the "Second Deposit"). Note this payment is in addition to the initial \$10,000 (the "First Deposit") which was received upon sign back of the Non-Binding Letter of Interest. The entire First and Second Deposit shall be applied in satisfaction of the Lender Fee or all of the First and Second 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



DocuSign Envelope ID: 56EEF32D-988F-4707-8308-A2122EBE4EE4

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 "Brokerage Fee") shall be payable to Capital Mortgages Inc. of 1.00% of the Loan amount which shall be deducted from the closing proceeds and paid upon closing. Any additional brokerage fees or costs payable to any other entity shall be the account of the Borrower.

SOURCE AND USE OF FUNDS

Source of Funds		Construction Budget	
FSMC Loan	\$ 7,200,000	Land Value	\$ 825,000
Land Equity	\$ 125,000	Est. Construction Costs ³	\$ 6,455,804
Costs Paid to Date ¹	\$ 456,956	Est. Interest Reserve (80% Utilization)	\$ 756,000
Est. Required Cash Equity ²	\$ 108,848	Broker and Lender Fees	\$ 234,000
VTB Subordination	\$ 380,000		
Total	\$8,270,804	Total	\$8,270,804

¹The Lender's quantity surveyor is to confirm paid costs to date.

²The Borrower will be required to make a cash equity infusion into the project (estimated to be \$108,848) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of said final reviewed construction budget.


³The total construction budget is estimated to be \$6,455,804 (excluding land value and closing and arranging costs). The Lender will require the final construction budget (including deferred costs, costs to date and cost to complete), to be reviewed by a Lender approved Quantity Surveyor. As such, the Lender reserves the right to adjust the source and use of funds upon receipt of said final reviewed construction budget.

CONDITIONS OF THIS COMMITMENT

ARTICLE 3.00

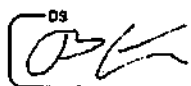
3.01 Lender Conditions: This Commitment is conditional for the benefit of the Lender upon the Borrower providing First Source with satisfactory evidence of the following prior to the advance:

- 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-Is" Value for the subject property to be not less than \$825,000. The Lender shall also require 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 for the development to be not less than \$10,500,000. The Appraisal is for the account of the Borrower.



DocuSign Envelope ID: 66EEF32D-986F-4707-8306-A2122EBE4EE4

- 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. In the Lender's sole and absolute discretion, the Lender may waive this condition provided satisfactory evidence is provided the subject property's environmental condition is suitable and approved for the proposed residential development.
- 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.
- 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) **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.
- i) **Property Survey Review:** Receipt and satisfactory review by the Lender and its legal counsel of a property survey prepared by an accredited provincial surveyor. At the lenders sole discretion title insurance may be put in place with an insurer deemed satisfactory to the Lender at Borrowers cost.
- j) **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.
- k) **Geotechnical Report:** Receipt and satisfactory review of a geotechnical soil report(s) and reliance letter(s) addressed to the Lender.
- l) **Equity Injection:** The Borrower will be required to make a cash equity infusion into the project (estimated to be \$108,848) to support the source and use of funds to complete the proposed development. Any



DocuSign Envelope ID: 56EEF32D-986F-4707-83D6-A2122EBE4EE4

shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of final Quantity Surveyor reviewed construction budget.

- m) **Project Drawings:** Receipt and satisfactory review of engineering drawings and architectural drawings
- n) **Quantity Surveyor:** Quantity Surveyor utilized is to be satisfactory to the Lender at its sole and absolute discretion.
- o) **Construction Budget:** Satisfactory development and construction budget to be approved by the lender and its Quantity Surveyor 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. The cost consultant will also confirm paid costs to date and cash equity into the project.
- p) **Cash Flow Review:** The Quantity Surveyor will be required to review the timing of all costs and ensure that between the loan proceeds, and any other sources of funding, there will be no shortfall in any given month to cover costs to complete.
- q) **Minimum Fixed Price Contracts:** A minimum of 62.50% 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 / Quantity Surveyor.
- r) **Contracts Review:** Receipt and satisfactory review by the Lender and Quantity Surveyor of the general contract or the construction management agreement and any other agreements or contracts pertaining to the construction and sale of the Project. Additionally, the General Contractor used to be at the sole and absolute satisfaction of the Lender, acting reasonably.
- s) **Third Party Contracts and Reciprocal Agreements:** Receipt and review of all third-party contracts and reciprocal agreements with adjacent land owners, if applicable.
- t) **Project Completion Schedule:** Satisfactory review and approval of the project completion schedule by the Lender and its Project Monitor / Quantity Surveyor, acting reasonably.
- u) **Building Permit:** Receipt and satisfactory review of building permit for the development including evidence of same satisfactory to the Lender, acting reasonably, that any additional required building permits for the development will be issued in time to meet the Project schedule.
- v) **Liens:** The Property is to be free and clear of any liens.
- w) **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.
- x) **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.



- y) **Other Documents:** Any other documentation realized or required during the due diligence process of underwriting the loan.

Re: Progress Draws:

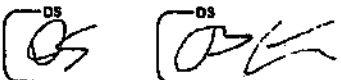
- a) **Liens:** The Property is to be free and clear of any liens;
- b) **No-Default Confirmation:** Confirmation that the Loan has never been in default.
- c) **Title Search:** The Lender's legal counsel confirming clear title prior to each advance.
- d) **Progress Advance:** A progress advance from the Project Monitor / Quantity Surveyor which details costs in place, costs to complete, and required holdbacks with reference to the Lender-approved Project Budget, accompanied by the required Project Monitor certificates, statutory declarations, etc.
- e) **Cash Flow Review:** For each progress draw, the Project Monitor / Quantity Surveyor will review the entire budget as well as the month-to-month cash flow requirements of the project to ensure that between all the source of funds as identified in the Loan Amount, there are sufficient sources that all costs can be covered in any given month. For greater clarity, the Project Monitor / Quantity Surveyor will be required to review the timing of all costs and ensure that between the loan proceeds, and all other sources of funding, there will be no shortfall to cover costs to complete.

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.
- 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

Two DocuSign signatures are shown at the bottom left of the page. Each signature is enclosed in a rectangular box with a small 'DS' logo in the top left corner. The first signature is a stylized 'G' or 'S' shape, and the second is a more complex, cursive signature.

DocuSign Envelope ID: 56EEF32D-986F-4707-8308-A2122EBE4EE4

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.

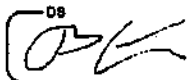
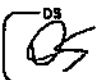
Each policy of insurance shall show loss payable to the mortgagees as their interest may appear. All insurance policies shall be in form and scope satisfactory to First Source and its solicitors and the premiums on it shall be paid for a period of not less than six months. A third party consultant shall 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.

- 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.



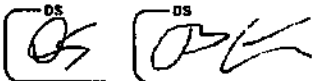
DocuSign Envelope ID: 56EEF32D-988F-4707-8306-A2122EBE4EE4

- 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 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 to 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



DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

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

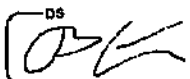
ARTICLE 5.00

- 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 than 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;
- (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.



DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

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**

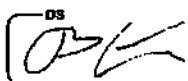
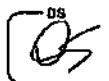
By email: david@firstsourcemortgage.ca

In the case of the Borrower and the Guarantor to
Hammer & Nails Development Ltd. (Maple Street)

420 Percy Street
Carleton Place, Ontario
K7C 0C4

3023 Drummond Concession 10A Road,
Balderson, Ontario
K0G 1A0

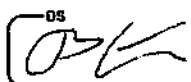
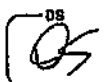
Attention: **Dylan Sliter and Patrick Linnen**



DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

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.

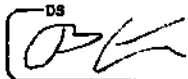
- 6.06 General Provisions and Independent Legal Advice:** The Mortgage Advance is to be payable to the registered owner of the Property or the encumbrancers who are to be paid out from the Advance. Independent Legal Advice shall be required for any party guaranteeing the Mortgage, consenting to the Mortgage 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 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.



DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

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.



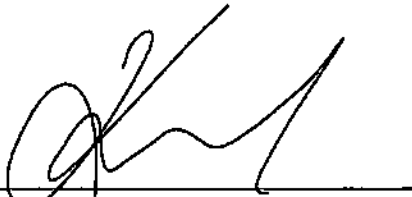
DocuSign Envelope ID: 56EEF32D-986F-4707-8308-A2122EBE4EE4

This Commitment is open for acceptance by the Borrower and the Guarantor until 5:00 PM on December 10th, 2021 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 Ottawa, Ontario this 9 day of Dec. 2021

DocuSigned by:



Borrower: Hammer & Sons Development Ltd.

DocuSigned by:



Guarantor: Patrick Linnen

DocuSigned by:



Per:

DocuSigned by:



Guarantor: Dylan Sliter

Richard Morgan

Witness Name:

Address: 114 Bankside St
Carleton Place

Tel: 613-627-1040

SCHEDULE "A"

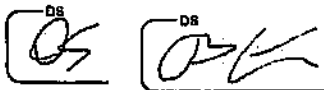
1. **Post-dated Cheques:** The Borrower shall provide to the Lender post-dated cheques for each year of the term of the Mortgage. Each cheque is to be in the amount of the monthly instalment payable under the Mortgage. The Lender shall have the right to direct the Borrower to deliver one or more separate 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 \$500.00 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 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 its 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.

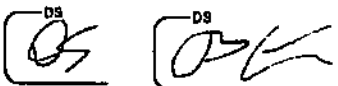
5. **Notice:** The mortgage will be registered and administered on behalf of the Lender by First Source Financial Management Inc., a related company and licensed mortgage administrator.
6. **Tax Deposits:** The Lender reserves the right to require the Borrower to pay monthly tax deposits to the Lender 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 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 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

Two DocuSign signatures are shown at the bottom left of the page. Each signature is enclosed in a rectangular box with the letters 'DS' in the top left corner. The first signature is a stylized 'CS' and the second is a stylized 'P' followed by a horizontal line.

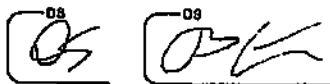
arise or to be claimed upon the charged lands and the amount so paid together with all costs associated therewith shall be a charge on the Property and/or Collateral Property and shall bear interest at Eighteen (18%) percent per annum, calculated and compounded monthly and shall be payable forthwith 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 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.



Engagement Letter with Borrower

December 8, 2021

Hammer & Nails Development Ltd. (Maple Street)

420 Percy Street
Carleton Place, Ontario
K7C 0C43023 Drummond Concession 10A Road,
Balderson, Ontario
K0G 1A0

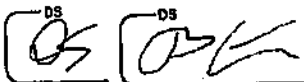
Attention: Dylan Sliter and Patrick Linnen

Re: Engagement of First Source for First Mortgage Land and Construction Loan

First Source Mortgage Corporation ("First Source", "we" or "us") understand that **Hammer & Nails Development Ltd. (Maple Street)** (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	7 Maple Avenue, Smiths Falls, Ontario PIN 052800019
Principal Amount	\$7,200,000
Term / Maturity	18 months plus 7 days from the Interest Adjustment Date
Priority	1 st Ranking Mortgage
Interest Rate	The higher of (i) 8.75% or (ii) CIBC Prime + 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 18 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 18 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.
--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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 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;

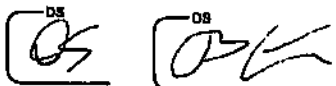
- (c) representing you in negotiations with prospective investors;
 - (d) the preparation of appropriate Offering Documents, subscription agreements and any other documentation necessary to facilitate the Offering, provided that prior to being made final, all such material will be made available for 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 constituting 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:

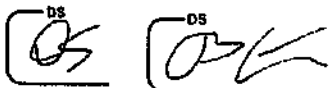


DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

- (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 constituting 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:
 - (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;



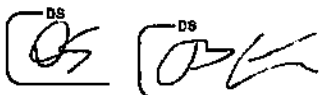
- (f) to the knowledge of the Borrower, there is no action or proceeding pending against or affecting the Borrower, at law or in equity or before or by any court or federal, provincial, municipal or other government department, board or agency, domestic or foreign, including without limitation to any 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.

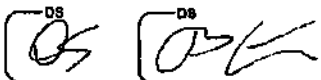
- (a) The Borrower will furnish to First Source such information as First Source reasonably requests in connection with the performance of its services hereunder. Without limiting the foregoing, the Borrower must provide all of the documentation and consent to all of the due diligence and underwriting 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 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 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.

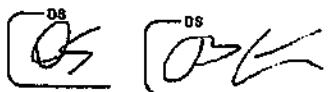


13. Indemnification in Favour of the Agent.

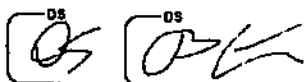
- (a) The Borrower agrees to indemnify and hold harmless the Agent and Westboro and each of their respective directors, officers and employees (each, an "Agent Indemnified Party") for any and all losses, claims, damages, costs and expenses, including reasonable legal fees and disbursements, that an Agent 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
 - (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 therewith as set out in this Agreement (unless the mortgage loan is renewed or extended as provided in Section 14(a)).
- (c) 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 and 16 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 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 if served personally upon the party



DocuSign Envelope ID: 56EEF32D-986F-4707-8306-A2122EBE4EE4

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

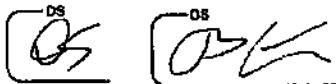
(b) Hammer & Nails Development Ltd. (Maple Street)

420 Percy Street
Carleton Place, Ontario
K7C 0C4

3023 Drummond Concession 10A Road,
Balderson, Ontario
K0G 1A0

Attention: Dylan Sliter and Patrick Jinnen

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.



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, President

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by Hammer & Nails Development Ltd. (Maple Street)

Dated this 12/9/2021

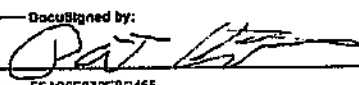
Hammer & Nails Development Ltd. (Maple Street)

By :

DocuSigned by:

85DF60228CE74CA..
Dylan Sliter

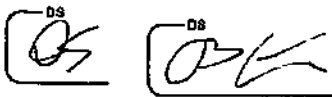
By :

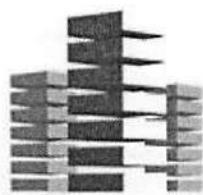
DocuSigned by:

FE1C6F872F0C455..
Patrick Linnen

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, SFDR profile number if applicable, whether Borrower is a reporting issuer, Borrower's CUSIP number if applicable
4. Borrower's constituting 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.





FIRST SOURCE
MORTGAGE CORPORATION

FIRST AMENDMENT TO COMMITMENT LETTER

Dylan Sliter and Patrick Linnen
Hammer & Nails Development Ltd. (Maple Street)

March 10, 2022

c/o

Richard Morgan
Capital Mortgages Inc.
Broker License #M08000208
71 Siltan Road #6
Woodbridge, Ontario
L4L 7Z8

By Email: Richard@capitalmortgages.com

Re: Land and Construction Financing – The subject site is 0.60 acres located downtown core of the Town of Smiths Falls one block from Beckwith Street North, the main street traveling north-south through the downtown core. The subject is located at the southeast corner of Maple Avenue and William Street West. The subject property is to be developed into a 4-storey wood-frame commercial/multi-residential building consisting of ground-floor commercial space, with 33 residential units spanning the three upper storeys with 42,682 square feet gross floor area. Although not yet finalized, the exterior of the building is scheduled to be finished with brick veneer and stucco, with a flat rubber membrane roof. The main floor of the building will have a rectangular footprint, while the three upper storeys are L-shaped. There will be a rooftop patio on the second storey for residential use. Interior finishes have not yet been finalized, but will reportedly be good quality finishes consisting of a mix of luxury vinyl plank and ceramic tile flooring, or equivalent. Each unit is to include in-unit laundry, air conditioning, and separately metered natural gas-fired heating. Units will range in size from 403 square feet for the bachelor units up to 776 square feet for the largest 2-bedroom units. The site is to include 47 exterior parking spaces. The municipal address of the subject property is **7 Maple Avenue, Smiths Falls, Ontario** and the **PIN is 052800019**.

(Collectively the “Property”).

This amendment refers to our Commitment letter dated **December 8th, 2021** (the “Commitment Letter”) and confirms that the following changes have been made to the Commitment Letter.

DELETE**ARTICLE 1.00**

- 1.01 Loan Amount:** The lesser of: (i) **\$7,200,000** or (ii) 68.58% of the Satisfactory Appraised "As-Complete" Value for the subject property and proposed development, which is to be not less than **\$10,500,000**. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender. (the "Loan" or "Loan Facility").

SOURCE AND USE OF FUNDS

Source of Funds		Construction Budget	
FSMC Loan	\$ 7,200,000	Land Value	\$ 825,000
Land Equity	\$ 125,000	Est. Construction Costs ³	\$ 6,455,804
Costs Paid to Date ¹	\$ 456,956	Est. Interest Reserve (80% Utilization)	\$ 756,000
Est. Required Cash Equity ²	\$ 108,848	Broker and Lender Fees	\$ 234,000
VTB Subordination	\$ 380,000		
Total	\$8,270,804	Total	\$8,270,804

¹The Lender's quantity surveyor is to confirm paid costs to date.

²The Borrower will be required to make a cash equity infusion into the project (estimated to be \$108,848) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of said final reviewed construction budget.

³The total construction budget is estimated to be \$6,455,804 (excluding land value and closing and arranging costs). The Lender will require the final construction budget (including deferred costs, costs to date and cost to complete), to be reviewed by a Lender approved Quantity Surveyor. As such, the Lender reserves the right to adjust the source and use of funds upon receipt of said final reviewed construction budget.

ARTICLE 3.00

- 1) **Equity Injection:** The Borrower will be required to make a cash equity infusion into the project (estimated to be \$108,848) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of final Quantity Surveyor reviewed construction budget.

INSERT**ARTICLE 1.00**

- 1.01 Loan Amount:** The lesser of: (i) **\$7,675,000** or (ii) 73.10% of the Satisfactory Appraised "As-Complete" Value for the subject property and proposed development, which is to be not less than **\$10,500,000**. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender. (the "Loan" or "Loan Facility").

SOURCE AND USE OF FUNDS

Source of Funds		Construction Budget	
FSMC Loan	\$ 7,675,000	Land Value	\$ 825,000
Borrower Land Equity	\$ 125,000	Construction Costs (Excl. Interest & Financing Fees)	\$ 6,735,367
Borrower Cash Equity	\$ 765,804	Est. Interest Costs	\$ 756,000
		Broker and Lender Fees	\$ 249,438
Total	\$ 8,565,804	Total	\$ 8,565,804

The Lender's quantity surveyor is to confirm paid costs to date.

The Borrower will be required to make a cash equity infusion into the project (estimated to be \$756,804) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of said final reviewed construction budget.

The total construction budget is estimated to be \$6,735,367 (excluding land value and closing and arranging costs). The Lender will require the final construction budget (including deferred costs, costs to date and cost to complete), to be reviewed by a Lender approved Quantity Surveyor. As such, the Lender reserves the right to adjust the source and use of funds upon receipt of said final reviewed construction budget.

ARTICLE 3.00

- 1) **Equity Injection:** The Borrower will be required to have total cash equity into the project of \$756,804 to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of final Quantity Surveyor reviewed construction budget.

This First Amendment to the Commitment Letter is open for acceptance by the Borrower and the Guarantor until 5:00 PM on **March 14th, 2022** by which time and date a copy of this First Amendment to the Commitment Letter duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder. If this First Amendment to the Commitment Letter 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 _____, Ontario this ____ day of _____ 2022

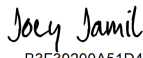
Borrower: Hammer & Nails Development Ltd.

Guarantor: Patrick Linnen

Per:

Guarantor: Dylan Sliter

THIS IS **EXHIBIT "6"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



FIRST SOURCE MORTGAGE CORPORATION

FIRST AMENDMENT TO COMMITMENT LETTER

Dylan Sliter and Patrick Linnen
Hammer & Nails Development Ltd. (Maple Street)

March 10, 2022

c/o

Richard Morgan
Capital Mortgages Inc.
Broker License #M08000208
71 Siltou Road #6
Woodbridge, Ontario
L4L 7Z8

By Email: Richard@capitalmortgages.com

Re: Land and Construction Financing – The subject site is 0.60 acres located downtown core of the Town of Smiths Falls one block from Beckwith Street North, the main street traveling north-south through the downtown core. The subject is located at the southeast corner of Maple Avenue and William Street West. The subject property is to be developed into a 4-storey wood-frame commercial/multi-residential building consisting of ground-floor commercial space, with 33 residential units spanning the three upper storeys with 41,066 square feet gross floor area. Although not yet finalized, the exterior of the building is scheduled to be finished with brick veneer and stucco, with a flat rubber membrane roof. The main floor of the building will have a rectangular footprint, while the three upper storeys are L-shaped. There will be a rooftop patio on the second storey for residential use. Interior finishes have not yet been finalized, but will reportedly be good quality finishes consisting of a mix of luxury vinyl plank and ceramic tile flooring, or equivalent. Each unit is to include in-unit laundry, air conditioning, and separately metered natural gas-fired heating. Units will range in size from 403 square feet for the bachelor units up to 776 square feet for the largest 2-bedroom units. The site is to include 47 exterior parking spaces. The municipal address of the subject property is 7 Maple Avenue, Smiths Falls, Ontario and the PIN is 052800019.

(Collectively the “Property”).

This amendment refers to our Commitment letter dated **December 8th, 2021** (the “Commitment Letter”) and confirms that the following changes have been made to the Commitment Letter.

DELETE

ARTICLE 1.00

1.01 Loan Amount: The lesser of: (i) **\$7,200,000** or (ii) 68.58% of the Satisfactory Appraised "As-Complete" Value for the subject property and proposed development, which is to be not less than **\$10,500,000**. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender. (the "Loan" or "Loan Facility").

1.02 Security:

12) First Mortgage Instrument to include a covenant of no subsequent financing without the written consent of the Lender, which may be unreasonably withheld, save and expect for a 2nd Mortgage in the amount of \$380,000 subject of a full subordination and unlimited standstill agreement to the satisfaction of the Lender and the Lender's counsel.

SOURCE AND USE OF FUNDS

Source of Funds		Construction Budget	
FSMC Loan	\$ 7,200,000	Land Value	\$ 825,000
Land Equity	\$ 125,000	Est. Construction Costs ³	\$ 6,455,804
Costs Paid to Date ¹	\$ 456,956	Est. Interest Reserve (80% Utilization)	\$ 756,000
Est. Required Cash Equity ²	\$ 108,848	Broker and Lender Fees	\$ 234,000
VTB Subordination	\$ 380,000		
Total	\$8,270,804	Total	\$8,270,804

¹The Lender's quantity surveyor is to confirm paid costs to date.

²The Borrower will be required to make a cash equity infusion into the project (estimated to be \$108,848) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of said final reviewed construction budget.

³The total construction budget is estimated to be \$6,455,804 (excluding land value and closing and arranging costs). The Lender will require the final construction budget (including deferred costs, costs to date and cost to complete), to be reviewed by a Lender approved Quantity Surveyor. As such, the Lender reserves the right to adjust the source and use of funds upon receipt of said final reviewed construction budget.

ARTICLE 3.00

1) **Equity Injection:** The Borrower will be required to make a cash equity infusion into the project (estimated to be \$108,848) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of final Quantity Surveyor reviewed construction budget.



INSERT

ARTICLE 1.00

1.01 Loan Amount: The lesser of: (i) **\$7,675,000** or (ii) 73.10% of the Satisfactory Appraised "As-Complete" Value for the subject property and proposed development, which is to be not less than **\$10,500,000**. An appraisal is to be prepared by a Bona Fide appraiser approved by the Lender. (the "Loan" or "Loan Facility").

1.02 Security:

12) First Mortgage Instrument to include a covenant of no subsequent financing without the written consent of the Lender, which may be unreasonably withheld.

SOURCE AND USE OF FUNDS

Source of Funds		Construction Budget	
FSMC Loan	\$ 7,675,000	Land Value	\$ 825,000
Borrower Land Equity	\$ 125,000	Construction Costs (Excl. Interest & Financing Fees)	\$ 6,735,367
Borrower Cash Equity	\$ 765,804	Est. Interest Costs	\$ 756,000
		Broker and Lender Fees	\$ 249,438
Total	\$ 8,565,804	Total	\$ 8,565,804


The Lender's quantity surveyor is to confirm paid costs to date.

The Borrower will be required to make a cash equity infusion into the project (estimated to be \$765,804) to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of said final reviewed construction budget.

The total construction budget is estimated to be \$6,735,367 (excluding land value and closing and arranging costs). The Lender will require the final construction budget (including deferred costs, costs to date and cost to complete), to be reviewed by a Lender approved Quantity Surveyor. As such, the Lender reserves the right to adjust the source and use of funds upon receipt of said final reviewed construction budget.

ARTICLE 3.00

l) **Equity Injection:** The Borrower will be required to have total cash equity into the project of \$765,804 to support the source and use of funds to complete the proposed development. Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of final Quantity Surveyor reviewed construction budget.

The image shows two DocuSign signatures, each enclosed in a rectangular box. The signature on the left is a stylized 'DS' with a checkmark-like flourish. The signature on the right is a more complex, cursive-style signature.

This First Amendment to the Commitment Letter is open for acceptance by the Borrower and the Guarantor until 5:00 PM on **March 14th, 2022** by which time and date a copy of this First Amendment to the Commitment Letter duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder. If this First Amendment to the Commitment Letter 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

DocuSigned by:
David Mandel
ED3AE327FED04CB

David Mandel – President

I am authorized to bind the corporation,

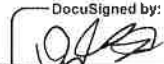
Principal Broker (License # 10434)

Mortgage Administrator (License # 12594)

www.firstsourcemortgage.ca

david@firstsourcemortgage.ca

Accepted at Almonte, Ontario this 11 day of March 2022

DocuSigned by:

Borrower: Hammer & Nails Development Ltd. (Maple Street)

DocuSigned by:

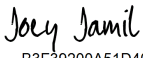
Guarantor: Patrick Linnen

Per:

DocuSigned by:

Guarantor: Dylan Sliter

THIS IS **EXHIBIT "7"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



INCREASE AND EXTENSION AGREEMENT

Dylan Sliter and Patrick Linnen
Hammer & Nails Development Ltd. (Maple Street)

June 26, 2023

Re: First Mortgage Construction Financing –

This increase and extension agreement refers to the **Commitment letter** dated **December 8th, 2021** and **First Amendment to Commitment Letter** dated **March 10th, 2022** (collectively the “**Commitment Letter**”).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) ~~\$8,900,000~~ ^{9,355,000} or (ii) 74.92% of the Appraised Value of the Security (inclusive of all debt). Appraisals are 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 July 8th, 2024
3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

Commencing July 1st, 2023, The higher of (i) 8.75% or (ii) CIBC Prime + 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after July 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 July 8th, 2024, 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 and/or Deferred to Discharge at the Lender’s sole and absolute discretion.

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 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 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 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 property located at 7 Maple Avenue, Smiths Falls, Ontario in favour of First Source Financial Management Inc. registered at 1.20x the total loan amount.
 - b. Second charge on the property located at 161 Beckwith Street North, Smiths Falls, Ontario in favour of First Source Financial Management Inc. registered at 1.20x the total loan amount. The first charge on 161 Beckwith Street North, Smiths Falls, Ontario is not to exceed \$2,700,000.
 - c. Second Assignment of all rents, leases, existing, expected or received throughout the term of the Loan for the property located at 161 Beckwith Street North, Smiths Falls, Ontario, if applicable
 - d. Second Assignment of material contracts for the property located at 161 Beckwith Street North, Smiths Falls, Ontario including, without limitation, the property management contract(s), if applicable
 - e. 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 for 7 Maple Avenue, Smiths Falls, Ontario: 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 **\$11,490,000** for the subject Property. The Appraisal is for the account of the Borrower and is to be provided to the Lender by no later than July 31st, 2023.

- b. Appraisal for 161 Beckwith Street North, Smiths Falls, Ontario: 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-Is" value to be not less than **\$4,600,000** for the subject Property. The Appraisal is for the account of the Borrower and is to be provided to the Lender by no later than July 31st, 2023.
 - c. Receipt and satisfactory review of all Leases, Letter of Intent, Operating Statements and Certified Rent Roll along with proof of expenses (utilities, property taxes, insurance, etc..) as related to the 161 Beckwith Street North, Smiths Falls, Ontario property for the term of the Loan
 - d. 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 Increase and Extension, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of ~~1.45%~~ **1.39%** of the Principal Amount ~~(\$129,050)~~ **(130,000)** 
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 dated December 8th, 2021 and First Amendment to Commitment Letter dated March 10th, 2022
 - c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment letter dated December 8th, 2021 and First Amendment to Commitment Letter dated March 10th, 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 ⁰⁰⁰¹⁰⁰ 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 Increase and Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on July 7th, 2023** by which time and date a copy of this Agreement duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Increase and Extension Agreement 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

DocuSigned by:
David Mandel
ED38E3277FD44CB...

David Mandel – CEO


I am authorized to bind the corporation.

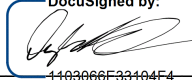
Principal Broker (License # 10434)

Mortgage Administrator (License # 12594)

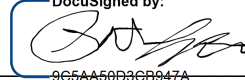
www.firstsourcemortgage.ca

david@firstsourcemortgage.ca

Accepted at Smithsfalls, Ontario this 27 day of June, 2021 

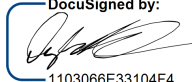
DocuSigned by:

1103066E33104F4...

Borrower: Hammer & Nails Development Ltd. (Maple Street)

DocuSigned by:

9C5AA50B3CB947A...

Guarantor: Patrick Linnen

Per: Dylan Sliter

DocuSigned by:

1103066E33104F4...

Guarantor: Dylan Sliter

DocuSigned by:
Abigail Wilkes
90B3D19893AC45D...

Witness Name:

Address:

Tel:

Engagement Letter with Borrower

June 26, 2023

Dylan Sliter and Patrick Linnen

Hammer & Nails Development Ltd. (Maple Street)

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation (“First Source”, “we” or “us”) understand that **Hammer & Nails Development Ltd. (Maple Street)** (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	7 Maple Avenue, Smiths Falls, Ontario 161 Beckwith Street North, Smiths Falls, Ontario
Principal Amount	\$8,900,000 \$9,355,000
Term / Maturity	18 months plus 7 days from the Interest Adjustment Date
Priority	1 st Ranking Mortgage
Interest Rate	Commencing July 1 st , 2023, The higher of (i) 8.75% or (ii) CIBC Prime + 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 12 months after July 1 st , 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 July 8 th , 2024, 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.

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 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 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:
 - (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 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 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
 - (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 therewith 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 and 16 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 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) Hammer & Nails Development Ltd. (Maple Street)

420 Percy Street
 Carleton Place, Ontario

K7C 0C4

3023 Drummond Concession 10A Road,
Balderson, Ontario
K0G 1A0

Attention: Dylan Sliter and Patrick Linnen

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.

If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per :  ED38E3277FD44CB...

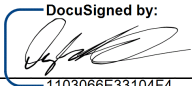
David Mandel, CEO

Acknowledgement and Acceptance

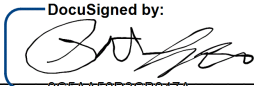
To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by ~~Block 80 Holdings Inc.~~ 

Hammer & Nails Development Ltd. (Maple Street)

By :  1103066E33104F4...

Dylan Sliter

By :  9C5AA50D3CB947A...

Patrick Linnen

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):

20. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
21. 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.
22. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
23. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
24. Borrower's organizational chart.
25. Borrower's ownership chart.
26. Information about Borrower's registration or licensing for other financial products.
27. Information about any past bankruptcy and confirmation that no receiver has been appointed.
28. Borrower's financial year-end and name of auditor if applicable
29. Borrower's most recent financial statements; assets as at date of most recent financial statements.
30. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
31. Information about ongoing investigations into Borrower.
32. Information about civil proceedings or civil judgements.
33. Information about criminal convictions against the Borrower or its principals.

THIS IS **EXHIBIT "8"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3E39200A51D40E...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



INCREASE AGREEMENT

Dylan Sliter and Patrick Linnen
Hammer & Nails Development Ltd. (Maple Street)

December 23, 2023

Re: First Mortgage Construction Financing –

This increase refers to the **Commitment letter** dated **December 8th, 2021**, **First Amendment to Commitment Letter** dated **March 10th, 2022** and **Increase and Extension Agreement** dated **June 26, 2023** (collectively the “**Commitment Letter**”).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **\$9,805,000** or (ii) 74.70% of the Appraised Value of the Security (inclusive of all debt). Appraisals are to be prepared by a Bona Fide appraiser approved by the Lender (the “Loan” or “Loan Facility”). The Lender acknowledges it is in receipt of satisfactory appraisals and Reliance Letters addressed to the Lender.
2. **Maturity Date:** The balance due date and maturity date of the charge is July 8th, 2024
3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

Commencing January 1st, 2024, the higher of (i) 8.75% or (ii) CIBC Prime + 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 6 months after January 1st, 2024.

For the final 7 days of the term, the applicable interest rate shall be the greater of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated daily on the principal outstanding. There shall be no deemed re-investment of payments made. On and After July 8th, 2024, 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 + 15.30% 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 July 8th, 2024 and thereafter at the greater of (i) 18.00% or (ii) CIBC Prime + 15.30% 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% 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 and/or Deferred to Discharge at the Lender's sole and absolute discretion.

4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from loan advance funds and/or payable from the Borrower/Guarantor's own resources.
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 Increase Agreement shall be considered null and void:
 - a. Receipt of CMHC Certificates of Insurance for the 161 Beckwith Street North, Smiths Falls Ontario property and the 7 Maple Avenue, Smiths Falls Ontario property which are satisfactory to the Lender in its sole and absolute discretion.
 - 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 Increase, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of \$6,500.
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 dated December 8th, 2021, First Amendment to Commitment Letter dated March 10th, 2022 and Increase and Extension Agreement dated June 26, 2023
 - c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment letter dated December 8th, 2021, First Amendment to Commitment Letter dated March 10th, 2022 and Increase and Extension Agreement dated June 26, 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.

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 Increase and Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on January 1st, 2024** by which time and date a copy of this Agreement duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Increase Agreement 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

DocuSigned by:

 ED38E3277FD44CB...

David Mandel – CEO

I am authorized to bind the corporation.

Principal Broker (License # 10434)

Mortgage Administrator (License # 12594)

www.firstsourcemortgage.ca

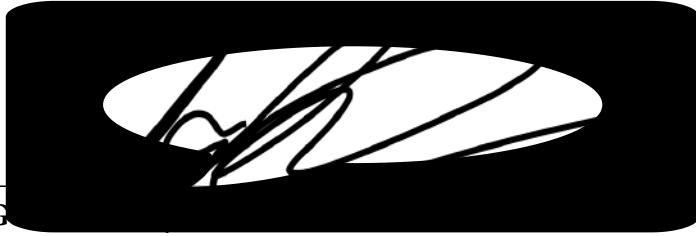
david@firstsourcemortgage.ca

Accepted at _____, Ontario this ____ day of _____ 2023



Borrower: Hammer & Nails Development Ltd. (Maple Street) **Guarantor:** Patrick Linnen

Per:



Witness Name:

Address:

Tel:

Engagement Letter with Borrower

December 23, 2023

Dylan Sliter and Patrick Linnen

Hammer & Nails Development Ltd. (Maple Street)

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation (“First Source”, “we” or “us”) understand that **Hammer & Nails Development Ltd. (Maple Street)** (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	7 Maple Avenue, Smiths Falls, Ontario 161 Beckwith Street North, Smiths Falls, Ontario
Principal Amount	\$9,805,000
Term / Maturity	6 months plus 7 days from January 1 st , 2024
Priority	1 st Ranking Mortgage
Interest Rate	Commencing January 1st, 2024, the higher of (i) 8.75% or (ii) CIBC Prime + 6.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 6 months after January 1st, 2024. For the final 7 days of the term, the applicable interest rate shall be the greater of (i) 18.00% or (ii) CIBC Prime + 15.30% per annum calculated daily on the principal outstanding. There shall be no deemed re-investment of payments made. On and After July 8th, 2024, 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 + 15.30% per annum calculated daily and payable monthly with no deemed re-investment of payments on the principal outstanding until discharged.

	<p>The Charge and Promissory Note shall provide for an interest rate of 18% per annum until July 8th, 2024 and thereafter at the greater of (i) 18.00% or (ii) CIBC Prime + 15.30% 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.</p>
--	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

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 shall 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 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 Waverley 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 constituting 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.
- (f) Waverley 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 or Waverley 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 Waverley 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 Waverley 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.

- (c) 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 or Waverley 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 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 or by Waverley.

- (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, Westboro, and Waverley 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
 - (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 and 16 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 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) Hammer & Nails Development Ltd. (Maple Street)

420 Percy Street
Carleton Place, Ontario
K7C 0C4

3023 Drummond Concession 10A Road,
Balderson, Ontario
K0G 1A0

Attention: Dylan Sliter and Patrick Linnen
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.

If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per :  ED38E3277FD44CB...

David Mandel, CEO

Acknowledgement and Acceptance

To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by

Hammer (t)
By : 

Dylan Sliter

By : _____


Patrick Linnen

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 "9"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



INCREASE AND EXTENSION AGREEMENT

Dylan Sliter and Patrick Linnen
Hammer & Nails Development Ltd. (Maple Street)

August 26, 2024

Re: First Mortgage Construction Financing –

This increase and extension agreement refers to the **Commitment letter** dated **December 8th, 2021** and **First Amendment to Commitment Letter** dated **March 10th, 2022** and **Increase Agreement** dated **December 23, 2023** and **Increase and Extension Agreement Dated June 26th, 2023** (collectively the “**Commitment Letter**”).

1. **Loan Amount:** The principal sum shall be increased to the lesser of: (i) **\$11,105,250** or (ii) 73.82% of the “As-Complete” Appraised Value of the property located at 7 Maple Avenue, Smiths Falls, Ontario. Appraisals are 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 February 8th, 2025
3. **Interest Rate:** The interest rate pursuant to the charge shall be amended as follows –

Commencing July 1st, 2024, the higher of (i) 11.00% or (ii) CIBC Prime + 4.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 7 months after July 1st, 2024.

The higher of (i) 18.00% or (ii) CIBC Prime + 11.30% 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 February 8th, 2025, 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 + 11.30% 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 and/or Deferred to Discharge at the Lender’s sole and absolute discretion.

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.

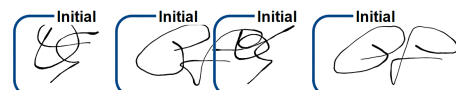
4. **Repayment:** Interest only. Payable monthly on the first day of the month and compounded monthly from loan advance funds.

Initial Initial Initial Initial

5. **Prepayment:** Open for full prepayment on any date.
6. **Additional Security:** The following additional security will be required:
- Second charge on the property located at 161 Beckwith Street North, Smiths Falls, Ontario in favour of First Source Financial Management Inc. registered at 1.20x the total loan amount. The first charge on 161 Beckwith Street North, Smiths Falls, Ontario is not to exceed \$4,255,855.
 - Second Assignment of all rents, leases, existing, expected or received throughout the term of the Loan for the property located at 161 Beckwith Street North, Smiths Falls, Ontario, if applicable
 - Second Assignment of material contracts for the property located at 161 Beckwith Street North, Smiths Falls, Ontario including, without limitation, the property management contract(s), if applicable
 - 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:
- Appraisal for 7 Maple Avenue, Smiths Falls, Ontario:** 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 **\$15,045,000** for the subject Property. The Appraisal is for the account of the Borrower and is to be provided to the Lender by no later than September 15th, 2024.
 - Appraisal for 161 Beckwith Street North, Smiths Falls, Ontario:** 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-Is" value to be not less than **\$4,900,000** for the subject Property. The Appraisal is for the account of the Borrower and is to be provided to the Lender by no later than September 15th, 2024.
 - Net Operating Income of 7 Maple Avenue, Smiths Falls, Ontario:** Receipt and satisfactory review of all Leases, Letter of Intent, Operating Statements and Certified Rent Roll along with proof of expenses (utilities, property taxes, insurance, etc..) as related to the 161 Beckwith Street North, Smiths Falls, Ontario property for the term of the Loan
 - Net Operating Income of 161 Beckwith Street North, Smiths Falls, Ontario:** Receipt and satisfactory review of all Leases, Letter of Intent, Operating Statements and Certified Rent Roll along with proof of expenses (utilities, property taxes, insurance, etc..) as related to the 161 Beckwith Street North, Smiths Falls, Ontario property for the term of the Loan
 - 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.
 - Net Worth:** 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.

Re: Progress Draws:

Initial Initial Initial Initial



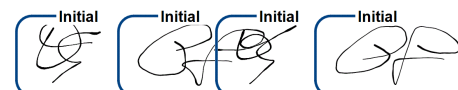
- g. **Liens:** The Property is to be free and clear of any liens
- h. **Title Search:** The Lender's legal counsel confirming clear title prior to each advance.
- i. **Property Taxes and Other Charges:** Confirmation Property Taxes, All Levies, Impost Fees, Local Improvement Charges, and Other Charges that are due and payable in connection with the subject Property have been paid.
- j. **Progress Advance:** A progress advance from the Quantity Surveyor which details costs in place, costs to complete, and required holdbacks with reference to the Lender-approved Project Budget, accompanied by the required Project Monitor certificates, statutory declarations, etc.
8. **Lender Fee:** In consideration of First Source providing this Commitment Letter, the Borrower hereby agrees to pay a Lender Fee to First Source in the amount of **\$450,000**. The Lender Fee is deemed earned upon acceptance and execution of this Commitment Letter. 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 acknowledges that the Lender Fee is a reasonable estimate of the Lender's costs incurred in sourcing, investigating and underwriting and preparing the Loan.

9. **Source and Use:**

Source of Funds		Estimated Use of Funds	
Loan	\$ 11,105,250	Extend Current Loan and Outstanding Interest	\$ 9,500,000
		Cost to Complete	\$ 600,000
		Interest Reserve - 6 Months	\$ 555,250
		Lender Fee	\$ 450,000
Total	\$ 11,105,250	Total	\$11,105,250

- a) The Lender's quantity surveyor is to confirm paid costs to date.
- b) Any shortfall in funds to complete the project is to be provided by the Borrower from his/her own resources. The Lender reserves the right to adjust the required cash equity injection upon receipt of said final reviewed construction budget.
- c) The total construction budget is estimated to complete the project is \$600,000. The Lender will require the final construction budget (including deferred costs, costs to date and cost to complete), to be reviewed by a Lender approved Quantity Surveyor. As such, the Lender reserves the right to adjust the source and use of funds upon receipt of said final reviewed construction budget.
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

Initial Initial Initial Initial



- 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.
- c. The Guarantor acknowledges that the Guarantee and Postponement of Claim with respect to the Loan for the Commitment Letter.

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 Increase and Extension Agreement is open for acceptance by the Borrower and the Guarantor until **5:00 PM on September 1st, 2024** by which time and date a copy of this Agreement duly executed the Borrower and the Guarantor shall be delivered to First Source together with any payment required hereunder.

If this Increase and Extension Agreement is not accepted by the aforementioned time and date, it will become null and void and of no force and effect.

Initial Initial Initial Initial



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 Perth, Ontario this ____ day of 8/29/2024 2024

Signed by:
[Signature]
2D65724CB4B944B...

Borrower: Hammer & Nails Development Ltd. (Maple Street)

Per:

Signed by:
[Signature]
2D65724CB4B944B...

Guarantor: Dylan Sliter

Signed by:
[Signature]
E477F341312D49C...

Guarantor: Patrick Linnen

Initial Initial Initial Initial
[Initials] *[Initials]* *[Initials]* *[Initials]*

Engagement Letter with Borrower

August 26, 2024

Dylan Sliter and Patrick Linnen

Hammer & Nails Development Ltd. (Maple Street)

Re: Engagement of First Source for Mortgage Loan

First Source Mortgage Corporation (“First Source”, “we” or “us”) understand that **Hammer & Nails Development Ltd. (Maple Street)** (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	7 Maple Avenue, Smiths Falls, Ontario 161 Beckwith Street North, Smiths Falls, Ontario
Principal Amount	\$11,105,250
Term / Maturity	7 months plus 7 days from the Interest Adjustment Date
Priority	1 st Ranking Mortgage
Interest Rate	Commencing July 1 st , 2024, The higher of (i) 11.00% or (ii) CIBC Prime + 4.30% per annum calculated monthly with no deemed re-investment of monthly payments on the principal outstanding during the first 7 months after July 1 st , 2024. The higher of (i) 18.00% or (ii) CIBC Prime + 11.30% 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 February 8 th , 2025, 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 + 11.30% per annum calculated and payable monthly with no deemed re-investment of monthly payments on the principal outstanding until discharged.

Initial



Initial



Initial



Initial



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 shall 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 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 Waverley 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;

Initial Initial Initial Initial



- (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 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.
- (f) Waverley 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 or Waverley 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 Waverley 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;

Initial Initial Initial Initial

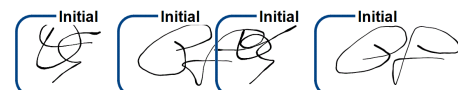


- (c) while soliciting or conducting a sale of the SMIs, the Agent will, will and cause Westboro or Waverley to, refrain from making any representations to any person respecting the Borrower, the Offering or the SMIs that is not derived from, and entirely consistent with, the information that is set 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:
 - (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;

Initial Initial Initial Initial



- (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 Waverley 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 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 or by Waverley.
- (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, Westboro, and Waverley 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
 - (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 therewith 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 and 16 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 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:

Initial Initial Initial Initial



Suite 1202, 12th Floor, Atria II
2235 Sheppard Avenue East
North York ON M2J 5B5

Attention: Mr. David Mandel

Email: david@firstsourcemortgage.ca

(b) Hammer & Nails Development Ltd. (Maple Street)

420 Percy Street
Carleton Place, Ontario
K7C 0C4

3023 Drummond Concession 10A Road,
Balderson, Ontario
K0G 1A0

Attention: Dylan Sliter and Patrick Linnen

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.

Initial Initial Initial Initial



If the foregoing correctly sets forth our understanding, please so indicate by executing this engagement letter.

Yours very truly,

FIRST SOURCE MORTGAGE CORPORATION

Per : 
ED38E3277FD44CB...


David Mandel, CEO

Acknowledgement and Acceptance

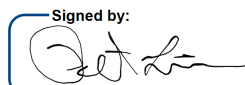
To: FIRST SOURCE MORTGAGE CORPORATION

Accepted and agreed by





Hammer & Nails Development Ltd. (Maple Street)

By : 
2D85724CB4B944B...

Dylan Sliter

By : 
E477F341312D49C...

Patrick Linnen

Initial Initial Initial Initial
   

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):

20. Borrower's full legal name, trade names or other names, head office address, mailing address and website address
21. 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.
22. Number of employees, SEDAR profile number if applicable, whether Borrower is a reporting issuer; Borrower's CUSIP number if applicable
23. Borrower's constating documents and description of legal structure of company and Borrower's legal entity identifier, if applicable
24. Borrower's organizational chart.
25. Borrower's ownership chart.
26. Information about Borrower's registration or licensing for other financial products.
27. Information about any past bankruptcy and confirmation that no receiver has been appointed.
28. Borrower's financial year-end and name of auditor if applicable
29. Borrower's most recent financial statements; assets as at date of most recent financial statements.
30. Information as to each of the Directors, Executive Officers and any Promoter of the Borrower
31. Information about ongoing investigations into Borrower.
32. Information about civil proceedings or civil judgements.
33. Information about criminal convictions against the Borrower or its principals.

THIS IS **EXHIBIT "10"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F20200A54D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

LRO # 27 Charge/Mortgage

Received as LC235577 on 2022 03 17 at 12:26

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

yyyy mm dd Page 1 of 28

Properties

PIN	05280 - 0019 LT	Interest/Estate	Fee Simple
Description	PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS		
Address	7 MAPLE AVENUE NORTH SMITHS FALLS		

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	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)
Address for Service	420 Percy Crescent Carleton Place, Ontario K7C 0C4

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	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2235 Sheppard Avenue East Suite 1202 Toronto, Ontario M2J 5B5

Statements

Schedule: See Schedules

Provisions

Principal	\$9,210,000.00	Currency	CDN
Calculation Period	monthly, not in advance		
Balance Due Date	2023/10/08		
Interest Rate	18% per annum		
Payments			
Interest Adjustment Date	2022 04 01		
Payment Date	1st day of each month		
First Payment Date	2022 05 01		
Last Payment Date	2023 10 08		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Dylan James Sliter and Patrick Barry Lane Linnen		

Additional Provisions

Payments: Interest only, monthly

Signed By

Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Chargor(s)	Signed	2022 03 17
-------------------	-----------------------------------------------------	--------------------------	--------	------------

Tel 416-222-8888

Fax 416-218-1860

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

LRO # 27 Charge/Mortgage

Received as LC235577 on 2022 03 17 at 12:26

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

yyyy mm dd Page 2 of 28

Submitted By

CHAITONS LLP5000 Yonge Street, 10th Floor2022 03 17
Toronto
M2N 7E9

Tel 416-222-8888

Fax 416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

File Number

Chargor Client File Number : 69067

UNCLASSIFIED//FOR OFFICIAL USE ONLY

Page 1

THIS IS A SCHEDULE TO A CHARGE/MORTGAGE between HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) (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 located at 7 Maple Avenue North, Town of Smiths Falls (PIN 05280-0019 (LT) (the "Lands" or "Property") as guaranteed jointly and severally by Dylan James Sliter and Patrick Barry Lane Linnen

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 of SFMA or the Commitment (as defined below) in connection with this loan, 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 NINE MILLION TWO HUNDRED AND TEN THOUSAND (\$9,210,000) 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 September 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 May, 2022 to and including the 1st day of October, 2023. The first payment of interest is to be computed from the 1st day of April, 2022 on the amount outstanding from time to time, to become due and payable on the 1st day of May, 2022.

For the period from and including October 1st, 2023, INTEREST calculated daily and compounded monthly, not in advance, at the rate of the greater of Eighteen (18%) per cent per annum or the rate per annum which is Fifteen and fifty-five one hundredths (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.

Page 2

The balance of Nine Million Two Hundred and Ten Thousand (\$9,210,000) Dollars, together with interest thereon at the rate of the greater of Eighteen (18%) per cent 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 October, 2023.

And taxes and performance of Statute Labour; and observance and performance of all covenants, provisos and conditions herein contained.

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 (18%) per cent per annum or the rate per annum which is Fifteen and fifty-five one hundredths (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 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, without notice, bonus or penalty. "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' prior written 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 Eighteen (18%) per cent per annum or the rate per annum which is Fifteen and fifty-five one hundredths (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 borrower, which interest shall be adjusted as to fluctuations in such prime lending rate from time to time, calculated daily and compounded monthly 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 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

UNCLASSIFIED//FOR OFFICIAL USE ONLY

Page 3

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 reasonable 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 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 after written demand has been made;

Doc#5330017v2
DOC#16088278v1

UNLAWFUL TO REPRODUCE OR TRANSMIT IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF FIRST SOURCE MORTGAGE CORPORATION

Page 4

- (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 written 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 written 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 written 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 reasonable 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, Guarantor and any subsequent encumbrancer acknowledge and agree 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 the Borrower issued by First Source Mortgage Corporation dated the 8th day of December, 2021 as amended by First Amendment to the Commitment Letter dated March 10th, 2022, as same may be further amended (the "Commitment") shall remain binding and effective upon the parties and shall not merge on the execution and registration of this Charge 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

Page 5

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 designate in writing from time to time.

In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, 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, acting reasonably, 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.

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,

UNCLASSIFIED//FOR OFFICIAL USE ONLY

Page 6

threatened release, discharge, disposal or presence on, under or about 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.

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

UNUSUAL ENVELOPE ID: 394617CF-1127-402F-B4B9-74FC06706A45

Page 7

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 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

LUNARIS ENVELOPE (U.S. OFC 10206) 24/04/2017 09:15:00 10206 10206 10206

Page 8

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 CHARGE

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 pursuant to this charge.

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 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.

UNCLASSIFIED//FOR OFFICIAL USE ONLY (U//FOUO) 10098278v1

Page 9

AND THE CHARGOR further acknowledges and agrees that any and all reasonable 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 reasonable 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 Guarantors (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, including local improvement rates and any and all interest and penalties thereon.

THE CHARGE 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

Doc#5330017v2
DOC#10098278v1

UNW3581 010800010. 050102021 2007050001000001000100

Page 10

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 January 1st, 2023 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 January 1st, 2023 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 pursuant to the terms of this Charge, 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 written request of the Chargor.

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 Lands 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 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.

PAYMENT OF COSTS

Doc#533017v2
DOC#10098276v1

UNRECORDED COPY OF THIS DOCUMENT IS NOT VALID

Page 11

The Chargor shall pay to the Chargee on demand all reasonable 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.

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

UNCLASSIFIED//FOR OFFICIAL USE ONLY

Page 12

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, acting reasonably. 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 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,

UNWISHT ENVELOPE ID: 394617CF-1127-402F-B4B9-74FC06706A45

Page 13

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 aforementioned 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 at 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 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, subject to manifest error;
- (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 reasonable 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

UNRECORDED COPY OF THE ORIGINAL DOCUMENT IS ON FILE

Page 14

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 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

Doc#5330017v2
DOC#10083276v1

Page 15

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 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 misconduct or 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 Guarantors or a company related to the Chargor and/or any of the Guarantors will constitute an event of default under all other security documents and loans to the Chargor and/or any of the Guarantors or a company related to the Chargor and/or the Guarantors or any of them held by the Chargee or in the name of an associated or affiliated corporation to the Chargee.

If the Chargee 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 (pursuant to this schedule) 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.

EVENTS OF DEFAULT

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;

UNWISDOM ENVELOPE ID: 394617CF-1127-402F-B4B9-74FC06706A45

Page 16

- (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 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.

UNLAWFUL TO REPRODUCE OR TRANSMIT IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF THE CHARGE

Page 17

FINANCIAL STATEMENTS

The Chargor shall provide to the Chargee, within one hundred and twenty (120) days after the end of each fiscal year of the Chargor and each 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, acting reasonably.

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 December 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, Dylan James Sliter and Patrick Barry Lane Linnen (herein collectively referred to as the "Guarantor") do hereby, jointly and severally 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 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.

***** ENVELOPE ID: 394617CF-1127-402F-B4B9-74FC06706A45 *****

Page 18

- 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.

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

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

WALSH CIVIL RIGHTS DIVISION, U.S. DEPARTMENT OF JUSTICE, 1000 19TH STREET, N.W.

Page 19

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 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

UNRECORDED COPY OF THE ORIGINAL DOCUMENT

Page 20

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.21 (the "Act") and covenants and agrees with the Chargee that, in the event that at any time during the term of this Charge the Chargor shall become a "farmer" within the meaning of the Act, it shall forthwith provide written notice of this fact to the Chargee.

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 shall not be 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 pursuant to this Charge.

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.

***** CHARGE TO THE DEBTOR'S ACCOUNT *****

Page 21

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 the rates of interest provided herein 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.

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 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 and proceeds with its remedies on default.

MAXIMUM LOAN TO VALUE

If at any time prior to the Maturity Date of this Charge the amount outstanding pursuant to this Charge exceeds 73.10% 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.

UNLESS OTHERWISE INDICATED, THE INFORMATION CONTAINED HEREIN IS UNCLASSIFIED

Page 22

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 \$8,565,804;
- 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 4-storey wood frame commercial/multi-residential building with ground floor commercial space and 33 residential units located in the upper 3-storeys with 42,682 square feet of gross floor area and 47 exterior parking spaces. The residential units will range in size from 403 square feet for the bachelors up to 776 square feet for the largest 2-bedroom units, 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 a 4-storey wood frame commercial/multi-residential building with ground floor commercial space and 33 residential units located in the upper 3-storeys with 42,682 square feet of gross floor area and 47 exterior parking spaces. The residential units will range in size from 403 square feet for the bachelors up to 776 square feet for the largest 2-bedroom units, apartment as described 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;

UNCLASSIFIED//FOR OFFICIAL USE ONLY

Page 23

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.

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.

Page 24

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 (10) 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 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 (10) 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.

UNWORTHY ENVELOPE ID: 394617CF-1127-402F-B4B9-74FC06706A45

Page 25

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.

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 its 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:

Doc#5330017v2
DOC#10088278v1

MAVUSPT CHIVSIPUS ID. UFE 14206744074CJF0V1E74B500 170E 144

Page 26

- (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.

MINIMUM EQUITY REQUIREMENT

The Chargor shall be required, at all times, to have a minimum equity in the Project in the amount of \$756,804, failing which, at the Chargee's option, this loan will be deemed in default.

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.

<i>Statutory Registration Fee</i>	\$69.00
-----------------------------------	---------

DocuSign Envelope ID: 7E0904F8-2987-4172-BDDA-5C3E82099555

AMENDED CHARGE

WHEREAS:

- a by a mortgage registered in the Land Titles Division of Lenark (No. 27) on the 17th day of March, 2022 as Instrument No. LC235577 (the "Charge") HAMMER & NAILS LTD. (MAPLE STREET) (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 \$9,210,000 with interest as therein set.
- b the Chargor, the Guarantors under the Charge, Dylan James Sliter and Patrick Barry Lane Linnen (collectively 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 July, 2023 (the "Effective Date") as follows:

- 1. the Balance Due Date and Maturity Date of the Charge is extended to July 8th, 2024.
- 2. The principal amount of the Charge is hereby increased to \$11,226,000 (the "Loan").
- 3. Effective July 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 ELEVEN MILLION TWO HUNDRED AND TWENTY-SIX THOUSAND (\$11,226,000) 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 June 30th, 2024, 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 August, 2023 to and including the 1st day of July, 2024. The first payment of interest is to be computed from the 1st day of July, 2023 on the amount outstanding from time to time, to become due and payable on the 1st day of August, 2023.

For the period from and including July 1st, 2024, 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 Eleven Million Two Hundred and Twenty-Six Thousand (\$11,226,000) 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 of July, 2024.

- 4. The Charge, when not in default, shall be open for repayment, on any payment date, after November 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

DocuSign Envelope ID: 7ED804F6-2987-4172-BD0A-5C3E82008555

3

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 on or after November 1st, 2023, of such intention to repay then no bonus is payable, but the Chargee's discharge administration fee shall be due and payable.

5. The Chargor and Guarantor acknowledge that as of July 7th, 2023 the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce is 6.95% per annum.
6. There shall be no further rights of extension with respect to this Charge.
7. As at the July 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 \$5,288,886.66, plus outstanding charges to the holder in the amount of \$3,669.50, plus 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 December 8th, 2021, as amended by First Amendment to Commitment Letter dated March 10th, 2022, as amended by Increase and Extension Agreement dated the 26th day of June, 2023.

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.

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

DocuSign Envelope ID: 7ED804F8-2987-4172-BDDA-6C3B92089536

the Loan dated the 14th day of March, 2022 provided by the Guarantor is in full force and effect with respect to the Charge as amended hereby.

The definition of Commitment in Section 1(b) defining "Indebtedness" in the Guarantee and Postponement of Claim dated the 14th day of March, 2022 is amended to include the Increase and Extension Agreement dated June 26th, 2023.

The Chargor and guarantor acknowledge that under the Electronic Commerce Act, the Chargor and guarantor should not be signing by an electronic signature the Agreement Amending Charge as a negotiable instrument can be not legally signed by way of electronic signature to satisfy the requirements of the statute.

The Chargor and guarantor confirm that the signing the Agreement Amending Charge by an electronic signature shall not be used as a defence by the Chargor and guarantor to nullify the Agreement Amending Charge's or the Charge's validity in any action commenced by the Holder.

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).

3-5

SIGNED, SEALED AND DELIVERED

) FIRST SOURCE FINANCIAL
) MANAGEMENT INC. DocuSigned by:
) Per: David Mandel
) David Mandel ED38E3277FD44CB
) President CEO
) I have the authority to bind the Corporation
)
)
) HAMMER & NAILS DEVELOPMENTS
) LTD. (MAPLE STREET)
) Per: [Signature]
) President
) I have the authority to bind the Corporation
)
) [Signature]
) Dylan James Shier
)
) [Signature]
) Patrick Barry Lane Linnen

Witness

Witness

Valentin Erikson, C.A., LL.M., J.D.
Barrister | Solicitor | Notary Public
18 Deakin St. Unit 103
Ottawa, ON K2E 8S7
TEL: 613-692-5885 | FAX: 613-212-9035
E-MAIL: info@eriksonlaw.ca

Properties

PIN

05280 - 0019

LT

Description

PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address

7 MAPLE AVENUE NORTH
SMITHS FALLS

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

HAMMERS & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

Address for Service

420 Percy Crescent
Carleton Place, Ontario
K7C 0C4

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

FIRST SOURCE FINANCIAL MANAGEMENT INC.

Address for Service

2 Sheppard Avenue East, Suite 605
Toronto, Ontario
M2N 5Y7

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, LC235577 registered on 2022/03/17 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

2024 09 25

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

2024 09 25

Tel

416-222-8888

Fax

416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee

\$69.95

Total Paid

\$69.95

LRO # 27 **Notice**

Registered as LC263056 on 2024 09 25 at 12:27

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

File Number

Applicant Client File Number : 89279

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1980

AMENDED CHARGE

WHEREAS:

- a. by a mortgage registered in the Land Titles Division of Lanark (No. 27) on the 17th day of March, 2022 as Instrument No. LC235577 (the "Charge") HAMMER & NAILS LTD. (MAPLE STREET) (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 \$9,210,000 with interest as therein set.
- b. By an Agreement Amending Charge registered in the Land Titles Division of Lanark (No. 27) on the 21st day of July, 2023 as Instrument No. LC250766 (the "Agreement Amending Charge"), the principal amount to be secured under the Charge was increased to \$11,226,000;
- c. the Chargor, the Guarantors under the Charge, Dylan James Sliter and Patrick Barry Lane Linnen (collectively 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 July, 2024 (the "Effective Date") as follows:

- 1. the Balance Due Date and Maturity Date of the Charge is extended to February 8th, 2025.
- 2. The principal amount of the Charge is hereby increased to \$13,326,300 (the "Loan").
- 3. Effective July 1st, 2024 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 THIRTEEN MILLION THREE HUNDRED AND TWENTY-SIX THOUSAND AND THREE HUNDRED (\$13,326,300) DOLLARS of lawful money of Canada, 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 January 31st, 2025, interest calculated daily, 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 August, 2024 to and including the 1st day of February, 2025. The first payment of interest is to be computed from the 1st day of July, 2024 on the amount outstanding from time to time, to become due and payable on the 1st day of August, 2024.

For the period from and including February 1st, 2025, 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 11.30 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 Thirteen Million Three Hundred and Twenty-Six Thousand and Three Hundred (\$13,326,300) Dollars, together with interest thereon at the rate of the greater of 18% per annum or the rate per annum which is 11.30 percentage points above the

Docusign Envelope ID: 5ED6A3CE-187D-48FE-8C67-7CAAAA481980

3

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 February, 2025.

- 4. The Charge, when not in default, shall be open for repayment, in full, on any payment date, without notice or bonus.
- 5. The Chargor and Guarantor acknowledge that as of September 11th, 2024 the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce is 6.45% per annum.
- 6. There shall be no further rights of extension with respect to this Charge.
- 7. As at the September 11th, 2024, 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 \$8,990,400, plus outstanding charges to the holder in the amount of \$481,208.80, plus any interest owing on the Loan from September 1st, 2024, 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 December 8th, 2021, as amended by First Amendment to Commitment letter dated March 10th, 2022, as further amended by Increase Agreement dated December 23rd, 2023, as further amended by Increase and Extension Agreement dated the 26th day of June, 2023 and as further amended by Increase and Extension Agreement dated the 26th day of August, 2024.

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,

Docusign Envelope ID: 6ED6A3CE-1B7D-48FE-8C57-7C9AAA4B1880

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 14th day of March, 2022 provided by the Guarantor is in full force and effect with respect to the Charge as amended hereby.

The definition of Commitment in Section 1(b) defining "Indebtedness" in the Guarantee and Postponement of Claim dated the 14th day of March, 2022 is amended to include the Increase and Extension Agreement dated June 26th, 2023 and the Increase and Extension Agreement Agreement dated August 26th, 2024.

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).

[Handwritten signature]

Docusign Envelope ID: 6ED6A3CE-167D-46FE-8C57-7CAAAA4B1980

SIGNED, SEALED AND DELIVERED

FIRST SOURCE FINANCIAL
MANAGEMENT INC.

Per: David Mandel
David Mandel
CEO
I have the authority to bind the Corporation


HAMMER & NAILS DEVELOPMENTS
LTD. (MAPLE STREET)

Per: Dylan James Sliter
Dylan James Sliter
President
I have the authority to bind the Corporation

Dylan James Sliter
Patrick Barry Lane Linnen

Witness:
Witness:
Valentin Erikson, B.A., LL.L., J.D.
Barrister | Solicitor | Notary Public
18 Dea'jn St. Unit 105
Ottawa, ON K2E 8B7
TEL: 613-692-6555 / FAX: 613-212-5035
E-MAIL: info@eriksonlaw.ca

THIS IS **EXHIBIT "11"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Properties				
PIN	05269 - 0273	LT	Interest/Estate	Fee Simple
Description	PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS			
Address	BECKWITH STREET N SMITHS FALLS			

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	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)
Address for Service	420 Percy Crescent Carleton Place, 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.	

Chargee(s)	Capacity	Share
Name	FIRST SOURCE FINANCIAL MANAGEMENT INC.	
Address for Service	2 Sheppard Avenue East, Suite 605 Toronto, Ontario M2N 5Y7	

Statements
Schedule: See Schedules
The text added or imported if any, is legible and relates to the parties in this document.

Provisions			
Principal	\$13,326,300.00	Currency	CDN
Calculation Period	daily, not in advance		
Balance Due Date	2025/02/08		
Interest Rate	18% per annum		
Payments			
Interest Adjustment Date	2024 07 01		
Payment Date	1st day of each month		
First Payment Date	2024 08 01		
Last Payment Date	2025 02 08		
Standard Charge Terms	200033		
Insurance Amount	Full insurable value		
Guarantor	Dylan James Sliter and Patrick Barry Lane Linnen		

Additional Provisions
Payments: Interest only, monthly

Signed By			
Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Chargor(s)	Signed 2024 09 25
Tel	416-222-8888		
Fax	416-218-1860		

LRO # 27 **Charge/Mortgage**

Registered as **LC263057** on 2024 09 25 at 12:27

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

000190

yyyy mm dd Page 2 of 25

Signed By

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

2024 09 25

Tel 416-222-8888

Fax 416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee

\$69.95

Total Paid

\$69.95

File Number

Chargor Client File Number :

89279

Docusign Envelope ID: 8ED8A3CE-187D-48FE-8C57-7CAAAA4B1990

Page 1

THIS IS A SCHEDULE TO A CHARGE/MORTGAGE between HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) (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 located at 161 Beckwith Street North, Town of Smiths Falls (PIN 05269-0273 (LT) (the "Lands" or "Property") as guaranteed jointly and severally by Dylan James Sliter and Patrick Barry Lane Linnen

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 of SFMA or the Commitment (as defined below) in connection with this loan, 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 THIRTEEN MILLION THREE HUNDRED AND TWENTY-SIX THOUSAND AND THREE HUNDRED (\$13,326,300) 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 January 31st, 2025 interest calculated daily, 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 August, 2024 to and including the 1st day of February, 2025. The first payment of interest is to be computed from the 1st day of July, 2024 on the amount outstanding from time to time, to become due and payable on the 1st day of August, 2024.

For the period from and including February 1st, 2025, INTEREST calculated daily and compounded monthly, not in advance, at the rate of the greater of Eighteen (18%) per cent per annum or the rate per annum which is 11.30 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

Doc#6330017v2
DOC#11744023v1

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA481990

Page 2

as before maturity and both before and after default.

The balance of Thirteen Million Three Hundred and Twenty-Six Thousand and Three Hundred (\$13,326,300) Dollars, together with interest thereon at the rate of the greater of Eighteen (18%) per cent per annum or the rate per annum which is 11.30 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 of February, 2025.

And taxes and performance of Statute Labour, and observance and performance of all covenants, provisos and conditions herein contained.

The Borrower and Guarantor acknowledge that as of the 11th day of September, 2025 the prime rate of interest charged by the Canadian Imperial Bank of Commerce is 6.45% per annum.

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 (18%) per cent per annum or the rate per annum which is 11.30 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 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, without notice, bonus or penalty. "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' prior written 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 Eighteen (18%) per cent per annum or the rate per annum which is 11.30 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 borrower, which interest shall be adjusted as to fluctuations in such prime lending rate from time to time, calculated daily and compounded monthly 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 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

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 3

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 reasonable 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 FEE

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 Fee, 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 Holding Over Fee shall be earned by and be payable to the Chargee monthly, in advance, on the first business day of each month, including the month in which the 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 Fee"). The Chargor hereby acknowledges that the requirement to pay the Holding Over Fee 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 Fee. The Chargor further acknowledges that the Chargee, at its option, may add the Holding Over Fee to the outstanding principal amount secured by this Charge and that this Charge also secures any Holding Over Fee outstanding and any subsequent encumbrancers shall take/hold title to their security subject to this provision and be subordinated to such Holding Over Fee.

The Chargor and any subsequent encumbrancer by registering their security, acknowledges and agrees that the Holding Over Fee is a genuine pre-estimate of the value of the services performed for same and is not a penalty or additional interest on the Loan secured by this Charge.

DEFERRED FEES

Any renewal or extension fees, holding over fees or bonus or other fees due at the time of the original and/or extended Maturity Date of this Charge shall, if they are not paid, be deemed secured hereby and any subsequent encumbrancer shall take /hold their security subsequent to this provision.

ADDITIONAL PROVISIONS

For the purpose of this Charge/Mortgage, the terms "Charge", "Chargor" and "Chargee" shall

Doc#5330017v2
DOC#11789029v1

DocuSign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 4

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 after written demand has been made;
- (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 written 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 written 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 written 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 reasonable 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, Guarantor and any subsequent encumbrancer acknowledge and agree 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 the Borrower issued by First Source Mortgage Corporation dated the 8th day of December, 2021 as amended by First Amendment to the

Doc#5330017v2
DOC#11788023v1

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 5

Commitment Letter dated March 10th, 2022, as further amended by Increase and Extension Agreement dated June 26th, 2023, as further amended by Increase and Extension Agreement dated August 26th, 2024, as same may be further amended (the "Commitment") shall remain binding and effective upon the parties and shall not merge on the execution and registration of this Charge 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, Atria II
Toronto, Ontario
M2J 5B5

After September 16th, 2024

Yonge Sheppard Centre
2 Sheppard Avenue East, Suite 605
Toronto, Ontario
M2N 5Y7

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 designate in writing from time to time.

In the event that any of the monies secured by this Charge are forwarded to the Chargee by mail, 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.

Docusign Envelope ID: 8ED5A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 6

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, acting reasonably, 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.

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 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

Docusign Envelope ID: 6ED6A3CE-167D-48FE-8C57-7CAAAA4B1980

Page 7

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.

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

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 8

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 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 CHARGE

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 pursuant to this charge.

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

Doe#5330017v2
DOC#11788023v1

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 9

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 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 reasonable 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 reasonable 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 Guarantors (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

DocuSign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1990

Page 10

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, including local improvement rates and any and all interest and penalties thereon.

THE CHARGEES 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 the Chargor, when not in default, shall have the privilege of prepaying this Charge, in whole or in part, at any time or times, on any payment date, without notice or bonus.

- (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's 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 pursuant to the terms of this Charge, 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 written request of the Chargor.

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 Lands 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 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.

Doc#5330017v2
DOC#11709023v1

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1990

Page 11

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.

PAYMENT OF COSTS

The Chargor shall pay to the Chargee on demand all reasonable 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.

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

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA481890

Page 12

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, acting reasonably. 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 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

Doc#5530017v2
Doc#11788023v1

Docusign Envelope ID: BED6A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 13

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 aforementioned 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 instalment. Alternatively, the Chargor shall provide Pre-Authorized Payments to be drawn from the Chargor's chosen Bank if 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 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, subject to manifest error;

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1990

Page 14

- (h) 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 reasonable 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 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

Docusign Envelope ID: 6ED6A3CE-1670-48FE-6C57-7CAAAA4B1990

Page 15

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 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 misconduct or 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 Guarantors or a company related to the Chargor and/or any of the Guarantors will constitute an event of default under all other security documents and loans to the Chargor and/or any of the Guarantors or a company related to the Chargor and/or the Guarantors or any of them held by the Chargee or in the name of an associated or affiliated corporation to the Chargee.

If the Chargee 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 (pursuant to this schedule) 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.

DocId:3330017v2
DOC#11788023v1

Docusign Envelope ID: 6ED6A3CE-1670-48FE-6C57-7CAAAA4B1990

Page 16

EVENTS OF DEFAULT

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 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.

Docusign Envelope ID: 6ED6A3CE-187D-48FE-BC67-7CAAAA48196D

Page 17

FINANCIAL STATEMENTS

The Chargor shall provide to the Chargee, within one hundred and twenty (120) days after the end of each fiscal year of the Chargor and each 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, acting reasonably.

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 August 1st, 2024, 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, Dylan James Sliter and Patrick Barry Lane Linnen (herein collectively referred to as the "Guarantor") do hereby, jointly and severally 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 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.

Doc#5330917v2
DOC#11788023v1

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1980

Page 18

- 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.

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

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

Doc#5330017v2
DOC#11788023v1

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1990

Page 19

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 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

DocId:3030017v1
DOC#:11758023v1

Docusign Envelope ID: 6ED8A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 20

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.21 (the "Act") and covenants and agrees with the Chargee that, in the event that at any time during the term of this Charge the Chargor shall become a "farmer" within the meaning of the Act, it shall forthwith provide written notice of this fact to the Chargee.

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 shall not be 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 pursuant to this Charge.

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.

DocuSign
DOCID:11788023v1

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA4B1890

Page 21

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 the rates of interest provided herein 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.

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 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 and proceeds with its remedies on default.

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.

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

Docusign ID: 5330011v2
Docusign ID: 11788023v1

Docusign Envelope ID: 6E06A3CE-1870-48FE-8C57-7CAAAA4B1990

Page 22

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.

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 Charge is additional security to a Charge between Hammer & Nails Developments Ltd. (Maple Street) and the Chargee registered the 17th day of March, 2022 as Instrument No.


Doc#5330017v2
DOC#11788023v1

Docusign Envelope ID: 6ED6A3CE-187D-48FE-8C57-7CAAAA48188D

Page 23

LC235577 as amended by Agreement Amending Charge registered on the 21st day of July, 2023 as Instrument No. LC250766 and to be further amended by Agreement Amending Charge to be registered on title (collectively the “Maple Charge”) and payments made pursuant to this Charge shall be deemed payments pursuant to the Maple Charge and conversely payments made pursuant to the Maple Charge shall be deemed payments pursuant to this Charge. Default pursuant to this Charge shall be deemed a default pursuant to the Maple Charge and conversely default pursuant to the Maple Charge shall be deemed a default pursuant to this Charge.

THIS IS **EXHIBIT "12"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Docusign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45

NEGATIVE PLEDGE

THIS AGREEMENT dated for reference the 14th day of March, 2022.

BETWEEN:

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)
(the "Borrower")

AND:

DYLAN JAMES SLITER AND PATRICK BARRY LANE LINNEN
(collectively the "Guarantor")

AND:

FIRST SOURCE FINANCIAL MANAGEMENT INC.
(the "Lender")

WHEREAS:

- A. The Borrower is or will be the registered owner of those lands and premises legally described in Schedule "A" attached hereto, in the Town of Smiths Falls, Ontario (the "Lands");
- B. Pursuant to a Commitment Letter issued by First Source Mortgage Corporation addressed to the Borrower dated December 8th, 2021 as amended by First Amendment to Commitment Letter dated March 10th, 2022, as may be further amended the "Commitment Letter"), as same may be assigned, amended, restated or modified from time to time, pursuant to which provisions the Lender agreed to lend to the Borrower a certain credit facility in the amount of \$7,675,000 (the "Loan"), to be secured by, *inter alia*, a Charge and other Security Documents, as hereinafter defined, given to the Lender as security for the Loan;
- C. Pursuant to the Commitment Letter the Guarantor agreed to provide the Lender with a Guarantee and Postponement of Claim guaranteeing the obligations of the Borrower (collectively the "Guarantee").
- D. As general and continuing security for the Loan, interest thereon and all other amounts from time to time payable by the Borrower to the Lender pursuant to the Commitment Letter and pursuant to any and all security granted in respect thereof (collectively, the "Indebtedness"), the Borrower and the Guarantor have agreed to enter into this Agreement to restrict the withdrawal of funds from the project with respect to the Lands and/or the Lands (collectively the "Project");
- E. The Commitment Letter has been assigned to the Lender.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the premises and of the respective covenants and agreements of the parties herein contained, the Borrower and the Guarantor hereby covenant and agree with the Lender as follows:

- 1. So long as there is any Indebtedness outstanding, the Guarantor and/or the Borrower, any officer, director, shareholder or employee or sponsors of the Project/Lands or the undersigned shall not directly or indirectly withdraw funds or receive payment from the Project or be compensated from the Project, whether by way of dividend, loan, interest, management fees, profit

- 2 -

participation or other bills of exchange, devices or means, repay any shareholders loans, redeem shares of the Borrower and/or Guarantor, receive salaries, consulting fees and/or management fees.

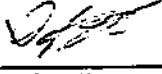
2. To the fullest extent permitted by law, the Guarantor hereby irrevocably postpones any claim or other rights that they may now or hereafter acquire against the Borrower, as the case may be, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy against the Borrower or any collateral securing any obligation of the Borrower, whether or not such claim, remedy or right arises under contract, including, without limitation, the right to take or receive from the Project or Borrower directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, until such time as the Indebtedness and all amounts payable under the Loan have been paid in full to the Lender in cash. If any amount shall be paid to the Guarantor in violation of the preceding sentence at any time prior to the full cash payment of the Indebtedness and all other amounts payable under the Loan, such amount shall be held by such Guarantor in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied to the Indebtedness, whether matured or unmatured, and all other amounts payable under the Loan.
3. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to the Lender and postponed and subordinated to the Indebtedness without any further act or formality, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the Guarantor under the Guarantee and this Agreement. This postponement and subordination is independent of the other provisions of any other security documents provided to the Lender with respect to the Loan (the "Security Documents") and this Agreement and shall survive the extinction of the other provisions of the Security Documents and Guarantee.
4. This Agreement shall be a continuing agreement and this Agreement and the covenants and agreements of the Borrower and the Guarantor herein contained and the rights granted hereunder to the Lender are in addition to and are not in substitution for any other security now or hereafter held by the Lender or any other covenant and agreement of the Borrower or the Guarantor or any others, or rights granted to the Lender and contained in or to be contained in any other agreement or instrument.
5. This Agreement, the covenants and agreements and rights contained herein shall not merge in any other agreement or instrument and in any other security, covenants and agreements and rights now or hereafter held by the Lender and the covenants and agreements and rights contained herein shall not suspend, prejudice or affect in any manner whatsoever the separate covenants, agreements, conditions, rights and remedies of the Lender contained in any other security taken by the Lender as security for the Loan or any other security now or hereafter held by the Lender or any other agreement or instrument.
6. This Agreement shall not operate as a merger of any contract debt.
7. The Borrower and the Guarantor shall do, execute, acknowledge and deliver to or cause to be done, executed, acknowledged and delivered to the Lender all and every such further acts, deeds, mortgages, transfers, pledges and assurances in law or in equity as the Lender may require for the better accomplishing and implementing of the provisions and intentions of this Agreement.

DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45

- 8. Upon the payment in full of the Indebtedness, this Agreement shall terminate and have no further force or effect.
- 9. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns.
- 10. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.
- 11. The parties hereto agree that this Negative Pledge 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.
- 12. This Negative Pledge may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

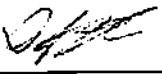
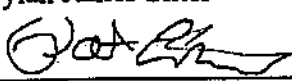
IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the day and year first above written.

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

Per: 
Dylan James Sliter
Secretary
I have the authority to bind the Corporation

GUARANTORS.

Witness: 
Witness: 


Dylan James Sliter

Patrick Barry Lane Linnen

Valentin E. Linnen, B.A., LL.M., J.D.
Barister / Solicitor / Notary Public
1000-1000-1000-1000
TEL. 613-613-6136 / 613-613-6137
E-Mail: vlennin@ontariolaw.ca

Docusign Envelope ID: 0FE10292-72AD-4E33-B31C-4B88D18DE1C0

SCHEDULE "A"

7 Maple Avenue North, Town of Smiths Falls
PIN 05280-0019 (LT)
Part Lot 110 s/s William St. Plan 13884 Lanark S South Elmsley as in RS175982; Lot 90 n/s
Main St. Plan 13884 Lanark S South Elmsley, except Parts 1 and 3, 27R-244; Lot 111 s/s
William St. Plan 13884 Lanark S South Elmsley except Parts 1 and 2, 27R5591; Lot 112 s/s
William St . Plan 13884 Lanark S South Elmsley, Lot 113, s/s William St. Plan 13884 Lanark S
South Elmsley; s/t and t/w RS175981; t/w RS175982; Town of Smiths Falls
(the "Property")

THIS IS **EXHIBIT "13"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F30200A64B40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

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 HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) (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 the Borrower Inc. dated the 8th day of December, 2021 as amended First Amendment to Commitment Letter dated March 10th, 2022 and any further 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 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 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 nor be released from liability if recovered from the Borrower or any other Guarantor or if any other person becomes barred by any Statute of Limitations or is otherwise prevented from honouring the Guarantee.

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 their heirs, executors,

administrators, legal personal representatives, successors and/or assigns shall be binding on them.

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

22. In the event of your making a demand upon the undersigned upon this Guarantee the undersigned shall be held and bound to you directly, jointly and severally 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.

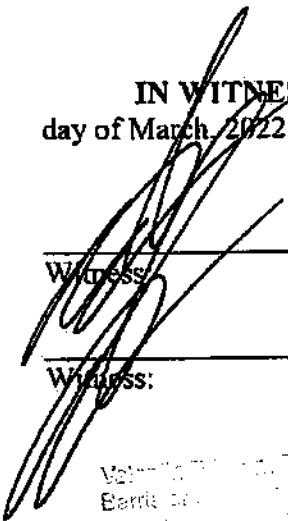
24. The parties hereto agree that this Guarantee may be transmitted by facsimile, email or such similar device and that the reproduction of signatures by facsimile, email or such similar device will be treated as binding as if an original.

25. This Guarantee may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

(Balance of page intentionally left blank. Signature page to follow.)

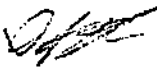
DocuSign Envelope ID: 0FC10202-72A0-4E30-B01E-4000B10DE100

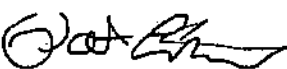
IN WITNESS WHEREOF the Guarantor has hereto set their hands and seals, this 14th day of March, 2022.



Witness:

Witness:

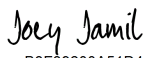


Dylan James Sliter


Patrick Barry Lane Linnen

Valerie T. ... Public
Barris ...
TEL. 616-869 ... 616-212-9035
E-MAIL ...@schm.com

THIS IS **EXHIBIT "14"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

GENERAL SECURITY AGREEMENT

1. SECURITY INTEREST

- (a) For value received, DYLAN JAMES SLITER AND PATRICK BARRY LANE LINNEN (collectively the "Debtor"), hereby grants to First Source Financial Management Inc. (the "Lender"), by way of mortgage, charge, assignment and transfer, a security interest (the "Security Interest") in the undertaking of the Debtor and in all Goods (including all parts, accessories, special tools, additions and accessions thereto), Chattel Paper, Documents of Title (whether negotiable or not), Instruments, Intangibles, and Securities now owned or hereafter owned or acquired by or on behalf of the Debtor (including such as may be returned to or repossessed by the Debtor) and in all proceeds and renewals thereof, accretions thereto and substitutions therefore (hereinafter collectively called "Collateral"), including without limitation, all of the following now owned or hereafter owned or acquired by or on behalf of the Debtor:
- i. All chattels and machinery of every kind, including without limiting the generality of the foregoing, furniture, goods, room furnishings, kitchen equipment, dining room furnishings, beds, televisions, choses in action, refrigerators, stoves, maintenance equipment, machinery, tools, apparatus, recreational facilities and equipment, boats, vehicles, plant and fixtures now or hereafter owned by the Debtor including those situate at the location set out in Schedule "B";
 - ii. All book accounts and book debts, rents and leases and generally all accounts, debts, dues, claims, choses in action, causes in action and demands of every nature and kind howsoever arising or secured including letters of credit and advices of credit, which are now due, owing or accruing or growing due to or owned by or which may hereafter become due, owing or accruing or growing due to or owned by the Debtor ("Debts");
 - iii. All deeds, documents, writings, papers, books of account and other books relating to or being records of Debts, Chattel Paper or Documents of Title or by which such are or may hereafter be secured, evidenced acknowledged or made payable;
 - iv. All contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property;
 - v. All monies other than trust monies lawfully belonging to others including all income, receipts and profits of any nature or kind whatsoever now or hereafter arising in connection with the property; and
 - vi. All liquor licences.
- (b) The Security Interest granted hereby shall not extend or apply to and the Collateral shall not include the last day of the term of any lease or agreement therefore but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (c) The terms "Goods", "Chattel paper", "Documents of Title", "Equipment", "Consumer Goods", "Instruments", "Intangibles", "Securities", "Proceeds", "Inventory", and "Accession" whenever used herein shall be interpreted pursuant to their respective meanings when used in the Personal Property Security Act of

Ontario, as amended from time to time (herein referred to as the "P.P.S.A"). Provided always that the term "Goods" when used herein shall not include "consumer goods" of the Debtor as that term is defined in the P.P.S.A. Any reference herein to "Collateral" shall, unless the context otherwise requires, be deemed a reference to "Collateral or any part thereof". The term "Proceeds" whenever used herein and interpreted as above shall by way of example include trade-ins, equipment, cash, bank accounts, notes, chattel paper, goods, contract rights, accounts and any other personal property or obligation received when such collateral or proceeds are sold, exchanged, collected or otherwise disposed of.

2. INDEBTEDNESS SECURED

The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Debtor to the Lender including without limitation, the obligations, indebtedness and liability of the Debtor to the Lender pursuant to a guarantee given by the Debtor to the Lender respecting a Charge/Mortgage given by Hammer & Nails Developments Ltd. (Maple Street) in favour of the Lender charging the lands described in Schedule "A" hereto and securing for principal the sum of NINE MILLION TWO HUNDRED AND TEN THOUSAND (\$9,210,000) DOLLARS (hereinafter called the "Indebtedness").

3. REPRESENTATIONS AND WARRANTIES OF DEBTOR

The Debtor represents and warrants and, so long as this General Security Agreement remains in effect, shall be deemed to continuously represent and warrant that:

- (a) The Collateral is genuine and owned by the Debtor free of all interests, mortgages, liens, claims, charges or other encumbrances (hereinafter collectively called "Encumbrances"), save for the Security Interest.
- (b) Each Debt, Chattel Paper and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same (the "Account Debtor"), and the amount represented by the Debtor to the Lender from time to time as owing by each Account Debtor or by all Account Debtors except for normal cash discounts where applicable, and no Account Debtor will have any defence, set off, claim or counterclaim against the Debtor which can be asserted against the Lender whether in any proceeding to enforce Collateral or otherwise; and
- (c) The location specified in Schedule "B" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

3(A) LICENCED PREMISES

- a) The Debtor does hereby covenant and agree that all existing or future licences, permits and authorities issued by anybody or authority having licencing jurisdiction, in connection with any business or use of any kind carried on by the Debtor, including any licences issued under the Liquor Licence Act (Ontario), shall as of and from the date hereof stand as security for and shall be held by the Lender for the benefit of the Lender as security for the observance, performance and carrying out of the terms and conditions of the within Agreement until the monies secured herein are fully paid and satisfied.
- b) The Debtor covenants and agrees that is has not and will not do or omit to do any act having the effect of terminating, canceling or preventing the renewal of existing licences, permits and authorities issued by any body or authority having licencing jurisdiction in connection with the business being or to be carried on on

the Lands or special use of any kind carried on or to be carried on and the Debtor does further covenant with the Lender that the Debtor 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 as well as complying, observing, performing and carrying out all 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 shall constitute default under the terms of this Agreement and the whole of the Indebtedness hereby secured shall, at the option of the Lender, forthwith become due and payable.

- c) The Debtor further agrees and acknowledges that, in the event of default hereunder, including the conditions contained in the within paragraph, such event shall hereby operate to constitute the Lender as a successor and assign, subject to approval of the body or authority or board or commission having licensing jurisdiction in connection with the aforesaid business or use carried on upon the charged premises such approval being for all existing or future licenses, permits and authorities issued by the said body or authority or board or commission having such licensing jurisdiction in connection with the aforementioned business or use carried on upon the Lands or to be carried out; provided however this assignment is taken only as security for the due payment of the Indebtedness 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 Lender 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 Lender by the reason of default being made in payment of the monies hereby secured, then in such event the Debtor shall be deemed to be in default hereunder and the Lender shall be entitled to exercise its rights hereunder, and to have the Lender or its nominee or Receiver or assignee become holder of the above mentioned licenses, 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 Lender or his nominee or Receiver or assignee of all the licenses, permits and authorities now or hereafter in existence in connection with any business or use carried on or being made of the Lands.

The Debtor does hereby irrevocably constitute and appoint the Lender its 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 Lender or its nominees, Receiver or assignees to all intents and purposes as the Debtor itself could do; it being agreed that this power of attorney is only exercisable on default by the Debtor. A statutory declaration that default has occurred hereunder, and that such default still continues, entitling the Lender to exercise its rights hereunder, shall be conclusive evidence of the Lender's rights to exercise the power of attorney hereby given.

4. COVENANTS OF THE DEBTOR

So long as this General Security Agreement remains in effect the Debtor covenants and agrees:

- (a) To defend the Collateral against the claims and demands of all other parties claiming the same or an interest therein: to keep the Collateral free from all Encumbrances, except for the Security Interest and not to sell, exchange, transfer, assign, lease, or otherwise dispose of Collateral or any interest therein without the prior written consent of the Lender; provided always that, until default the Debtor

may, in the ordinary course of the Debtor's business, sell or lease Inventory and, subject to Clause 6 hereof, use monies available to the Debtor;

- (b) To notify the Lender promptly of:
 - (i) any change in the information contained herein or in the Schedules hereto relating to the Debtor, the Debtor's business or Collateral;
 - (ii) the details of any significant acquisition of Collateral;
 - (iii) the details of any claims or litigation affecting Collateral;
 - (iv) any loss or damage to Collateral;
 - (v) any default by any Account Debtor in payment or other performance of his obligations with respect to Collateral; and
 - (vi) the return to or repossession by the Debtor of Collateral;
- (c) To keep the Collateral in good order, condition and repair and not to use Collateral in violation of the provisions of this General Security Agreement or any other agreement relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance;
- (d) To do, execute, acknowledge and deliver such financing statements and further assignments, transfers, documents, acts, matters and things (including further schedules hereto) as may be reasonably requested by the Lender of or with respect to Collateral in order to give effect to these presents and to pay all costs for searches and filings in connection therewith;
- (e) To pay all taxes, rates, levies, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Collateral as and when the same become due and payable;
- (f) To insure the Collateral for such periods, in such amounts on such terms and against loss or damage by fire and such other risks as the Lender shall reasonably direct with loss payable to the Lender and the Debtor, as insureds, as their respective interest may appear, and to pay all premiums therefor;
- (g) To prevent Collateral, save Inventory sold or leased as permitted hereby, from being or becoming an Accession to other property not covered by this General Security Agreement;
- (h) To carry on and conduct the business of the Debtor in a proper and efficient manner and so as to protect and preserve the Collateral and to keep, in accordance with generally accepted accounting principles, consistently applied, proper books of account for the Debtor's business as well as accurate and complete records concerning Collateral, and mark any and all such records and Collateral at the Lender's request so as to indicate the Security Interest;
- (i) To deliver to the Lender from time to time promptly upon request:
 - (i) any Documents of Title, Instruments, Securities and Chattel Paper constituting, representing or relating to Collateral;

- (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to Collateral for the purpose of inspecting, auditing or copying the same;
- (iii) all financial statements prepared by or for the Debtor regarding the Debtor's business;
- (iv) all policies and certificates of insurance relating to Collateral; and
- (v) such information concerning Collateral, the Debtor and business and affairs as the Lender may reasonably request.

5. USE AND VERIFICATION OF COLLATERAL

Subject to compliance with the Debtor's covenants herein and Clause 6 hereof, the Debtor may, until default, possess, operate, use, enjoy and deal with Collateral in the ordinary course of the Debtor's business in any manner not inconsistent with the provisions hereof provided always that the Lender shall have the right at any time and from time to time to verify the existence and state of the Collateral in any manner the Lender may consider appropriate and the Debtor agrees to furnish all assistance and information and to perform all such act as the Lender may reasonably request in connection therewith and for such purpose to grant to the Lender or its agents access to all places where Collateral may be located including the premises described in Schedule "B".

6. COLLECTION OF DEBTS

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

7. DISPOSITION OF MONIES

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

8. EVENTS OF DEFAULT

The happening of any of the following events or conditions shall constitute default hereunder (hereinafter referred to as "default"):

- a) The non-payment when due, whether by acceleration or otherwise, of any principal or interest forming part of Indebtedness or the failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this General Security Agreement or any other document or agreement between the Debtor and the Lender relating to the Indebtedness;

- b) The bankruptcy or insolvency of the Debtor; the filing against the Debtor of a petition in bankruptcy; the making of an authorized assignment for the benefit of creditors by the Debtor; the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
- c) Abandonment of the premises by the Debtor for a period in excess of eight (8) consecutive days and which the Debtor has not rectified within ten (10) days after delivery by the Lender to the Debtor of written notice of any abandonment.
- d) Any representation or warranty made by the Debtor herein or in any document or certificate provided at any time to the Lender in connection herewith shall prove to be incorrect or misleading in any material respect;
- e) The Debtor is in default under any other agreement with the Lender;
- f) The Debtor cease or threatens to cease to carry on the business currently being carried on by it or a substantial portion thereof or makes or agrees to make an assignment, disposition or conveyance, whether by way of sale or otherwise, of its assets in bulk;
- g) The Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process or other means, including distress, execution or any other step or proceeding with similar effect, and the same is not released, bonded, satisfied, discharged or vacated within the shorter of a period of 15 days and 10 days less than such period as would permit such property or any part thereof to be sold pursuant thereto; or
- h) The Secured Party believes in good faith that the prospect of payment or performance of any of the Obligations is impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Debtor or seized or otherwise attached by anyone pursuant to any legal process.

9. REMEDIES

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

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

- (b) Upon default, the Lender may, either directly or indirectly or through its agents or nominees, exercise any or all of the powers and rights given to a Receiver by virtue of the foregoing sub-clause (a).
- (c) The Lender may take possession of, collect, demand, sue on, enforce, recover and receive Collateral and give valid and binding receipts and discharges therefor and in respect thereof and, upon default, the Lender may sell, lease or otherwise dispose of Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as to the Lender may seem reasonable.
- (d) In addition to those rights granted herein and in any other agreement now or hereafter in effect between the Debtor and the Lender and in addition to any other rights the Lender may have at law or in equity, the Lender shall have, both before and after default, all rights and remedies of a secured party under the P.P.S.A. Provided always, that the Lender shall not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, lease or otherwise dispose of Collateral or to institute any proceedings for such purposes. Furthermore, the Lender shall have no obligation to take any steps to preserve rights against prior parties to any Instrument or Chattel Paper whether Collateral or proceeds and whether or not in the Lender's possession and shall not be liable or accountable for failure to do so.
- (e) The Debtor acknowledges that the Lender or any Receiver appointed by it may take possession of Collateral wherever it may be located and by any method permitted by law and the Debtor agrees upon request from the Lender or any such Receiver to assemble and deliver possession of Collateral at such place or places as directed.
- (f) The Debtor agrees to pay all costs, charges and expenses incurred by the Lender or any Receiver appointed by it, whether directly or for services rendered (including reasonable solicitors and auditors costs and other legal expenses and Receiver remuneration), in operating the Debtor's accounts, in preparing or enforcing this General Security Agreement, taking custody of, preserving, repairing, processing, preparing for disposition and disposing of Collateral and in enforcing or collecting Indebtedness and all such costs, charges and expenses, together with any monies owing as a result of any borrowing by the Lender or any Receiver appointed by it, as permitted hereby, shall be a first charge on the proceeds of realization, collection or disposition of Collateral and shall be secured hereby.
- (g) The Lender will give the Debtor such notice, if any, of the date, time and place of any public sale or of the date after which any private disposition of Collateral is to be made, as may be required by the P.P.S.A.

10. MISCELLANEOUS

- (a) The Debtor hereby authorizes the Lender to file such financing statements and other documents and do such acts, matters and things (including completing and adding schedules hereto identifying Collateral or any permitted Encumbrances affecting Collateral) as the Lender may deem appropriate to perfect and continue the Security Interest, to protect and preserve Collateral and to realize upon the Security Interest,

and the Debtor hereby irrevocably constitutes and appoints the Lender the true and lawful attorney of the Debtor, with full power of substitution, to do any of the foregoing in the name of the Debtor whenever and wherever it may be deemed necessary or expedient.

- (b) Upon the Debtor's failure to perform any of its duties hereunder, the Lender may, but shall not be obligated to perform any or all such duties, and the Debtor shall pay to the Lender, forthwith upon written demand therefore, an amount equal to the expense incurred by the Lender in so doing plus interest thereon from the date such expense is incurred until it is paid at the rate per annum set forth in the said mortgage.
- (c) The Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges and otherwise deal with the Debtor, sureties and others and with Collateral and other security as the Lender may see fit without prejudice to the liability of the Debtor or the Lender's right to hold and realize the Security Interest. Furthermore, the Lender may demand, collect and sue on Collateral in either the Debtor's or the Lender's name on any and all cheques, commercial paper, and any other Instrument pertaining to or constituting Collateral.
- (d) No delay or omission by the Lender in exercising any right or remedy hereunder or with respect to any Indebtedness shall operate as a waiver thereof or of any other right or remedy, and no single or partial exercise thereof shall preclude any other or further exercise thereof or the exercise of any other right or remedy. Furthermore, the Lender may remedy any default by the Debtor hereunder or with respect to any Indebtedness in any reasonable manner without waiving the default remedied and without waiving any other prior or subsequent default by the Debtor. All rights and remedies of the Lender granted or recognized herein are cumulative and may be exercised at any time and from time to time independently or in combination.
- (e) The Debtor waives protest of any Instrument constituting Collateral at any time held by the Lender on which the Debtor is in any way liable and, subject to Clause 9(g) hereof, notice of any other action taken by the Lender.
- (f) This General Security Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (g) Save for any schedules which may be added hereto pursuant to the provisions hereof, no modification, variation or amendment of any provision of this General Security Agreement shall be made except by a written Agreement, executed by the parties hereto and no waiver of any provision hereof shall be effective unless in writing.
- (h) Subject to the requirements of Clause 9(g) and 9(e) hereof, whenever either party hereto is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice, direction, demand or request shall be in writing and shall be sufficiently given only if delivered to the party for whom it is intended at the principal address of such party herein set forth or as changed pursuant hereto or if sent by prepaid registered mail addressed to the party for which it is intended at the principal address of such party herein set forth or as changed pursuant hereto. Either party may notify the other pursuant hereto of any change in such party's principal address to be used for the purpose hereof.

- (i) This General Security Agreement and the security afforded hereby shall remain in full force and effect until all Indebtedness contracted for or created, shall be paid in full.
- (j) The headings used in this General Security Agreement are for convenience only and are not to be considered a part of this General Security Agreement and do not in any way limit or amplify the terms and provisions of this General Security Agreement.
- (k) When the context so requires, the singular number shall be read as if the plural were expressed and the provisions hereof shall be read with all grammatical changes necessary dependent upon the person referred to being a male, female, firm or corporation.
- (l) In the event any provisions of this General Security Agreement, as amended from time to time, shall be deemed invalid or void, in whole or in part, by any Court of competent jurisdiction, the remaining terms and provisions of this General Security Agreement shall remain in full force and effect.
- (m) Nothing herein contained shall in any way obligate the Lender to grant, continue, renew, extend time for payment of or accept anything which constitutes or would constitute Indebtedness.
- (n) The Security Interest created hereby is intended to attach when this Security Agreement is signed by the Debtor and delivered to the Lender.

11 PAYMENT OF COSTS

The Debtor shall pay to the Lender 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 Lender, its agents, officers and employees with respect to:

- a) The preparation of this Agreement, any renewals thereof and related security documents (the "Security Documents") and any other documents, and instruments required pursuant hereto or thereto and any costs associated with realization under this Agreement or the Security Documents;
- b) The Lender obtaining advice as to its rights and responsibilities under this Agreement 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 exercise of any or all of the rights, remedies and powers of the Lender under this Agreement of 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 Debtor, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Agreement or in any instrument or document comprising the Security Documents or relating hereto or any proceedings otherwise taken in relation to any assets or property of the Debtor or subject to the security given by the Debtor to the Lender, or any proceedings taken by reason of any non-payment or non-performance of the obligations of the Debtor hereunder; and

- e) Any appraisals, environmental reports, engineering reports, cost consultants reports, or any other reports obtained at any time by the Lender relating to the Collateral;

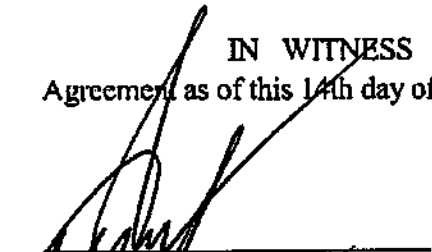
In the event the Debtor fails to pay any such legal fees, costs and expenses to the Lender forthwith upon demand by the Lender, then the amount of such unpaid legal fees, costs and expenses shall be added to the indebtedness secured hereunder and shall bear interest at the rate herein set forth.

12. COPY OF AGREEMENT

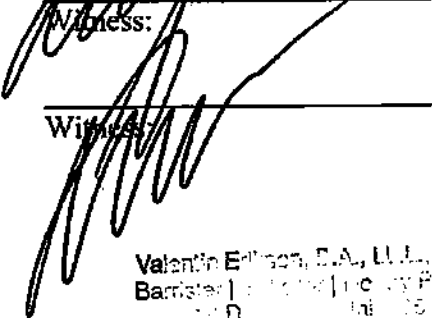
The Debtor hereby acknowledges receipt of a copy of this General Security Agreement.

(Balance of Page intentionally left blank. Signature page to follow)

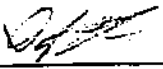
IN WITNESS WHEREOF the Debtor has executed this General Security Agreement as of this 14th day of March, 2022.



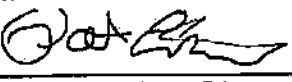
Witness:



Witness:



Dylan James Sliter



Patrick Barry Lane Linnen

Valentin Edinca, B.A., U.L.L., J.D.
Barrister [in Ontario] and Notary Public
100 Dufferin Street, Suite 105
Ottawa, Ontario K1N 6L5
TEL: 613-977-1111 / 613-977-9035
E: valentin@valentinlaw.ca

SCHEDULE "A"

**7 Maple Avenue North, Town of Smiths Falls
PIN 05280-0019 (LT)
Part Lot 110 s/s William St. Plan 13884 Lanark S South Elmsley as in RS175982; Lot 90 n/s
Main St. Plan 13884 Lanark S South Elmsley, except Parts 1 and 3, 27R-244; Lot 111 s/s
William St. Plan 13884 Lanark S South Elmsley except Parts 1 and 2, 27R5591; Lot 112 s/s
William St . Plan 13884 Lanark S South Elmsley, Lot 113, s/s William St. Plan 13884 Lanark S
South Elmsley; s/t and t/w RS175981; t/w RS175982; Town of Smiths Falls**

SCHEDULE “B”

420 Percy Crescent,
Carleton Place, Ontario
K7C 0C4

3023 Drummond Conc. 10A Rd.
Balderson, Ontario
K0G 1A0

THIS IS **EXHIBIT "15"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

BSF39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

GENERAL SECURITY AGREEMENT

THIS AGREEMENT dated as of the 14th day of March, 2022.

BY:

HAMMER & NAILS DEVELOPMENT LTD. (MAPLE STREET)
(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 as it relates to the Indebtedness, 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;

- 2 -

- (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 December 8th, 2021 as amended by First Amendment to Commitment letter dated March 10th, 2022 and assigned to the Secured Party in favour of Hammer & Nails Development Ltd. (Maple Street) as same may be further 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;

Docusign Envelope ID: 0FC10202-72AD-4E30-B01E-40000170E100

- 3 -

- (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

DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45

- 4 -

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

- 5 -

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

- 6 -

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.

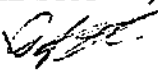
5.14 Number and Gender: All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.

(Balance of page left blank. Signature page to follow.)

Docusign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45

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

HAMMER & NAILS DEVELOPMENTS LTD.
(MAPLE STREET)

Per: 
Dylan James Sliter
Secretary

I have the authority to bind the Corporation

Docusign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45

SCHEDULE "A"
DESCRIPTION OF LANDS

7 Maple Avenue North, Town of Smiths Falls
PIN 05280-0019 (LT)
Part Lot 110 s/s William St. Plan 13884 Lanark S South Elmsley as in RS175982; Lot 90
n/s Main St. Plan 13884 Lanark S South Elmsley, except Parts 1 and 3, 27R-244; Lot 111
s/s William St. Plan 13884 Lanark S South Elmsley except Parts 1 and 2, 27R5591; Lot
112 s/s William St. Plan 13884 Lanark S South Elmsley, Lot 113, s/s William St. Plan
13884 Lanark S South Elmsley; s/t and t/w RS175981; t/w RS175982; Town of Smiths
Falls
(the "Property")

THIS IS **EXHIBIT "16"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

PROMISSORY NOTE

PRINCIPAL BALANCE: CANADIAN \$9,210,000
Toronto, Ontario

DUE DATE: October 8th, 2023
Date: March 8th, 2022

FOR VALUE RECEIVED, the undersigned **HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)** (the "**Borrower**"), hereby promises to pay to the order of **FIRST SOURCE FINANCIAL MANAGEMENT INC.** (the "**Holder**"), which term shall include its successors and assigns at 2235 Sheppard Avenue East, Suite 1202, Toronto, Ontario M2J 5B5 or at such other place as the Holder may from time to time in writing designate, in lawful money of Canada, the principal sum of Nine Million Two Hundred and Ten Thousand (\$9,210,000) Dollars or so much thereof as may be outstanding from time to time (hereinafter referred to as the "**Principal Balance**"), together with interest thereon, which interest shall be calculated, as well after as before maturity and both before and after default as follows:

Provided this Promissory Note to be void upon payment at the office of the Holder of the sum of Nine Million Two Hundred and Ten Thousand Dollars (\$9,210,000) of lawful money of Canada together with interest thereon as hereinafter set out and payable as herein set forth, as well after as before maturity and both before and after default and/or judgment as follows:

For the period up to and including September 30th, 2023, INTEREST calculated monthly and compounded 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 from and including the 1st day of May, 2022 to and including the 1st day of October, 2023. The first payment of interest is to be computed from the 1st day of April, 2022 on the amount outstanding from time to time, to become due and payable on the 1st day of May, 2022.

For the period from and including October 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 Nine Million Two Hundred and Ten Thousand (\$9,210,000) 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 October, 2023.

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 rate aforesaid shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be added to the said Principal Balance.

The Holder shall not be deemed to reinvest any monthly or other payments received pursuant to this Promissory Note.

SERVICE FEE

Should the Holder take any proceedings by reason of the Borrower's default, the Holder shall be entitled to add to the account the Holder's then current service fees in addition to all other fees, costs, claims or demands to which the Holder is also entitled.

Any service fee owing by the Borrower to the Holder which is not paid shall be added to the Principal Balance and shall bear interest at the applicable rates herein set forth.

PAYMENTS

ANY RELEASE of this Promissory Note shall be prepared by the Holder at the Borrower's expense

within a reasonable time after repayment of the Principal Balance secured herein together with accrued interest thereon and costs. All payments hereunder shall be made to the Holder at:

2235 Sheppard Avenue East, Suite 1202
Toronto, Ontario M2J 5B5

or such other place as the Borrower is notified of by the Holder from time to time.

All payments received after 1:00 p.m. shall be deemed to have been received on the following business day.

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

PREPAYMENT PROVISIONS

Provided that upon giving thirty (30) days' prior written notice and upon payment of one month's interest as a bonus, the Borrower, when not in default hereunder, shall have the privilege on or after January 1st, 2023 of prepaying, on any payment date, the whole or any part of the said Principal Balance plus interest on the Principal Balance then outstanding and outstanding costs hereby secured and in any event upon payment of the discharge statement administration fee of the Holder, or, that upon giving sixty (60) days' prior written notice, the Borrower, when not in default hereunder, shall have the privilege on or after January 1st, 2023 of prepaying, on any payment date as set out in the written notice, the whole or any part of the said Principal Balance plus interest on the Principal Balance then outstanding and outstanding costs hereby secured and in any event upon payment of the discharge statement administration fee of the Holder.

- (a) if prepayment of any part of the Principal Balance, interest and costs secured hereunder is made by reason of payment after acceleration upon the occurrence of a default, the Borrower agrees to pay to the Holder 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 Balance, accrued interest thereon and any of the sums which may be due hereunder is not repaid on or before the Due Date or on the date set out in a notice of intention to discharge /repay, then the Borrower 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 date of repayment on the Principal Balance outstanding on the date the Promissory Note was to be repaid in accordance with the foregoing notice.

PAYMENT OF COSTS

The Borrower shall pay to the Holder 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 Holder, its agents, officers and employees with respect to:

- (a) the preparation of this Promissory Note, 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 Promissory Note or the Security Documents;
- (b) the Holder obtaining advice as to its rights and responsibilities under this Promissory Note 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 Holder under this Promissory Note 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 Borrower, or any proceedings taken for the purpose of enforcing any rights or remedies provided in this Promissory Note 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 Borrower or subject to the security given by the Borrower to the Holder, or any proceedings taken

by reason of any non-payment or non-performance of the obligations of the Borrower hereunder; and

- (e) any appraisals, environmental reports, engineering reports, cost consultants' reports, or any other reports obtained at any time by the Holder relating to the Borrower's property.

In the event the Borrower fails to pay any such legal fees, costs and expenses to the Holder forthwith upon demand by the Holder, then the amount of such unpaid legal fees, costs and expenses shall be added to the Principal Balance secured hereunder and shall bear interest at the rate herein set forth

OTHER SECURITY

This Promissory Note is in addition to and not in substitution for any other security now or hereafter held by the Holder from the Borrower or any other party with respect to the Loan of \$9,210,000 secured hereby.

AGREEMENTS IN WRITING

No agreement for modification to the within Promissory Note or to any other security agreement provided to the Holder, 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 Borrower to the Holder after the expiration of the Due Date or of any subsequent term agreed to in writing between the Borrower and the Holder and that no modification, amendment, at any time to the within Promissory Note or to any security agreement provided to the Holder 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 Borrower and the Holder.

GUARANTOR PROVISIONS

In consideration of the Holder advancing funds to the Borrower hereunder, Dylan James Sliter and Patrick Barry Lane Linnen (herein collectively referred to as the "Guarantor") do hereby absolutely and unconditionally, jointly and severally covenant, agree and guarantee to the Holder, 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 Borrower shall be completely paid, fulfilled, observed and performed in accordance with the provisions of this Promissory Note and that if the Borrower 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 Holder the payments as herein set forth, and that the Guarantor shall continue to remain liable on their guarantee, covenant and agreement notwithstanding:

- a) Any extension of time or extensions of time from time to time which may be given by the Holder to the Borrower for payment, observance, performance or fulfillment of any liabilities, indebtedness, agreements or obligations hereby guaranteed and/or any renewal of this Promissory Note from time to time and the Guarantor hereby covenants and agrees with the Holder 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 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 Holder.
- e) Granting any indulgence whatsoever to the Borrower to any other person, firm or corporation.
- f) Discharging the Borrower, 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 they 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 Borrower to the Guarantor are hereby assigned to the Holder and postponed to the present and future indebtedness and liabilities of the Borrower to the Holder including the repayment of all the monies secured by the within Promissory Note and all monies received from the Borrower or for his account by the Guarantor or their representatives or assigns in respect thereof shall be by them or either of them received in trust for the Holder, and forthwith upon receipt paid over to the Holder until the Borrower's indebtedness and liability to the Holder is fully paid and satisfied all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Holder 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 Holder of the monies secured by the Promissory Note notwithstanding that the liabilities of the Guarantor under the within guarantee may have been discharged or terminated, the undersigned acknowledges the assignment to the Holder as set forth herein shall not impose upon the Holder 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.

The undersigned and all persons liable or to become liable on this Promissory Note waive presentment, protest and demand, notice or protest, demand and dishonour and nonpayment of this Promissory Note, and consent to any and all renewals and extensions in the time of payment hereof, and agree further that, at any time and from time to time without notice, the terms of payment herein may be modified, without affecting the liability of any party to this instrument or any person liable or to become liable with respect to any indebtedness evidenced hereby.

PROVIDED this Promissory Note is additional security to a Charge in the principal amount of \$9,210,000 given by Hammer & Nails Developments Ltd. (Maple Street) on the security of lands located at 7 Maple Avenue North, Town of Smiths Falls and legally described as PIN 05280-0019 (LT), (the "Charge"). Payments pursuant to this Promissory Note shall be deemed to be payments pursuant to the Charge and conversely payments pursuant to the Charge are deemed to be payments pursuant to this Promissory Note. Default pursuant to this Promissory Note shall be deemed a default pursuant to the Charge and conversely a default pursuant to the Charge shall be deemed a default pursuant to this Promissory Note.

Any amendment to the terms, including without limitation, the interest rate or maturity date of the Charge shall be deemed a concurrent and identical change to the terms of this Promissory Note.

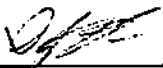
Time is of the essence hereof.

This Promissory Note shall be governed by the laws of the Province of Ontario and shall not be changed, modified, discharged or cancelled orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors and assigns and the provisions hereof shall bind and enure to the benefit of their respective heirs, executors, administrations, successors and assigns forever.

(Balance of page intentionally left blank. Signature page to follow)

Docusign Envelope ID: 0FE10202772AD4E30-031E40BDD130E100

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

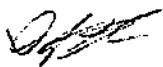
Per: 
Dylan James Sliter
Secretary

I have the authority to bind the Corporation

GUARANTORS:


Witness:


Witness:


Dylan James Sliter


Patrick Barry Lane Linnen

Valentin Erikson, B.A., LL.L., J.D.
Barrister | Solicitor | Notary Public
10 Dundas Street East
Ottawa, ON K2E 2B7
TEL: 613-692-6635 | FAX: 613-212-9035
E-MAIL: info@eriksonlaw.ca

THIS IS **EXHIBIT "17"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Docusign Envelope ID: 8ED6A3CE-1870-48FE-8C57-7CAAAA481990

AMENDMENT TO PROMISSORY NOTE
Dated September 11th, 2024

WHEREAS Hammer & Nails Developments Ltd. (Maple Street) gave a Promissory Note dated the 14th day of March, 2022 in favour of First Source Financial Management Inc. as Holder in the principal amount of \$9,210,000;

AND WHEREAS the Borrower executed an Amendment to Promissory Note dated the 7th day of July, 2023 in favour of First Source Financial Management Inc. as Holder increasing the principal amount of the Promissory Note to \$11,266,000;

AND WHEREAS the Holder has at the request of Hammer & Nails Developments Ltd. (Maple Street), agreed to increase the amount to be secured by the Promissory Note and amend the Due Date of the Promissory Note and amend the interest payment terms, subject to the following.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of TWO (\$2.00) DOLLARS now paid by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged) the parties hereto agree, as follow as of July 1st, 2024:

1. The Due Date of the Promissory Note is hereby amended to February 8th, 2025.
2. The principal amount of the Promissory Note is increased to \$13,326,300.
3. Effective July 1st, 2024, the payment terms of the Promissory Note are amended as follows:

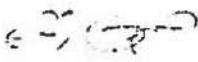
"Provided this Promissory Note to be void upon payment at the office of the Holder of the sum of THIRTEEN MILLION THREE HUNDRED AND TWENTY-SIX THOUSAND AND THREE HUNDRED (\$13,326,300) DOLLARS of lawful money of Canada, together with interest thereon as hereinafter set out and payable as herein set forth, as well after as before maturity and both before and after default as follows:

For the period up to and including January 31st, 2025, interest calculated daily, 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 August, 2024 to and including the 1st day of February, 2025. The first payment of interest is to be computed from the 1st day of July, 2024 on the amount outstanding from time to time, to become due and payable on the 1st day of August, 2024.

For the period from and including February 1st, 2025, 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 11.30 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 Thirteen Million Three Hundred and Twenty-Six Thousand and Three Hundred (\$13,326,300) Dollars, together with interest thereon at the rate of the greater of 18% per annum or the rate per annum which is 11.30 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 of February, 2025."

3. The Promissory Note, when not in default, shall be open for repayment, in full, on any payment date, without notice or bonus



Docusign Envelope ID: 6ED6A3CE-1870-46FE-8C57-7CAAAA4B1980

- 3. There shall be no further extensions of the Due Date or Maturity Date with respect to the Promissory Note.
- 4. The Borrower and guarantor acknowledge that under the Electronic Commerce Act, the Borrower and guarantor should not be signing by an electronic signature the Promissory Note as a negotiable instrument can be not legally signed by way of electronic signature to satisfy the requirements of the statute.

The Borrower and guarantor confirm that the signing the Amendment to the Promissory Note by an electronic signature shall not be used as a defence by the Borrower and guarantor to nullify the Promissory Note's or the Amendment to Promissory Note's validity in any action commenced by the Holder.
- 5. All capitalized terms utilized herein shall have the same meaning ascribed to them in the Promissory Note, save as amended hereby.
- 6. All other terms and conditions of the Promissory Note, save as amended hereby remain unamended and in full force and effect and time shall remain of the essence.
- 7. The parties hereto agree that this Amendment to Promissory Note 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)

(Handwritten signature)

Docusign Envelope ID: 6ED6A3CE-1670-49FE-8CE7-7CAAAA4B1890


IN WITNESS WHEREOF the parties hereto have executed this Amendment to Promissory Note as of the 11th day of September, 2024.

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

Per: 
Dylan James Sliter
President
I have the authority to bind the Corporation

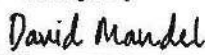

Dylan James Sliter


Patrick Barry Lane Linnen

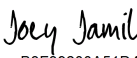

Witness:
Witness:

Valentin Erikson, B.A., LL.L., J.D.
Barrister | Solicitor | Notary Public
18 Deakin St. Unit 105
Ottawa, ON K2E 6B7
TEL: 613-692-5685 | FAX: 613-212-9035
E-MAIL: info@enksoriaw.ca

FIRST SOURCE FINANCIAL MANAGEMENT INC.

DocuSigned by:
Per: 
David Mandel
CEO
I have the authority to bind the Corporation

THIS IS **EXHIBIT "18"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

LRO # 27 **Notice Of Assignment Of Rents-General**
The applicant(s) hereby applies to the Land Registrar.

Received as **LC235578** on 2022 03 17 at 12:26
yyyy mm dd Page 1 of 10

Properties

PIN 05280 - 0019 LT
Description PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982;
LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3,
27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS
1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT
113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981;
T/W RS175982 ; TOWN OF SMITHS FALLS
Address 7 MAPLE AVENUE NORTH
SMITHS FALLS

Applicant(s)

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

Name HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)
Address for Service 420 Percy Crescent
Carleton Place, Ontario
K7C 0C4

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	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2235 Sheppard Avenue East Suite 1202 Carleton Place, Ontario K7C 0C4

Statements

The applicant applies for the entry of a notice of general assignment of rents.
This notice may be deleted by the Land Registrar when the registered instrument, LC235577 registered on 2022/03/17 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 17
-------------------	-----------------------------------------------------	----------------------------	--------	------------

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

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

Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Party To(s)	Signed	2022 03 17
-------------------	-----------------------------------------------------	---------------------------	--------	------------

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

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

Submitted By

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9	2022 03 17
--------------	-----------------------------------------------------	------------

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

Fees/Taxes/Payment

Statutory Registration Fee	\$66.30
Total Paid	\$66.30

LRO # 27 **Notice Of Assignment Of Rents-General**
The applicant(s) hereby applies to the Land Registrar.

Receipted as LG235578 on 2022 03 17 at 12:26
yyyy mm dd **Page 2 of 10**

File Number

Applicant Client File Number : 69067

UNLAWFUL TO REPRODUCE OR TRANSMIT IN ANY MANNER WITHOUT THE WRITTEN PERMISSION OF FIRST SOURCE FINANCIAL MANAGEMENT INC.

THIS INDENTURE made on the 14th day of March, 2022.

BETWEEN:

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

(hereinafter called the "Mortgagor")

OF THE FIRST PART

- and -

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(hereinafter called the "Mortgagee")

OF THE SECOND PART

WHEREAS:

- A:** The Mortgagee is advancing to the Mortgagor the sum of up to Seven Million Six Hundred and Seventy-Five Thousand Dollars (\$7,675,000) upon the security of a Charge/Mortgage to be registered in the principal amount of Nine Million Two Hundred and Ten Thousand Dollars (\$9,210,000), (the "Mortgage") registered in the Land Titles Division of Lanark (No. 27) and made by the Mortgagor in favour of the Mortgagee on the security of the lands and premises owned by the Mortgagor and more particularly described in Schedule "A" hereto, which lands and all buildings at any time thereon during the existence of the Mortgage are herein referred to as the "Mortgaged Premises";
- B:** As a condition precedent of making the aforesaid mortgage loan, the Mortgagee has required an assignment to the Mortgagee; its heirs, executors, administrators, successors and assigns, as additional security for the observance and performance by the Mortgagor of its covenants and agreements contained in the Mortgage, all rents and other monies due or accruing due or at any time hereafter to become due and payable and the Leases, as hereinafter defined, and all of the other rights of the Mortgagor under:
- (i) all present and future leases, agreements to lease and subleases of any part of the Mortgaged Premises and all tenancies, present or future licences affording any person a right to use or occupy any part of the Mortgaged Premises, in such case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements, or substitutions thereof or therefore which are now or may hereafter be affected or entered into (hereinafter collectively referred to as the "Leases");
 - (ii) all present and future (i) guarantees of any or all of obligations of any tenant (which term means any person who now or hereafter is a party to a Lease for the time being in effect and has any right of use or occupancy of all or any part of the Mortgaged Premises under a Lease) under any Lease; (ii) indemnities in respect of all or any of the obligations of any Tenant under any Leases and (iii) arrangements with a similar person for any other person to take over all or part of the balance of the term of any tenant under any Lease, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements and substitutions thereof or therefore which may hereafter be effected or entered into (hereinafter collectively referred to as the "Guarantee of Leases).

NOW THEREFORE this Indenture witnesseth that in consideration of the premises and the sum of TWO (\$ 2.00) DOLLARS now paid by the Mortgagee to the Mortgagor (the receipt and sufficiency whereof is hereby acknowledged):

UNWORTHY: CIVIL RIGHTS ID. 07E10402/124745330516788808 1888144

2

1. Subject to paragraph 2 hereof, the Mortgagor hereby assigns, transfers and sets over unto the Mortgagee, its heirs, executors, administrators, successors and assigns, (a) The Leases and Guarantees of Leases; and (b) all rents and other monies now due or accruing due or at any time hereafter to become due and payable under each and every Lease and Guarantee of Leases, all other obligations of the other parties thereto with respect to the Mortgaged Premises and all benefits, advantages and powers to be derived therefrom; with full power and authority in each case to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder; to have and to hold unto the Mortgagee until all moneys owing and all obligations of the Mortgagor in respect of the Mortgage have been fully paid and fulfilled and after the Mortgage has been fully released and discharged this Agreement shall be void and of no further effect.
2. It is the intention of the parties hereto that this instrument shall be a present assignment provided that the Mortgagee shall not exercise any rights or remedies herein given to it until the Mortgagor is in default under any of the terms and provisions of the Mortgage or of this assignment. Until such default, the Mortgagor shall be permitted to collect, take, retain and use or permit the collection, taking, retention and use of the rents and revenues from the Mortgaged Premises. Default under this Indenture shall constitute default under the Mortgage.
3.
 - (a) At any time, whether or not the Mortgagor is in default hereunder and whether or not the Mortgagee has determined to enforce the security hereof, upon request by the Mortgagee, the Mortgagor will promptly deliver, to the extent that the same have not been previously delivered, to the Mortgagee a copy of any or all of the Leases and any Guarantees of Leases;
 - (b) The Mortgagor covenants and agrees that all the obligations of the Lessor or Licensor under each of the Leases will be observed and performed except to the extent that such observance or performance may be waived by the obligees;
 - (c) The Mortgagor covenants and agrees that it will, from time to time, on request by the Mortgagee, execute or join in the execution of and deliver to the Mortgagee any one or more of the following which shall be subject to this Indenture:
 - (i) A Specific Assignment of all of the rights, title and interest of the Mortgagor as Lessor or Licensor in, to, under, or in respect of all rents and other moneys now due and payable under any one or more of the Leases and any Guarantees of Leases;
 - (ii) A Specific Assignment of all the right, title and interest of the Mortgagor, as Lessor or Licensor in, to, under or in respect of any of the Leases, all rent or other moneys now due and payable or hereafter to become due and payable thereunder, all other obligations of the other parties thereunder and all the benefits, advantages and powers to be derived therefrom and each and every Guarantee of Lease, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder and otherwise to enforce the rights of the Mortgagor thereunder in the name of the Mortgagor;
4. Whenever the Mortgagor has been in default under any of the terms or provisions of the Mortgage, the Mortgagee shall be entitled to enter into possession of the Mortgaged Premises and collect the rents and revenues thereof, distrain in the name of the Mortgagor for the same and appoint its agents to manage the Mortgaged Premises and pay such agents reasonable charges for their services and charge the same to the account of the Mortgagor; and that any agents so appointed by the Mortgagee shall have the authority and power:
 - (a) to make any Lease or Leases of the Mortgaged Premises or of any part thereof at such rent and on such terms as the Mortgagee in its discretion may consider proper and to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases, or to make concessions to Tenants as

the Mortgagee in its discretion may consider proper;

- (b) to manage generally the Mortgaged Premises to the same extent as the Mortgagor could do; and
 - (i) to collect the rents and revenues and give good and sufficient receipts and discharges therefore, and in their discretion, distrain in the name of the Mortgagor for such rents and revenues;
 - (ii) to pay all insurance premiums, taxes, necessary repairs, renovations and upkeep, carrying charges, rent or lease commissions, salary of any janitor or caretaker, cost of heating, and any and all payments due on the Mortgage to the Mortgagee;
 - (iii) to accumulate the rents and revenues in such agent's hands in a reasonable amount to make provision for maturing payments of interest and principal on the Mortgage, and for the payments of taxes, insurance, heating, repairs, renovations and upkeep, costs and expenses of collection of rents and revenues, and other expenses or carrying charges connected with the Mortgaged Premises.
- 5. Where any discretionary powers hereunder are vested in the Mortgagee or its agents, the same may be exercised by any officer, investment manager or manager of the Mortgagee or its appointed agents, as the case may be.
- 6. Any entry upon the Mortgaged Premises under the terms of this Indenture shall not constitute the Mortgagee a "Mortgagee in Possession" in contemplation of law and the Mortgagee shall not become liable to account to the Mortgagor or credit the Mortgagor with any moneys on account of the Mortgage except those which shall come into its hands or into the hands of any agents appointed by its pursuant hereto; the Mortgagee shall not be liable for failure to collect rents or revenues and shall be under no obligation to take any action or proceeding or exercise any remedy for the collection or recovery of the said rents and revenues, or any part thereof, and then, subject to all deductions and payments made out of the rents and revenues received from the Mortgaged Premises as herein provided.
- 7. That whenever any and all default under the Mortgage has been cured, and all taxes and insurance on the Mortgaged Premises have been paid to date, and all moneys which the Mortgagee or its agents may have expended or become liable for in connection with the Mortgaged Premises have been fully repaid, then the Mortgagee, within one month after demand in writing, shall redeliver possession of the Mortgaged Premises to the Mortgagor and the Mortgagor shall resume collection of the rents or revenues on the Mortgaged Premises until further default has occurred as aforesaid, and shall thereupon also be permitted to receive any remaining balance of the rents and revenues realized from the Mortgaged Premises.
- 8. That the Mortgagor warrants that it has not, and covenants that it shall not, at any time during the existence of the Mortgage, assign, pledge or hypothecate any Lease or Leases now or hereafter existing in respect of the Mortgaged Premises or the rents and revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee; and the Mortgagor shall not, at any time during the existence of the Mortgage, commit, either by act or omission, any breach of covenant on the part of the Lessor under any of the Leases to be observed and performed, terminate, accept a surrender of, or amend in any manner, any Lease or Leases now or hereafter existing in respect of the Mortgaged Premises, or receive or permit the payment of any rents or revenues by anticipation in respect thereof, except as provided in the Leases, without the consent in writing of the Mortgagee, which consent shall not be arbitrarily or unreasonably withheld.
- 9. That this assignment is taken by way of additional security only and neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in any way, as landlord or otherwise, for the performance or any covenants, obligations or

Doc#5329981v1
DOC#10105907v1

liabilities under the Leases or any of them.

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

11. The Mortgagor covenants and agrees with the Mortgagee:

- (a) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder; and that it will not transfer or convey the fee title to the said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured hereby in accordance with the terms covenants and conditions of the mortgage hereinbefore described;
- (b) that if the Leases provide for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Mortgagor shall furnish rental insurance to the Mortgagee, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Mortgagee;
- (c) not to terminate, modify or amend said Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Mortgagee and that any attempted termination, modification or amendments of said Leases without such written consent shall be null and void;
- (d) not to collect any of the rent, income and profits arising or accruing under said Leases in advance of the time when the same become due under the terms thereof, but in any event without the written consent of the Mortgagee, not more than thirty (30) days in advance;
- (e) not to discount any future accruing rents;
- (f) not to execute any other assignments of said Leases or any interest therein or any of the rents thereunder;
- (g) to perform all of the Mortgagor's covenants and agreements as Lessor under the said Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights to the Lessees to withhold payment of rent; and to give prompt notices to the Mortgagee of any notice of default on the part of the Mortgagor with respect to the said Leases received from the Lessees thereunder, and to furnish the Mortgagee with complete copies of the said notices;
- (h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Mortgagee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;
- (i) if so requested by the Mortgagee, to enforce the said Leases and all remedies available to the Mortgagor against the Lessees, in case of default under the said Leases by the Lessee;
- (j) that none of the rights or remedies of the Mortgagee under the mortgage shall be delayed or in any way prejudiced by this assignment
- (k) that notwithstanding any variation of the terms of the mortgage or any extension of time for payment thereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;
- (l) not to alter, modify or change the terms of any guarantees of any of the said Leases or cancel or terminate such guarantees without the prior written consent of the Mortgagee;

UNRECORDED COPY OF THIS DOCUMENT IS NOT VALID FOR RECORDING PURPOSES

- (m) not to consent to any assignment of the said Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Mortgagee;
 - (n) not to request, consent to, agree to or accept subordination of the said Leases to any mortgage or other encumbrance now or hereafter affecting the premises;
 - (o) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or have the effect of shortening the stated term of the Lease; and
 - (p) to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Agreement or any notice hereof which may be required and of every renewal related thereto.
12. Upon any vesting of title to the properties secured under the Mortgage in the Mortgagee or other party by Court Order, operation of law, or otherwise and upon delivery of a deed or deeds pursuant to the Mortgagee's exercise of remedies under the Mortgage, all right, title and interest of the Mortgagor in and to the Leases shall by virtue of this instrument, thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Mortgagor. The Mortgagor hereby irrevocably appoints the Mortgagee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee or grantees
13. In the exercise of the powers herein granted to the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being hereby expressly waived and released by the Mortgagor. The Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Mortgagor shall and does hereby agree to indemnify the Mortgagee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Mortgagee incur any such liability, loss or damage under the Leases or under or by reason of this assignment, or in the defence of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Mortgagor shall reimburse the Mortgagee therefore immediately upon demand.
14. This assignment is intended to be additional to and not in substitution for or in derogation of any assignment of rents contained in the mortgage or in any other document.
15. That the rights or remedies given to the Mortgagee hereunder shall be cumulative of and not substituted for any rights or remedies to which the Mortgagee may be entitled under the Mortgage or at Law.
16. That the terms and conditions hereof shall be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereof as the case may be.
17. A discharge of the Mortgage in favour of the Mortgagor as against part or all of the Mortgaged Premises shall operate as a reassignment of this Assignment of Rents as against the Mortgaged Premises so discharged.

PROVIDED that it is hereby agreed that in construing this Indenture the words "Mortgagor" or "Mortgagors" or "Mortgagee" or "Mortgagees", and "he", "she", "they" or "it", "his", "her", "their", or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges,


Doc#5328881v1
DOC#10105907v1

immunities, powers and things hereby secured to the Mortgagor or Mortgagors, Mortgagee or Mortgagees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. And that all covenants, liabilities and obligation entered into or imposed hereunder upon the Mortgagor or Mortgagors, Mortgagee or Mortgagees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

(Remainder of page intentionally left blank. Signature page to follow.)

UNUSABLE ENVELOPE ID. USE 10262712AD4E307B01E74000B18DE100

7

DATED at , this 14th day of March, 2022.

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

Per: 

Dylan James Sliter
Secretary

I have the authority to bind the Corporation

UNWORTHY ENVELOPE ID: 0F210282712A07E330B01C7BDD00190C100

SCHEDULE "A"

7 Maple Avenue North, Town of Smiths Falls
PIN 05280-0019 (LT)
Part Lot 110 s/s William St. Plan 13884 Lanark S South Elmsley as in RS175982; Lot 90 n/s
Main St. Plan 13884 Lanark S South Elmsley, except Parts 1 and 3, 27R-244; Lot 111 s/s
William St. Plan 13884 Lanark S South Elmsley except Parts 1 and 2, 27R5591; Lot 112 s/s
William St . Plan 13884 Lanark S South Elmsley, Lot 113, s/s William St. Plan 13884 Lanark S
South Elmsley; s/t and t/w RS175981; t/w RS175982; Town of Smiths Falls
(the "Property")

THIS IS **EXHIBIT "19"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39299A64D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Properties

PIN

05269 - 0273 LT

Description

PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Address

BECKWITH STREET N
SMITHS FALLS

Applicant(s)

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

Name

HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)

Address for Service

420 Percy Crescent
Carleton Place, Ontario
K7C 0C4

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	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2 Sheppard Avenue East, Suite 605 Toronto, Ontario M2N 5Y7

Statements

The applicant applies for the entry of a notice of general assignment of rents.
This notice may be deleted by the Land Registrar when the registered instrument, LC263057 registered on 2024/09/25 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	2024 09 25
-------------------	-----------------------------------------------------	----------------------------	--------	------------

Tel 416-222-8888

Fax 416-218-1860

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

Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Party To(s)	Signed	2024 09 25
-------------------	-----------------------------------------------------	---------------------------	--------	------------

Tel 416-222-8888

Fax 416-218-1860

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

Submitted By

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9			2024 09 25
--------------	-----------------------------------------------------	--	--	------------

Tel 416-222-8888

Fax 416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

LRO # 27 **Notice Of Assignment Of Rents-General**
The applicant(s) hereby applies to the Land Registrar.

Received as **LC263058** on 2024 09 25 at 12:27

yyyy mm dd Page 2 of 10

File Number

Applicant Client File Number : 89279

DocuSign Envelope ID: 6ED6A3CE-1B7D-4BFE-8C57-7CAAAA4B1990

THIS INDENTURE made on the 11th day of September, 2024.

BETWEEN:

HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)

(hereinafter called the "Mortgagor")

OF THE FIRST PART

- and -

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(hereinafter called the "Mortgagee")

WHEREAS:

A: The Mortgagee is advancing to the Mortgagor the sum of up to Eleven Million One Hundred and Five Thousand Two Hundred and Fifty Dollars (\$11,105,250) upon the security of a Charge/Mortgage to be registered in the principal amount of Thirteen Million Three Hundred and Twenty-Six Thousand and Three Hundred Dollars (\$13,326,300), (the "Mortgage") registered in the Land Titles Division of Lanark (No. 27) and made by the Mortgagor in favour of the Mortgagee on the security of the lands and premises owned by the Mortgagor and more particularly described in Schedule "A" hereto, which lands and all buildings at any time thereon during the existence of the Mortgage are herein referred to as the "Mortgaged Premises";

B: As a condition precedent of making the aforesaid mortgage loan, the Mortgagee has required an assignment to the Mortgagee; its heirs, executors, administrators, successors and assigns, as additional security for the observance and performance by the Mortgagor of its covenants and agreements contained in the Mortgage, all rents and other monies due or accruing due or at any time hereafter to become due and payable and the Leases, as hereinafter defined, and all of the other rights of the Mortgagor under:

(i) all present and future leases, agreements to lease and subleases of any part of the Mortgaged Premises and all tenancies, present or future licences affording any person a right to use or occupy any part of the Mortgaged Premises, in such case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements, or substitutions thereof or therefore which are now or may hereafter be affected or entered into(hereinafter collectively referred to as the "Leases");

(ii) all present and future (i) guarantees of any or all of obligations of any tenant (which term means any person who now or hereafter is a party to a Lease for the time being in effect and has any right of use or occupancy of all or any part of the Mortgaged Premises under a Lease) under any Lease; (ii) indemnities in respect of all or any of the obligations of any Tenant under any Leases and (iii) arrangements with a similar person for any other person to take over all or part of the balance of the term of any tenant under any Lease, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements and substitutions thereof or therefore which may hereafter be effected or entered into (hereinafter collectively referred to as the "Guarantee of Leases).

NOW THEREFORE this Indenture witnesseth that in consideration of the premises and the sum of TWO (\$ 2.00) DOLLARS now paid by the Mortgagee to the Mortgagor (the receipt and sufficiency whereof is hereby acknowledged):

DocuSign Envelope ID: 6ED6A3CE-1B7D-4BFE-8C57-7CAAAA4B1990

Docusign Envelope ID: 6ED8A3CE-1870-48FE-8C57-7CAAAA481986

1. Subject to paragraph 2 hereof, the Mortgagor hereby assigns, transfers and sets over unto the Mortgagee, its heirs, executors, administrators, successors and assigns, (a) The Leases and Guarantees of Leases; and (b) all rents and other monies now due or accruing due or at any time hereafter to become due and payable under each and every Lease and Guarantee of Leases, all other obligations of the other parties thereto with respect to the Mortgaged Premises and all benefits, advantages and powers to be derived therefrom; with full power and authority in each case to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder; to have and to hold unto the Mortgagee until all moneys owing and all obligations of the Mortgagor in respect of the Mortgage have been fully paid and fulfilled and after the Mortgage has been fully released and discharged this Agreement shall be void and of no further effect.
2. It is the intention of the parties hereto that this instrument shall be a present assignment provided that the Mortgagee shall not exercise any rights or remedies herein given to it until the Mortgagor is in default under any of the terms and provisions of the Mortgage or of this assignment. Until such default, the Mortgagor shall be permitted to collect, take, retain and use or permit the collection, taking, retention and use of the rents and revenues from the Mortgaged Premises. Default under this Indenture shall constitute default under the Mortgage.
3. (a) At any time, whether or not the Mortgagor is in default hereunder and whether or not the Mortgagee has determined to enforce the security hereof, upon request by the Mortgagee, the Mortgagor will promptly deliver, to the extent that the same have not been previously delivered, to the Mortgagee a copy of any or all of the Leases and any Guarantees of Leases;
- (b) The Mortgagor covenants and agrees that all the obligations of the Lessor or Licensor under each of the Leases will be observed and performed except to the extent that such observance or performance may be waived by the obligees;
- (c) The Mortgagor covenants and agrees that it will, from time to time, on request by the Mortgagee, execute or join in the execution of and deliver to the Mortgagee any one or more of the following which shall be subject to this Indenture:
- (i) A Specific Assignment of all of the rights, title and interest of the Mortgagor as Lessor or Licensor in, to, under, or in respect of all rents and other moneys now due and payable under any one or more of the Leases and any Guarantees of Leases;
- (ii) A Specific Assignment of all the right, title and interest of the Mortgagor, as Lessor or Licensor in, to, under or in respect of any of the Leases, all rent or other moneys now due and payable or hereafter to become due and payable thereunder, all other obligations of the other parties thereunder and all the benefits, advantages and powers to be derived therefrom and each and every Guarantee of Lease, with full power and authority to demand, sue for, recover, receive and give receipts for all rents and other moneys payable thereunder and otherwise to enforce the rights of the Mortgagor thereunder in the name of the Mortgagor;
4. Whenever the Mortgagor has been in default under any of the terms or provisions of the Mortgage, the Mortgagee shall be entitled to enter into possession of the Mortgaged Premises and collect the rents and revenues thereof, distrain in the name of the Mortgagor for the same and appoint its agents to manage the Mortgaged Premises and pay such agents reasonable charges for their services and charge the same to the account of the Mortgagor; and that any agents so appointed by the Mortgagee shall have the authority and power:
- (a) to make any Lease or Leases of the Mortgaged Premises or of any part thereof at such rent and on such terms as the Mortgagee in its discretion may consider proper and to cancel or surrender existing Leases, to alter or amend the terms of

Docusign
DocId:3329681v1
000273

Docusign Envelope ID: 6ED6A3CE-1B70-48FE-8C57-7CAAAA4B1990

- existing Leases, to renew existing Leases, or to make concessions to Tenants as the Mortgagee in its discretion may consider proper;
- (b) to manage generally the Mortgaged Premises to the same extent as the Mortgagor could do; and
- (i) to collect the rents and revenues and give good and sufficient receipts and discharges therefore, and in their discretion, distrain in the name of the Mortgagor for such rents and revenues;
- (ii) to pay all insurance premiums, taxes, necessary repairs, renovations and upkeep, carrying charges, rent or lease commissions, salary of any janitor or caretaker, cost of heating, and any and all payments due on the Mortgage to the Mortgagee;
- (iii) to accumulate the rents and revenues in such agent's hands in a reasonable amount to make provision for maturing payments of interest and principal on the Mortgage, and for the payments of taxes, insurance, heating, repairs, renovations and upkeep, costs and expenses of collection of rents and revenues, and other expenses or carrying charges connected with the Mortgaged Premises.
5. Where any discretionary powers hereunder are vested in the Mortgagee or its agents, the same may be exercised by any officer, investment manager or manager of the Mortgagee or its appointed agents, as the case may be.
6. Any entry upon the Mortgaged Premises under the terms of this Indenture shall not constitute the Mortgagee a "Mortgagee in Possession" in contemplation of law and the Mortgagee shall not become liable to account to the Mortgagor or credit the Mortgagor with any moneys on account of the Mortgage except those which shall come into its hands or into the hands of any agents appointed by its pursuant hereto; the Mortgagee shall not be liable for failure to collect rents or revenues and shall be under no obligation to take any action or proceeding or exercise any remedy for the collection or recovery of the said rents and revenues, or any part thereof, and then, subject to all deductions and payments made out of the rents and revenues received from the Mortgaged Premises as herein provided.
7. That whenever any and all default under the Mortgage has been cured, and all taxes and insurance on the Mortgaged Premises have been paid to date, and all moneys which the Mortgagee or its agents may have expended or become liable for in connection with the Mortgaged Premises have been fully repaid, then the Mortgagee, within one month after demand in writing, shall redeliver possession of the Mortgaged Premises to the Mortgagor and the Mortgagor shall resume collection of the rents or revenues on the Mortgaged Premises until further default has occurred as aforesaid, and shall thereupon also be permitted to receive any remaining balance of the rents and revenues realized from the Mortgaged Premises.
8. That the Mortgagor warrants that it has not, and covenants that it shall not, at any time during the existence of the Mortgage, assign, pledge or hypothecate any Lease or Leases now or hereafter existing in respect of the Mortgaged Premises or the rents and revenues due or to become due thereunder, or any part thereof, other than to the Mortgagee; and the Mortgagor shall not, at any time during the existence of the Mortgage, commit, either by act or omission, any breach of covenant on the part of the Lessor under any of the Leases to be observed and performed, terminate, accept a surrender of, or amend in any manner, any Lease or Leases now or hereafter existing in respect of the Mortgaged Premises, or receive or permit the payment of any rents or revenues by anticipation in respect thereof, except as provided in the Leases, without the consent in writing of the Mortgagee, which consent shall not be arbitrarily or unreasonably withheld.
9. That this assignment is taken by way of additional security only and neither the taking of this assignment nor anything done in pursuance hereof shall make the Mortgagee liable in

DocID5329061v1
DOC#11748000v1

Docusign Envelope ID: 6E06A3CE-1670-48FE-8C57-7CAAAA4B1980

4

any way, as landlord or otherwise, for the performance or any covenants, obligations or liabilities under the Leases or any of them.

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

11. The Mortgagor covenants and agrees with the Mortgagee:

- (a) that the Leases shall remain in full force and effect irrespective of any merger of the interest of the Lessor and Lessee thereunder; and that it will not transfer or convey the fee title to the said premises to any of the Lessees without requiring such Lessees, in writing, to assume and agree to pay the debt secured hereby in accordance with the terms covenants and conditions of the mortgage hereinbefore described;
- (b) that if the Leases provide for the abatement of rent during the repair of the demised premises by reason of fire or other casualty, the Mortgagor shall furnish rental insurance to the Mortgagee, the policies to be in an amount and form and written by such insurance companies as shall be satisfactory to the Mortgagee;
- (c) not to terminate, modify or amend said Leases or any of the terms thereof, or grant any concessions in connection therewith, either orally or in writing, or to accept a surrender thereof without the written consent of the Mortgagee and that any attempted termination, modification or amendments of said Leases without such written consent shall be null and void;
- (d) not to collect any of the rent, income and profits arising or accruing under said Leases in advance of the time when the same become due under the terms thereof, but in any event without the written consent of the Mortgagee, not more than thirty (30) days in advance;
- (e) not to discount any future accruing rents;
- (f) not to execute any other assignments of said Leases or any interest therein or any of the rents thereunder;
- (g) to perform all of the Mortgagor's covenants and agreements as Lessor under the said Leases and not to suffer or permit to occur any release of liability of the Lessees, or any rights to the Lessees to withhold payment of rent; and to give prompt notices to the Mortgagee of any notice of default on the part of the Mortgagor with respect to the said Leases received from the Lessees thereunder, and to furnish the Mortgagee with complete copies of the said notices;
- (h) that all offers to lease and Leases shall be bona fide, the terms of which are to be approved by the Mortgagee prior to execution, and shall be at rental rates and terms consistent with comparable space in the area of the lands and premises described herein;
- (i) if so requested by the Mortgagee, to enforce the said Leases and all remedies available to the Mortgagor against the Lessees, in case of default under the said Leases by the Lessee;
- (j) that none of the rights or remedies of the Mortgagee under the mortgage shall be delayed or in any way prejudiced by this assignment
- (k) that notwithstanding any variation of the terms of the mortgage or any extension of time for payment thereunder, the Leases and benefits hereby assigned shall continue as additional security in accordance with the terms hereof;
- (l) not to alter, modify or change the terms of any guarantees of any of the said Leases or cancel or terminate such guarantees without the prior written consent of the Mortgagee;

Doc#5329861-1
DOC#11778800v1

Docusign Envelope ID: 6E06A3CE-1870-48FE-8C87-7CAAAA481990

5

- (m) not to consent to any assignment of the said Leases, or any subletting thereunder, whether or not in accordance with their terms, without the prior written consent of the Mortgagee;
 - (n) not to request, consent to, agree to or accept subordination of the said Leases to any mortgage or other encumbrance now or hereafter affecting the premises;
 - (o) not to exercise any right of election, whether specifically set forth in any such Leases or otherwise which would in any way diminish the tenant's liability or have the effect of shortening the stated term of the Lease; and
 - (p) to pay the costs, charges and expenses of and incidental to the taking, preparation and filing of this Agreement or any notice hereof which may be required and of every renewal related thereto.
12. Upon any vesting of title to the properties secured under the Mortgage in the Mortgagee or other party by Court Order, operation of law, or otherwise and upon delivery of a deed or deeds pursuant to the Mortgagee's exercise of remedies under the Mortgage, all right, title and interest of the Mortgagor in and to the Leases shall by virtue of this instrument, thereupon vest in and become the absolute property of the party vested with such title or the grantee or grantees in such deed or deeds without any further act or assignment by the Mortgagor. The Mortgagor hereby irrevocably appoints the Mortgagee and its successors and assigns, as its agent and attorney in fact, to execute all instruments of assignment or further assurances in favour of such party vested with title or the grantee or grantees
13. In the exercise of the powers herein granted to the Mortgagee, no liability shall be asserted or enforced against the Mortgagee, all such liability being hereby expressly waived and released by the Mortgagor. The Mortgagee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Mortgagor shall and does hereby agree to indemnify the Mortgagee for, and to save and hold it harmless of and from, any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should the Mortgagee incur any such liability, loss or damage under the Leases or under or by reason of this assignment, or in the defence of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorney's fees, shall be secured hereby, and the Mortgagor shall reimburse the Mortgagee therefore immediately upon demand.
14. This assignment is intended to be additional to and not in substitution for or in derogation of any assignment of rents contained in the mortgage or in any other document.
15. That the rights or remedies given to the Mortgagee hereunder shall be cumulative of and not substituted for any rights or remedies to which the Mortgagee may be entitled under the Mortgage or at Law.
16. That the terms and conditions hereof shall be binding upon and enure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereof as the case may be.
17. A discharge of the Mortgage in favour of the Mortgagor as against part or all of the Mortgaged Premises shall operate as a reassignment of this Assignment of Rents as against the Mortgaged Premises so discharged.

PROVIDED that it is hereby agreed that in construing this Indenture the words "Mortgagor" or "Mortgagors" or "Mortgagee" or "Mortgagees", and "he", "she", "they" or "it", "his", "her", "their", or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing

DocuSign
DocuSign

Docusign Envelope ID: BE06A3CE-1870-48FE-8C57-7CAAAA481980

with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Mortgagor or Mortgagors, Mortgagee or Mortgagees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. And that all covenants, liabilities and obligation entered into or imposed hereunder upon the Mortgagor or Mortgagors, Mortgagee or Mortgagees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several.

(Remainder of page intentionally left blank. Signature page to follow)

DocuSign Envelope ID: 6ED6A3CE-167D-4BFE-8C57-7CAAAA461990

7

DATED this 11th day of September, 2024,

HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)

Per:  _____

Dylan James Sliter
Secretary

I have the authority to bind the Corporation

Docusign Envelope ID: 8ED6A3CE-1870-48FE-8C57-7CAAAA4B1980

SCHEDULE "A"

161 Beckwith Street North, Town of Smiths Falls
PIN 05269-0273 (LT)
Part Lot 5 e/s Beckwith St Plan 13884 Lanark S Montague, Part Lot 6 e/s Beckwith St Plan 13884 Lanark S Montague, Part Lot 7 e/s Beckwith St Plan 13884 Lanark S Montague as in RS136584; Part Lot 6 e/s Beckwith St Plan 13884 Lanark S Montague, Part Lot 7 e/s Beckwith St Plan 13884 Lanark S Montague as in RS59055; Part Lot 7 e/s Beckwith St. Plan 13884 Lanark S Montague; Part Lot 8 e/s Beckwith St Plan 13884 Lanark S Montague. being Part I. 27R538S; Town of Smiths Falls
(the "Property")

THIS IS **EXHIBIT "20"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39299A51D48F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1890

OMNIBUS AGREEMENT

THIS AGREEMENT made as of the 11th day of September, 2024.

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC.

(hereinafter called "First Source")

OF THE FIRST PART,

- and -

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)

(hereinafter called "Hammer" or the "Borrower")

OF THE SECOND PART,

- and -

**DYLAN JAMES SLITER AND PATRICK BARRY
LANE LINNEN**

(hereinafter collectively called the "Guarantor")

OF THE THIRD PART.

WHEREAS pursuant to a Commitment Letter dated the 8th day of December, 2021 as amended by First Amendment to the Commitment Letter dated March 10th, 2022, as further amended Increase Agreement dated December 23rd, 2023 and as further amended by Increase and Extension Agreement dated June 26th, 2023 issued by First Source Mortgage Corporation, (collectively the "Original Commitment"), Hammer gave a Charge (the "Charge") to First Source against certain lands owned by Hammer in the Town of Smiths Falls in the original principal amount of \$9,210,000 which Charge is registered as Instrument No. LC235577 and is further secured by a Promissory Note dated March 14th, 2022 originally in the principal amount of \$9,210,000 (the "Promissory Note");

AND WHEREAS an Increase and Extension Agreement was issued by First Source Mortgage Corporation to the Borrower dated the 26th day of August, 2024 (the "Increase and Extension Agreement"). Pursuant to this Increase and Extension Agreement the principal amount of both the Charge and the Promissory Note was increased to \$13,326,300;

AND WHEREAS the Original Commitment and the Increase and Extension Agreement are hereinafter collectively referred to as the "Commitment";

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1890

2

AND WHEREAS pursuant to the Increase and Extension Agreement the principal amount of the Charge and Promissory Note are increased to \$13,326,300 (the "Loan");

AND WHEREAS pursuant to the Increase and Extension Agreement, the Maturity Date of the Charge and the Due Date under the Promissory Note are agreed to be extended to February 8th, 2025.

AND WHEREAS First Source and Hammer have entered into an Agreement Amending Charge and Amendment to Promissory Note as of the date hereof to reflect the terms of the set out above.

AND WHEREAS First Source and Hammer and, where applicable, the Guarantor, have previously entered into the following Agreements, each effective as of the 14th day of March, 2021 unless otherwise noted below:

- (a) Assignment of Rents;
- (b) Assignment of Insurance Interest;
- (c) Cost Overrun and Completion Guarantee;
- (d) Assignment of Insurance Interest;
- (e) Assignment of Documents;
- (f) Assignment of Agreements of Purchase and Sale;
- (g) General Security Agreements;
- (h) Assignment of Documents;
- (i) Non-Merger Acknowledgement;
- (j) Negative Pledge;
- (k) Hazardous Substance Indemnity;
- (l) Undertaking not to Withdraw Equity;
- (m) Guarantee and Postponement of Claim;
- (n) Acknowledgement re. Interest Reserve;
- (o) Assignment and Pledge of Securities;
- (p) Agreement Amending Charge registered on the 31st day of July, 2023 as Instrument No. LC250766;
- (q) An Amendment to the Promissory Note dated the 7th day of July, 2023;

as additional security for the Charge (hereinafter collectively called the "Agreements")

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of other good and valuable consideration and the sum of TWO (\$2.00) DOLLARS now paid by each of the parties to the other (the receipt and sufficiency of which is hereby acknowledged) the parties agree as follows as of July 1st, 2023:

1. The principal amount outstanding on the Charge as of September 1st, 2024 is the sum of \$8,990,400 and interest arrears to September 1st, 2024 are the sum of \$481,208.80.
2. The Maturity Date of the Charge and the Due Date of the Promissory Note are amended to February 8th, 2025.

Docusign Envelope ID: 6ED5A3CE-1870-48FE-8C57-7CAAAA4B1990

3

3. The interest rate pursuant to the Loan is amended, as of July 1st, 2024 to and including January 31st, 2025, to the greater of 11.00% per annum or the rate per annum which is 4.30 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 and at the greater of 18% per annum or 11.30% percentage points above the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce from and including February 1st, 2025.
4. The Charge and Promissory Note, when not in default, shall be open for repayment, in full, on any payment date, without notice or bonus.
5. The Borrower and Guarantor acknowledges that as of September 11th, 2024 the prime commercial lending rate charged by the Canadian Imperial Bank of Commerce is 6.45% per annum.
6. The definition of Commitment in Section 1(b) defining "Indebtedness" in the Guarantee and Postponement of Claim dated the 14th day of March, 2022 is amended to include the Increase and Extension Agreement dated August 26th, 2024.
7. The Agreements shall stand as additional security for the loan as extended.
8. There shall be no further extensions permitted pursuant to the Charge or Promissory Note.
9. In all respects the terms of the Agreements shall apply to the Charge as amended hereby and remain valid, binding and enforceable and shall remain in full force and effect and otherwise unamended 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.
10. This Omnibus Agreement may be executed by the parties in separate counterparts each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.
11. The execution, acceptance and delivery of this Omnibus Agreement by facsimile transmission shall be as effective and binding on the parties hereto as if this Second Omnibus Agreement was executed, accepted and delivered in the original.

(balance of page intentionally left blank. Signature page to follow)

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAAAB1990

IN WITNESS WHEREOF the parties hereto have hereunder set their hands and seals.

FIRST SOURCE FINANCIAL
MANAGEMENT INC.

DocuSigned by:
Per: David Mander
David Mander
CEO

I have the authority to bind the Corporation

HAMMER & NAILS DEVELOPMENTS
LTD. (MAPLE STREET)

Per: Dylan James Sliter
Dylan James Sliter
President

I have the authority to bind the Corporation

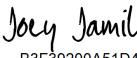
Witness: Valentin Erikson, B.A., LL.L., J.D.
Barrister / Solicitor / Notary Public
18 Deakin St. Unit 106
Ottawa, ON K2E 8B7
TEL: 613-692-5885 | FAX: 613-212-9035
E-MAIL: info@eriksonlaw.ca

Witness: Dylan James Sliter

Witness: Patrick Barry Lane Linnen

Valentin Erikson, B.A., LL.L., J.D.
Barrister / Solicitor / Notary Public
18 Deakin St. Unit 106
Ottawa, ON K2E 8B7
TEL: 613-692-5885 | FAX: 613-212-9035
E-MAIL: info@eriksonlaw.ca

THIS IS **EXHIBIT "21"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

NEGATIVE PLEDGE

THIS AGREEMENT dated for reference the 11th day of September, 2024.

BETWEEN:

HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)
(the "Borrower")

AND:

DYLAN JAMES SLITER AND PATRICK BARRY LANE LINNEN
(collectively the "Guarantor")

AND:

FIRST SOURCE FINANCIAL MANAGEMENT INC.
(the "Lender")

WHEREAS:

- A. The Borrower is or will be the registered owner of those lands and premises legally described in Schedule "A" attached hereto, in the Town of Smiths Falls, Ontario (the "Lands");
- B. Pursuant to a Commitment Letter issued by First Source Mortgage Corporation addressed to the Hammer & Nails Developments Ltd. (Maple Street) dated December 8th, 2021 as amended by First Amendment to Commitment Letter dated March 10th, 2022, as amended by Increase Agreement dated December, 23rd, 2023 and as further amended by Increase and Extension Agreement dated June 26th, 2023, as may be further amended (the "Commitment Letter"), as same may be assigned, amended, restated or modified from time to time, pursuant to which provisions the Lender agreed to lend to the Borrower a certain credit facility in the amount of \$7,675,000 (the "Loan"), to be secured by, *inter alia*, a Charge and other Security Documents, as hereinafter defined, given to the Lender as security for the Loan;
- C. By Increase and Extension Agreement dated the 26th day of August, 2024 the loan amount was increased to \$11,105,250. The Commitment Letter and the Increase and Extension Agreement are hereinafter collectively referred to as the Commitment Letter.
- D. As additional security to this increased loan, the Borrower agreed to provided the Lender with a Second Charge against property owned by it and described in Schedule "A" attached hereto;
- E. Pursuant to the Commitment Letter the Guarantor agreed to provide the Lender with a Guarantee and Postponement of Claim guaranteeing the obligations of the Borrower (collectively the "Guarantee").
- F. As general and continuing security for the Loan, interest thereon and all other amounts from time to time payable by the Borrower to the Lender pursuant to the Commitment Letter and pursuant to any and all security granted in respect thereof (collectively, the "Indebtedness"), the Borrower and the Guarantor have agreed to enter into this Agreement to restrict the withdrawal of funds from the project with respect to the Lands and/or the Lands (collectively the "Project");
- G. The Commitment Letter has been assigned to the Lender.

DocuSign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

- 2 -

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the premises and of the respective covenants and agreements of the parties herein contained, the Borrower and the Guarantor hereby covenant and agree with the Lender as follows:

1. So long as there is any Indebtedness outstanding, the Guarantor and/or the Borrower, any officer, director, shareholder or employee or sponsors of the Project/Lands or the undersigned shall not directly or indirectly withdraw funds or receive payment from the Project or be compensated from the Project, whether by way of dividend, loan, interest, management fees, profit participation or other bills of exchange, devices or means, repay any shareholders loans, redeem shares of the Borrower and/or Guarantor, receive salaries, consulting fees and/or management fees.
2. To the fullest extent permitted by law, the Guarantor hereby irrevocably postpones any claim or other rights that they may now or hereafter acquire against the Borrower, as the case may be, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy against the Borrower or any collateral securing any obligation of the Borrower, whether or not such claim, remedy or right arises under contract, including, without limitation, the right to take or receive from the Project or Borrower directly or indirectly, in cash or other property or by set-off or in any other manner, payment or security on account of such claim, remedy or right, until such time as the Indebtedness and all amounts payable under the Loan have been paid in full to the Lender in cash. If any amount shall be paid to the Guarantor in violation of the preceding sentence at any time prior to the full cash payment of the Indebtedness and all other amounts payable under the Loan, such amount shall be held by such Guarantor in trust for the benefit of the Lender and shall forthwith be paid to the Lender to be credited and applied to the Indebtedness, whether matured or unmatured, and all other amounts payable under the Loan.
3. All indebtedness, present and future, of the Borrower to the Guarantor is hereby assigned to the Lender and postponed and subordinated to the Indebtedness without any further act or formality, and all moneys received by the Guarantor in respect thereof shall be received in trust for the Lender and forthwith upon receipt shall be paid over to the Lender, the whole without in any way limiting or lessening the liability of the Guarantor under the Guarantee and this Agreement. This postponement and subordination is independent of the other provisions of any other security documents provided to the Lender with respect to the Loan (the "Security Documents") and this Agreement and shall survive the extinction of the other provisions of the Security Documents and Guarantee.
4. This Agreement shall be a continuing agreement and this Agreement and the covenants and agreements of the Borrower and the Guarantor herein contained and the rights granted hereunder to the Lender are in addition to and are not in substitution for any other security now or hereafter held by the Lender or any other covenant and agreement of the Borrower or the Guarantor or any others, or rights granted to the Lender and contained in or to be contained in any other agreement or instrument.
5. This Agreement, the covenants and agreements and rights contained herein shall not merge in any other agreement or instrument and in any other security, covenants and agreements and rights now or hereafter held by the Lender and the covenants and agreements and rights contained herein shall not suspend, prejudice or affect in any manner whatsoever the separate covenants, agreements, conditions, rights and remedies of the Lender contained in any other security taken by the Lender as security for the Loan or any other security now or hereafter held by the Lender or any other agreement or instrument.


Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

- 3 -

- 6. This Agreement shall not operate as a merger of any contract debt.
- 7. The Borrower and the Guarantor shall do, execute, acknowledge and deliver to or cause to be done, executed, acknowledged and delivered to the Lender all and every such further acts, deeds, mortgages, transfers, pledges and assurances in law or in equity as the Lender may require for the better accomplishing and implementing of the provisions and intentions of this Agreement.
- 8. Upon the payment in full of the Indebtedness, this Agreement shall terminate and have no further force or effect.
- 9. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns.
- 10. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.
- 11. The parties hereto agree that this Negative Pledge 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.
- 12. This Negative Pledge may be executed in several counterparts, each of which so executed shall be deemed to be an original and such counterparts together shall be but one and the same instrument.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement on the day and year first above written.

HAMMER & NAILS DEVELOPMENTS LTD.
(BECKWITH)

Per: 
Dylan James Sliter
Secretary
I have the authority to bind the Corporation

GUARANTORS:


Valentin Erikson, B.A., LL.L., J.D.
Barrister | Solicitor | Notary Public
18 Dean St. Unit 105
Ottawa, ON K2E 6E7
TEL: 613-692-5885 | FAX: 613-692-5885
E-MAIL: info@eriksonlaw.ca
Witness _____
Dylan James Sliter
Witness _____
Patrick Barry Lane Linnen

Docusign Envelope ID: 6ED6A3CE-1870-48FE-8C57-7CAAAA4B1990

- 4 -

SCHEDULE "A"

161 Beckwith Street North, Town of Smiths Falls
PIN 05269-0273 (LT)
Part Lot 5 e/s Beckwith St Plan 13884 Lanark S Montague, Part Lot 6 e/s Beckwith St Plan 13884 Lanark S Montague, Part Lot 7 e/s Beckwith St Plan 13884 Lanark S Montague as in RS136584; Part Lot 6 e/s Beckwith St Plan 13884 Lanark S Montague, Part Lot 7 e/s Beckwith St Plan 13884 Lanark S Montague as in RS59055; Part Lot 7 e/s Beckwith St. Plan 13884 Lanark S Montague; Part Lot 8 e/s Beckwith St Plan 13884 Lanark S Montague, being Part 1, 27R5385; Town of Smiths Falls
(the "Property")

THIS IS **EXHIBIT "22"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39200A51D40F

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Enquiry Result

File Currency: 10MAR 2025

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483552	1	2	1	6	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483552		001	5		20240416 1335 1590 8820	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial		Surname		
Business Debtor	Business Debtor Name						Ontario Corporation Number		
	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)								
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
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								
	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.								
	Address				City	Province	Postal Code		
	147 RIDEAU STREET				OTTAWA	ON	K1N 5X4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ALL RIGHT, TITLE AND INTEREST IN ALL PRESENT AND AFTER ACQUIRED								
	PERSONAL PROPERTY, ASSETS AND UNDERTAKING OF THE DEBTOR, INCLUDING,								
	WITHOUT LIMITATION, RENTS AND LEASES, MATERIAL CONTRACTS AND								

Registering Agent	Registering Agent				
DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45					
	3ALL LLP/S.R.L.				
	Address	City	Province	Postal Code	
	1400-340 ALBERT STREET, CONSTITUTION SQU	OTTAWA	ON	K1R 0A5	

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) 000293								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483552	1	2	2	6	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483552		002	5		20240416 1335 1590 8820				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	INSURANCE PROCEEDS, AND OF ANY NATURE WHATSOEVER LOCATED ON OR USED								
	IN CONNECTION WITH OR RELATED TO THE OWNERSHIP, OPERATION,								
	MANAGEMENT, ENJOYMENT, DEVELOPMENT OR USE OF THE LANDS AND PREMISES								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)000294								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483552	1	2	3	6	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483552		003	5		20240416 1335 1590 8820				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	MUNICIPALLY KNOWN AS 7 MAPLE ST, SMITHS FALLS, ON AND LEGALLY								
	DESCRIBED AS PIN 05280-0019 (LT) PT LT 110 S/S WILLIAM ST PL 13884								
	LANARK S SOUTH ELMSLEY AS IN RS175982, LT 90 N/S MAIN ST PL 13884								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) 000295								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483552	1	2	4	6	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483552		004	5		20240416 1335 1590 8820				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244, LT 111 S/S WILLIAM								
	ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591, LT 112								
	S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY, LT 113 S/S WILLIAM ST								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) 000296								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483552	1	2	5	6	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483552		005	5		20240416 1335 1590 8820				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	PL 13884 LANARK S SOUTH ELMSLEY, S/T & T/W RS175981, T/W RS175982,								
	TOWN OF SMITHS FALLS, SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT								
	110 S/S WILLIAM ST PLAN 13884, PART 1 PLAN 27R11814 AS IN LC236601.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) 000297								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	781150716	2	2	6	6	16MAR 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
781150716		001	1		20220316 1138 1590 2871	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)								
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
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 AND DISPOSITION OF THE PROPERTY KNOWN AS								
	7 MAPLE AVENUE NORTH, TOWN OF SMITHS FALLS								
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.

[BACK TO TOP](#)

THIS IS **EXHIBIT "23"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3E39200A51D40E...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Enquiry Result

File Currency: 10MAR 2025

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

Type of Search	Business Debtor						
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)						
File Currency	10MAR 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	503927469	1	4	1	15	28MAR 2034	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
503927469		001	5		20240328 1326 1590 6489	P PPSA	10

Individual Debtor

Date of Birth

First Given Name

Initial

Surname

Business Debtor

Business Debtor Name

Ontario Corporation Number

Address

City

Province

Postal Code

420 PERCY CRESCENT

CARLETON PLACE

ON

K7C 0C4

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

CAISSE DESJARDINS ONTARIO CREDIT UNION INC.

Address

City

Province

Postal Code

147 RIDEAU STREET

OTTAWA

ON

K1N 5X4

Collateral Classification

Consumer Goods

Inventory

Equipment

Accounts

Other

Motor Vehicle Included

Amount

Date of Maturity or

No Fixed Maturity Date

X

X

X

X

Motor Vehicle Description

Year

Make

Model

V.I.N.

General Collateral Description

General Collateral Description

ALL RIGHT, TITLE AND INTEREST IN ALL PRESENT AND AFTER ACQUIRED

PERSONAL PROPERTY, ASSETS AND UNDERTAKING OF THE DEBTOR, INCLUDING,

WITHOUT LIMITATION, RENTS AND LEASES, MATERIAL CONTRACTS AND

Registering Agent	Registering Agent			
DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45				
	3ALL LLP/S.R.L.			
	Address	City	Province	Postal Code
	1400-340 ALBERT STREET, CONSTITUTION SQU	OTTAWA	ON	K1R 0A5

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000302								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927469	1	4	2	15	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927469		002	5		20240328 1326 1590 6489				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	INSURANCE PROCEEDS, AND OF ANY NATURE WHATSOEVER LOCATED ON OR USED								
	IN CONNECTION WITH OR RELATED TO THE OWNERSHIP, OPERATION,								
	MANAGEMENT, ENJOYMENT, DEVELOPMENT OR USE OF THE LANDS AND PREMISES								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000303								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927469	1	4	3	15	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927469		003	5		20240328 1326 1590 6489				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	MUNICIPALLY KNOWN AS 161 BECKWITH ST N, SMITHS FALLS, ON AND LEGALLY								
	DESCRIBED AS PIN 05269-0273 (LT) PART LOT 5 E/S BECKWITH ST PLAN								
	13884 LANARK S MONTAGUE, PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)000304								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927469	1	4	4	15	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927469		004	5		20240328 1326 1590 6489				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	S MONTAGUE, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE								
	AS IN RS136584 , PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S								
	MONTAGUE, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000305								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927469	1	4	5	15	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927469		005	5		20240328 1326 1590 6489				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	IN RS59055, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE,								
	PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART								
	1, 27R5385, TOWN OF SMITHS FALLS.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000306								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	509491521	2	4	6	15	25SEP 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
509491521		001	2		20240925 1141 1590 9624	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)								
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
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		
	2 SHEPPARD AVENUE EAST, SUITE 605				TORONTO	ON	M2N 5Y7		
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 AND DISPOSITION OF THE PROPERTY KNOWN AS								
	161 BECKWITH STREET NORTH, TOWN OF SMITHS FALLS AND THE PROCEEDS								
Registering Agent	Registering Agent								
	CHAITONS LLP - BARRY ROTENBERG								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000307								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	509491521	2	4	7	15	25SEP 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
509491521		002	2		20240925 1141 1590 9624				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	THEREOF								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000308								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	8	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		01	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)								
	Address				City	Province	Postal Code		
	111 WILLIAM ST W				SMITH FALLS	ON	K7A1M8		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)								
	Address				City	Province	Postal Code		
	239 EDEN OAK TRAIL				KITCHENER	ON	N2A0H6		
Secured Party	Secured Party / Lien Claimant								
	MITSUBISHI HC CAPITAL CANADA LEASING, INC.								
	Address				City	Province	Postal Code		
	401-1100 BURLOAK DRIVE				BURLINGTON	ON	L7L6B2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	- TELEHANDLER 2021 MERLO 50.17 TOP TIER 4 FINAL S/N ZF1PM00E0D1001395								
	THE PERSONAL PROPERTY DESCRIBED HEREIN, TOGETHER WITH ALL								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000309								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	9	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		02	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ACCESSORIES, OPTIONAL EQUIPMENT, COMPONENTS, PARTS, INSTRUMENTS,								
	APPURTENANCES, FURNISHINGS AND OTHER EQUIPMENT OF WHATEVER NATURE OR								
	KIND FURNISHED IN CONNECTION WITH ANY OF THE FOREGOING EQUIPMENT AND								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000310								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	10	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		03	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ANY REPLACEMENTS AND SUBSTITUTIONS THEREFOR (COLLECTIVELY, THE								
	"EQUIPMENT"), AS WELL AS ALL OF THE DEBTOR'S PRESENT AND FUTURE								
	RIGHTS, TITLE AND INTEREST IN THE FOLLOWING (THE "EQUIPMENT-RELATED								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000311								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	11	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		04	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	COLLATERAL")								
	(I) INTELLECTUAL PROPERTY AND OTHER INTANGIBLES RELATING TO THE EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000312								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	12	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		05	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	(II) ANY CONTRACT FOR THE SALE, LEASE, RENTAL OR OTHER DISPOSITION OF THE EQUIPMENT								
	(III) ALL INSURANCE CLAIMS AND PROCEEDS RESULTING FROM ANY LOSS OR								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

CONTINUED

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000313								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	13	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		06	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	DAMAGE TO THE EQUIPMENT OR THE EQUIPMENT-RELATED COLLATERAL AND								
	(IV) ANY PROCEEDS OF THE EQUIPMENT OR EQUIPMENT-RELATED COLLATERAL,								
	IN WHATEVER FORM IT MAY BE, INCLUDING WITHOUT LIMITATION, CHATTEL								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000314								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	511818732	3	4	14	15	10DEC 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
511818732		07	007		20241210 1006 1462 7036	P PPSA	6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	PAPER, TITLE DOCUMENTS, GOODS, INSTRUMENTS, OR MONEY.								
Registering Agent	Registering Agent								
	PPSA CANADA INC. - (7017)								
	Address				City	Province	Postal Code		
	110 SHEPPARD AVE EAST, SUITE 303				TORONTO	ON	M2N6Y8		

END OF FAMILY


Type of Search	Business Debtor								
Search Conducted On	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET) 000315								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	785051487	4	4	15	15	20JUL 2027			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
785051487		001	1		20220720 0857 1793 3977	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)					002731862			
	Address				City	Province	Postal Code		
	420 PERCEY CRESCENT				CARLETON PLACE	ON	K7C0C4		
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								
	WESTBORO MANAGEMENT LTD.								
	Address				City	Province	Postal Code		
	267 RICHMOND ROAD, 2ND FLOOR				OTTAWA	ON	K1Z6X3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X		408395		
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF RENTS RELATED TO PROPERTY LOCATED AT 85 WILSON STREET								
	WEST, PERTH, ON K7H 2N7								
Registering Agent	Registering Agent								
	ERIKSON LAW FIRM PROFESSIONAL CORPORATION								
	Address				City	Province	Postal Code		
	237 ALABASTER HTS				MANOTICK	ON	K4M0E9		

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)

THIS IS **EXHIBIT "24"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3E39200A51D40F

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Enquiry Result

File Currency: 10MAR 2025

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	6	1	20	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		001	5		20240328 1329 1590 6490	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONCESSION 10 A ROAD				BALDERSON	ON	K0G 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Secured Party	Secured Party / Lien Claimant								
	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.								
	Address				City	Province	Postal Code		
	147 RIDEAU STREET				OTTAWA	ON	K1N 5X4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL GUARANTEE AND POSTPONEMENT OF CLAIM IN FAVOUR OF THE SECURED								
	PARTY OF DEBTS AND LIABILITIES OF HAMMER & NAILS DEVELOPMENTS LTD.								
	(BECKWITH STREET) TO THE DEBTOR PURSUANT TO A GUARANTEE GIVEN BY THE								

Registering Agent	Registering Agent			
DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45				
	3ALL LLP/S.R.L.			
	Address	City	Province	Postal Code
	1400-340 ALBERT STREET, CONSTITUTION SQU	OTTAWA	ON	K1R 0A5

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000320		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	6	2	20	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		002	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	DEBTOR TO THE SECURED PARTY IN RELATION TO THE LANDS AND PREMISES								
	MUNICIPALLY KNOWN AS 161 BECKWITH ST N, SMITHS FALLS, ON AND LEGALLY								
	DESCRIBED AS PIN 05269-0273 (LT) PART LOT 5 E/S BECKWITH ST PLAN								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000321		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	6	3	20	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		003	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	13884 LANARK S MONTAGUE, PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK								
	S MONTAGUE, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE								
	AS IN RS136584 , PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000322		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	6	4	20	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		004	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	MONTAGUE, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS								
	IN RS59055, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE,								
	PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000323		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	6	5	20	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		005	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	1, 27R5385, TOWN OF SMITHS FALLS.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000324		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	6	6	20	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		001	5		20240416 1339 1590 8821	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONCESSION 10 A ROAD				BALDERSON	ON	K0G 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Secured Party	Secured Party / Lien Claimant								
	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.								
	Address				City	Province	Postal Code		
	147 RIDEAU STREET				OTTAWA	ON	K1N 5X4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL GUARANTEE AND POSTPONEMENT OF CLAIM IN FAVOUR OF THE SECURED								
	PARTY OF DEBTS AND LIABILITIES OF HAMMER & NAILS DEVELOPMENTS LTD.								
	(MAPLE STREET) TO THE DEBTOR PURSUANT TO A GUARANTEE GIVEN BY THE								
Registering Agent	Registering Agent								
	PERLEY-ROBERTSON, HILL & MCDUGALL LLP/S.R.L.								
	Address				City	Province	Postal Code		
	1400-340 ALBERT STREET, CONSTITUTION SQU				OTTAWA	ON	K1R 0A5		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000325		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	6	7	20	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		002	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	DEBTOR TO THE SECURED PARTY IN RELATION TO THE LANDS AND PREMISES								
	MUNICIPALLY KNOWN AS 7 MAPLE ST, SMITHS FALLS, ON AND LEGALLY								
	DESCRIBED AS PIN 05280-0019 (LT) PT LT 110 S/S WILLIAM ST PL 13884								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000326		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	6	8	20	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		003	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	LANARK S SOUTH ELMSLEY AS IN RS175982, LT 90 N/S MAIN ST PL 13884								
	LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244, LT 111 S/S WILLIAM								
	ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591, LT 112								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000327		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	6	9	20	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		004	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY, LT 113 S/S WILLIAM ST								
	PL 13884 LANARK S SOUTH ELMSLEY, S/T & T/W RS175981, T/W RS175982,								
	TOWN OF SMITHS FALLS, SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000328		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	6	10	20	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		005	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	110 S/S WILLIAM ST PLAN 13884, PART 1 PLAN 27R11814 AS IN LC236601.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER000329								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	509491593	3	6	11	20	25SEP 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
509491593		001	1		20240925 1142 1590 9625	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONC. 10A ROAD				BALERSON	ON	K0G 1A0		
Secured Party	Secured Party / Lien Claimant								
	FIRST SOURCE FINANCIAL MANAGEMENT INC.								
	Address				City	Province	Postal Code		
	2 SHEPPARD AVENUE EAST, SUITE 605				TORONTO	ON	M2N 5Y7		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF ACCOUNTS OWING BY HAMMER & NAILS DEVELOPMENTS LTD.								
	(BECKWITH STREET) AND CHOSSES IN ACTION AND OTHER CLAIMS WHICH THE								
	DEBTOR HAS AGAINST HAMMER & NAILS LTD. (BECKWITH STREET).								
Registering Agent	Registering Agent								
	CHAITONS LLP								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000330		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	781150707	4	6	12	20	16MAR 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
781150707		001	1		20220316 1137 1590 2870	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONC. 10A ROAD				BALDERSON	ON	K0G 1A0		
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				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF ACCOUNTS OWING BY HAMMER & NAILS DEVELOPMENTS LTD.								
	(MAPLE STREET) AND CHOSSES IN ACTION AND OTHER CLAIMS WHICH THE DEBTOR								
	HAS AGAINST HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)								
Registering Agent	Registering Agent								
	CHAITONS LLP								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER000331								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784613133	5	6	13	20	05JUL 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		
784613133		001	3		20220705 1447 6005 1078	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	25OCT1976	MARCIN				KOZNIEWSKI			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	4609 MARCH ROAD				ALMONTE	ON	K0A 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	02OCT1977	STEFANO			S	FERRANTE			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	4609 MARCH ROAD				ALMONTE	ON	K0A 1A0		
Secured Party	Secured Party / Lien Claimant								
	CWB NATIONAL LEASING INC								
	Address				City	Province	Postal Code		
	1525 BUFFALO PLACE				WINNIPEG	MB	R3T 1L9		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X			X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2022	MERLO TELEHANDLER			R50.35SPLUS		ZF1RT30D1D2000321		
General Collateral Description	General Collateral Description								
	AGREEMENT NUMBER 3103488, TOGETHER WITH ALL ATTACHMENTS, ACCESSORIES,								
	SUBSTITUTIONS AND PROCEEDS OF ANY KIND DERIVED DIRECTLY OR								
	INDIRECTLY THEREFROM.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000332		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784613133	5	6	14	20	05JUL 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		
784613133		002	3		20220705 1447 6005 1078				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	02OCT1977	STEFANO			G	FERRANTE			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	4609 MARCH ROAD				ALMONTE	ON	K0A 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	4609 MARCH ROAD				ALMONTE	ON	K0A 1A0		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000333		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	784613133	5	6	15	20	05JUL 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		
784613133		003	3		20220705 1447 6005 1078				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	11449346 CANADA INC.								
	Address				City	Province	Postal Code		
	4609 MARCH ROAD				ALMONTE	ON	K0A 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	P3 PANELS								
	Address				City	Province	Postal Code		
	4609 MARCH ROAD				ALMONTE	ON	K0A 1A0		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000334		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789487146	6	6	16	20	21DEC 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789487146		001	3		20221221 1452 5064 2005	P PPSA	07		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	HAMMER AND NAILS CONSTRUCTION MANAGEMENT SERVICES LTD								
	Address				City	Province	Postal Code		
	420 PERCEY CRESCENT,				CARLETON PLACE	ON	K7C 0C4		
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								
	MERIDIAN ONECAP CREDIT CORP.								
	Address				City	Province	Postal Code		
	204 - 3185 WILLINGDON GREEN				BURNABY	BC	V5G 4P3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
			X		X				
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	SKID STEER (S) AINSI QUE TOUS LES ACCESSOIRES, DROITS D'ACCESSION,								
	REPLACEMENTS, SUBSTITUTIONS, AJOUTS ET LES AMELIORATIONS, ET TOUS								
	LES PRODUITS, SOUS QUELQUE FORME QUE CE SOIT, DECOULANT DIRECTEMENT								
Registering Agent	Registering Agent								
	ESC CORPORATE SERVICES LTD.								
	Address				City	Province	Postal Code		
	445 KING STREET WEST, SUITE 400				TORONTO	ON	M5V 1K4		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000335		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789487146	6	6	17	20	21DEC 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789487146		002	3		20221221 1452 5064 2005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	OU INDIRECTEMENT DE TOUTE VENTE OU OPERATIONS RELATIVES AUX BIENS, A								
	UN PAIEMENT D'INDEMNISATION D'ASSURANCE OU A TOUT AUTRE PAIEMENT QUI								
	INDEMNISE OU COMPENSE LA PERTE OU LES DOMMAGES CAUSES AUX BIENS OU AU								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Individual Non-Specific								
Search Conducted On	DYLAN;SLITER						000336		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789487146	6	6	18	20	21DEC 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789487146		003	3		20221221 1452 5064 2005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	PRODUIT DES BIENS.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific				
Search Conducted On	DYLAN;SLITER				000337
File Currency	10MAR 2025				
	File Number	Family	of Families	Page	of Pages
	789487146	6	6	19	20

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	2		20221221 1852 5064 2143	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	789487146			A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	HAMMER AND NAILS CONSTRUCTION MANAGEMENT SERVICES LTD		

Other Change	Other Change

Reason / Description	Reason / Description
	AMEND MV INCLUDED ADD DEBTOR PATRICK BARRY LINNEN (420 PERCY CRES)
	ADD DEBTOR DYLAN JAMES SLITER (3023 DRUMMOND CONCESSION) ADD ASSET
	2015 CATERPILLAR SKID STEER 257D (CAT0257DHFMR00326)

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	08JAN1987	PATRICK	B	LINNEN
	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code
	420 PERCY CRES	CARLETON PLACE	ON	K7C 0C4

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

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

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2015	CATERPILLAR	SKID STEER 257D	CAT0257DHFMR00326

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	ESC CORPORATE SERVICES LTD.			
	Address	City	Province	Postal Code

CONTINUED

000338

Type of Search	Individual Non-Specific									
Search Conducted On	DYLAN;SLITER000339									
File Currency	10MAR 2025									
	File Number	Family	of Families	Page	of Pages					
	789487146	6	6	20	20					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number				Registered Under	
		002	2		20221221 1852 5064 2143					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period				
	789487146									
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	29NOV1990	DYLAN			J	SLITER				
	Business Debtor Name									Ontario Corporation Number
	Address				City		Province	Postal Code		
	3023 DRUMMOND CONCESSION				BALDERSON		ON	K0G 1A0		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or		No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									

	Address	City	Province	Postal Code
DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45				
			000340	

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)

All Pages

Show All Pages

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement](#)

[ServiceOntario Contact Centre](#)

Enquiry Result

File Currency: 10MAR 2025

All Pages

◀◀

▶▶

Show All Pages

Note: All pages have been returned.

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	7	1	19	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		001	5		20240328 1329 1590 6490	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONCESSION 10 A ROAD				BALDERSON	ON	K0G 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Secured Party	Secured Party / Lien Claimant								
	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.								
	Address				City	Province	Postal Code		
	147 RIDEAU STREET				OTTAWA	ON	K1N 5X4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL GUARANTEE AND POSTPONEMENT OF CLAIM IN FAVOUR OF THE SECURED								
	PARTY OF DEBTS AND LIABILITIES OF HAMMER & NAILS DEVELOPMENTS LTD.								
	(BECKWITH STREET) TO THE DEBTOR PURSUANT TO A GUARANTEE GIVEN BY THE								

Registering Agent	Registering Agent				
DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45					
	3ALL LLP/S.R.L.				
	Address	City	Province	Postal Code	
	1400-340 ALBERT STREET, CONSTITUTION SQU	OTTAWA	ON	K1R 0A5	

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000343		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	7	2	19	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		002	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	DEBTOR TO THE SECURED PARTY IN RELATION TO THE LANDS AND PREMISES								
	MUNICIPALLY KNOWN AS 161 BECKWITH ST N, SMITHS FALLS, ON AND LEGALLY								
	DESCRIBED AS PIN 05269-0273 (LT) PART LOT 5 E/S BECKWITH ST PLAN								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000344		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	7	3	19	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		003	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	13884 LANARK S MONTAGUE, PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK								
	S MONTAGUE, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE								
	AS IN RS136584 , PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000345		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	7	4	19	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		004	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	MONTAGUE, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS								
	IN RS59055, PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE,								
	PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000346		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	503927541	1	7	5	19	28MAR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
503927541		005	5		20240328 1329 1590 6490				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	1, 27R5385, TOWN OF SMITHS FALLS.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN000347								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	7	6	19	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		001	5		20240416 1339 1590 8821	P PPSA	10		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONCESSION 10 A ROAD				BALDERSON	ON	K0G 1A0		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Secured Party	Secured Party / Lien Claimant								
	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.								
	Address				City	Province	Postal Code		
	147 RIDEAU STREET				OTTAWA	ON	K1N 5X4		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	GENERAL GUARANTEE AND POSTPONEMENT OF CLAIM IN FAVOUR OF THE SECURED								
	PARTY OF DEBTS AND LIABILITIES OF HAMMER & NAILS DEVELOPMENTS LTD.								
	(MAPLE STREET) TO THE DEBTOR PURSUANT TO A GUARANTEE GIVEN BY THE								
Registering Agent	Registering Agent								
	PERLEY-ROBERTSON, HILL & MCDUGALL LLP/S.R.L.								
	Address				City	Province	Postal Code		
	1400-340 ALBERT STREET, CONSTITUTION SQU				OTTAWA	ON	K1R 0A5		

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000348		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	7	7	19	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		002	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	DEBTOR TO THE SECURED PARTY IN RELATION TO THE LANDS AND PREMISES								
	MUNICIPALLY KNOWN AS 7 MAPLE ST, SMITHS FALLS, ON AND LEGALLY								
	DESCRIBED AS PIN 05280-0019 (LT) PT LT 110 S/S WILLIAM ST PL 13884								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000349		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	7	8	19	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		003	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	LANARK S SOUTH ELMSLEY AS IN RS175982, LT 90 N/S MAIN ST PL 13884								
	LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244, LT 111 S/S WILLIAM								
	ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591, LT 112								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000350		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	7	9	19	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		004	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY, LT 113 S/S WILLIAM ST								
	PL 13884 LANARK S SOUTH ELMSLEY, S/T & T/W RS175981, T/W RS175982,								
	TOWN OF SMITHS FALLS, SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000351		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	504483678	2	7	10	19	16APR 2034			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
504483678		005	5		20240416 1339 1590 8821				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	110 S/S WILLIAM ST PLAN 13884, PART 1 PLAN 27R11814 AS IN LC236601.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000352		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	505702998	3	7	11	19	24MAY 2030			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
505702998		001	1		20240524 1823 4085 2103	P PPSA	06		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	AMBUSH FRAMING LTD								
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C0C4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C0C4		
Secured Party	Secured Party / Lien Claimant								
	ROYAL BANK OF CANADA								
	Address				City	Province	Postal Code		
	10 YORK MILLS ROAD 3RD FLOOR				TORONTO	ON	M2P 0A2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
	X					X	78779.50	17MAY2030	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
	2024	GMC			SIERRA 1500		1GTUUED6RZ324894		
General Collateral Description	General Collateral Description								
	THE FULL DEBTOR NAME IS - PATRICK BARRY LANE LINNEN								
Registering Agent	Registering Agent								
	D + H LIMITED PARTNERSHIP								
	Address				City	Province	Postal Code		
	2 ROBERT SPECK PARKWAY, 15TH FLOOR				MISSISSAUGA	ON	L4Z 1H8		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN000353								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	509491593	4	7	12	19	25SEP 2031			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
509491593		001	1		20240925 1142 1590 9625	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONC. 10A ROAD				BALERSON	ON	K0G 1A0		
Secured Party	Secured Party / Lien Claimant								
	FIRST SOURCE FINANCIAL MANAGEMENT INC.								
	Address				City	Province	Postal Code		
	2 SHEPPARD AVENUE EAST, SUITE 605				TORONTO	ON	M2N 5Y7		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
				X	X				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF ACCOUNTS OWING BY HAMMER & NAILS DEVELOPMENTS LTD.								
	(BECKWITH STREET) AND CHOSSES IN ACTION AND OTHER CLAIMS WHICH THE								
	DEBTOR HAS AGAINST HAMMER & NAILS LTD. (BECKWITH STREET).								
Registering Agent	Registering Agent								
	CHAITONS LLP								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN000354								
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	765589491	5	7	13	19	09SEP 2025			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
765589491		001	1		20200909 1621 1590 1264	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	119 BELL STREET INC.					1995980			
	Address				City	Province	Postal Code		
	420 PERCY STREET				CARLETON PLACE	ON	K7C 0C4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY STREET				CARLETON PLACE	ON	K7C 0C4		
Secured Party	Secured Party / Lien Claimant								
	WESTBORO MANAGEMENT LTD.								
	Address				City	Province	Postal Code		
	267 RICHMOND ROAD, 2ND FLOOR				OTTAWA	ON	K1Z 6X3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
					X		1236000	01SEP2025	
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF RENTS AND ASSIGNMENT OF BENEFITS AND MATERIAL CONTRACTS								
Registering Agent	Registering Agent								
	LANGEVIN MORRIS SMITH LLP								
	Address				City	Province	Postal Code		
	190 O'CONNOR STREET 9TH FLOOR				OTTAWA	ON	K2P 2R3		

END OF FAMILY

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000355		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	781150707	6	7	14	19	16MAR 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
781150707		001	1		20220316 1137 1590 2870	P PPSA	7		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	08JAN1987	PATRICK			B	LINNEN			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	420 PERCY CRESCENT				CARLETON PLACE	ON	K7C 0C4		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
	29NOV1990	DYLAN			J	SLITER			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
	3023 DRUMMOND CONC. 10A ROAD				BALDERSON	ON	K0G 1A0		
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				
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	ASSIGNMENT OF ACCOUNTS OWING BY HAMMER & NAILS DEVELOPMENTS LTD.								
	(MAPLE STREET) AND CHOSSES IN ACTION AND OTHER CLAIMS WHICH THE DEBTOR								
	HAS AGAINST HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET)								
Registering Agent	Registering Agent								
	CHAITONS LLP								
	Address				City	Province	Postal Code		
	5000 YONGE STREET, 10TH FLOOR				TORONTO	ON	M2N 7E9		

END OF FAMILY

Type of Search	Individual Non-Specific						
Search Conducted On	PATRICK;LINNEN000356						
File Currency	10MAR 2025						
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status
	789487146	7	7	15	19	21DEC 2029	

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period
789487146		001	3		20221221 1452 5064 2005	P PPSA	07

Individual Debtor	Date of Birth	First Given Name	Initial	Surname

Business Debtor	Business Debtor Name	Ontario Corporation Number		
	HAMMER AND NAILS CONSTRUCTION MANAGEMENT SERVICES LTD			
	Address	City	Province	Postal Code
	420 PERCEY CRESCENT,	CARLETON PLACE	ON	K7C 0C4

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			
	MERIDIAN ONECAP CREDIT CORP.			
	Address	City	Province	Postal Code
	204 - 3185 WILLINGDON GREEN	BURNABY	BC	V5G 4P3

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

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

General Collateral Description	General Collateral Description
	SKID STEER (S) AINSI QUE TOUS LES ACCESSOIRES, DROITS D'ACCESSION,
	REPLACEMENTS, SUBSTITUTIONS, AJOUTS ET LES AMELIORATIONS, ET TOUS
	LES PRODUITS, SOUS QUELQUE FORME QUE CE SOIT, DECOULANT DIRECTEMENT

Registering Agent	Registering Agent			
	ESC CORPORATE SERVICES LTD.			
	Address	City	Province	Postal Code
	445 KING STREET WEST, SUITE 400	TORONTO	ON	M5V 1K4

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000357		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789487146	7	7	16	19	21DEC 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789487146		002	3		20221221 1452 5064 2005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	OU INDIRECTEMENT DE TOUTE VENTE OU OPERATIONS RELATIVES AUX BIENS, A								
	UN PAIEMENT D'INDEMNISATION D'ASSURANCE OU A TOUT AUTRE PAIEMENT QUI								
	INDEMNISE OU COMPENSE LA PERTE OU LES DOMMAGES CAUSES AUX BIENS OU AU								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

Type of Search	Individual Non-Specific								
Search Conducted On	PATRICK;LINNEN						000358		
File Currency	10MAR 2025								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	789487146	7	7	17	19	21DEC 2029			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
789487146		003	3		20221221 1452 5064 2005				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	Address				City	Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	PRODUIT DES BIENS.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Individual Non-Specific				
Search Conducted On	PATRICK;LINNEN				000359
File Currency	10MAR 2025				
	File Number	Family	of Families	Page	of Pages
	789487146	7	7	18	19

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number	Registered Under
		001	2		20221221 1852 5064 2143	

Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period
	789487146			A AMNDMNT		

Reference Debtor/ Transferor	First Given Name	Initial	Surname
	Business Debtor Name		
	HAMMER AND NAILS CONSTRUCTION MANAGEMENT SERVICES LTD		

Other Change	Other Change

Reason / Description	Reason / Description
	AMEND MV INCLUDED ADD DEBTOR PATRICK BARRY LINNEN (420 PERCY CRES)
	ADD DEBTOR DYLAN JAMES SLITER (3023 DRUMMOND CONCESSION) ADD ASSET
	2015 CATERPILLAR SKID STEER 257D (CAT0257DHFMR00326)

Debtor/ Transferee	Date of Birth	First Given Name	Initial	Surname
	08JAN1987	PATRICK	B	LINNEN
	Business Debtor Name			Ontario Corporation Number
	Address	City	Province	Postal Code
	420 PERCY CRES	CARLETON PLACE	ON	K7C 0C4

Assignor Name	Assignor Name

Secured Party	Secured party, lien claimant, assignee			
	Address	City	Province	Postal Code

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

Motor Vehicle Description	Year	Make	Model	V.I.N.
	2015	CATERPILLAR	SKID STEER 257D	CAT0257DHFMR00326

General Collateral Description	General Collateral Description

Registering Agent	Registering Agent or Secured Party/ Lien Claimant			
	ESC CORPORATE SERVICES LTD.			
	Address	City	Province	Postal Code

CONTINUED

000360

Type of Search	Individual Non-Specific									
Search Conducted On	PATRICK;LINNEN000361									
File Currency	10MAR 2025									
	File Number	Family	of Families	Page	of Pages					
	789487146	7	7	19	19					
FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT										
	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule Attached	Registration Number			Registered Under		
		002	2		20221221 1852 5064 2143					
Record Referenced	File Number	Page Amended	No Specific Page Amended	Change Required	Renewal Years	Correct Period				
	789487146									
Reference Debtor/ Transferor	First Given Name				Initial	Surname				
	Business Debtor Name									
Other Change	Other Change									
Reason / Description	Reason / Description									
Debtor/ Transferee	Date of Birth	First Given Name			Initial	Surname				
	29NOV1990	DYLAN			J	SLITER				
	Business Debtor Name									Ontario Corporation Number
	Address				City		Province	Postal Code		
	3023 DRUMMOND CONCESSION				BALDERSON		ON	K0G 1A0		
Assignor Name	Assignor Name									
Secured Party	Secured party, lien claimant, assignee									
	Address				City		Province	Postal Code		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date	
Motor Vehicle Description	Year	Make			Model			V.I.N.		
General Collateral Description	General Collateral Description									
Registering Agent	Registering Agent or Secured Party/ Lien Claimant									

	Address	City	Province	Postal Code
DocuSign Envelope ID: 394617CF-1127-402F-B4B9-74FC06706A45				
			000362	

LAST PAGE

Note: All pages have been returned.

[BACK TO TOP](#)

All Pages

Show All Pages

This service is tested daily with McAfee SECURE™ to ensure the security of the transaction and information.

At ServiceOntario, we respect your right to privacy and value the trust you place in us. [Read more about ServiceOntario's Privacy Statement](#)

[ServiceOntario Contact Centre](#)

THIS IS **EXHIBIT "25"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3E39200A51D40E...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Properties

PIN

05280 - 0019

LT

Description

PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address

7 MAPLE AVENUE NORTH
SMITHS FALLS

Consideration

Consideration

\$173,684.40

Claimant(s)

Name

1136234 ONTARIO LTD.

Address for Service

7 Birch Lane
Smiths Falls, ON
K7A 0C6

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 Hammer & Nails Development Ltd. (Maple Street), 7 Maple Avenue North, Smiths Falls, ON K7A 1Z4

Name and address of person to whom lien claimant supplied services or materials Hammer & Nails Construction Ltd., 11 William Street West, Smiths Falls, ON K7C 1M8

Time within which services or materials were supplied from 2021/11/26 to 2024/12/18

Short description of services or materials that have been supplied Supply and installation of electrical wiring and lighting throughout the building along with the installation and supply of the fire alarm systems.

Contract price or subcontract price \$732,026.04 including HST

Amount claimed as owing in respect of services or materials that have been supplied \$173,684.40 including HST

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

Andrew John Philip Howard

2 Main St. East
Smiths Falls
K7A 1A2

acting for Applicant(s)

Signed

2025 02 06

Tel

613-283-6772

Fax

613-283-8840

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

Submitted By

Howard Kelford & DuBois LLP

2 Main St. East
Smiths Falls
K7A 1A2

2025 02 07

Tel

613-283-6772

Fax

613-283-8840

Fees/Taxes/Payment

Statutory Registration Fee

\$70.90

Total Paid

\$70.90

File Number

Claimant Client File Number :

25-0292

THIS IS **EXHIBIT "26"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39200A51D40F

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Properties

PIN	05280 - 0019 LT
Description	PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601
Address	7 MAPLE AVENUE NORTH SMITHS FALLS

Consideration

Consideration	\$45,360.46
---------------	-------------

Claimant(s)

Name	TBG MECHANICAL SOLUTIONS LIMITED
Address for Service	c/o MBC Law Professional Corporation 500-265 Carling Avenue Ottawa, ON K1S 2E1 Attention: Ian B. McBride

I, Chelsea Barbary, Office Manager, am the agent of the lien claimant and have informed myself of the facts stated in the claim for lien and believe them to be true.

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

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

Statements

Name and Address of Owner Hammer & Nails Developments Ltd. (Maple Street), 16 Beckwith Street North, Smiths Falls, ON K7A 2C7.

Name and address of person to whom lien claimant supplied services or materials Hammer & Nails Construction Management Services Ltd., 16 Beckwith Street North, Smiths Falls, ON K7A 2C7. Time within which services or materials were supplied from 2023/09/13 to 2025/01/21 Short description of services or materials that have been supplied Supply and installation of gas meters with Embridge and start ups and related services and materials. Contract price or subcontract price \$492,550.80. Amount claimed as owing in respect of services or materials that have been supplied \$45,360.46.

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

Wendy Anne Heney	500-265 Carling Avenue Ottawa K1S 2E1	acting for Applicant(s)	Signed	2025 02 21
Tel	613-233-4474			
Fax	613-233-8868			

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

Submitted By

MBC Law Professional Corporation	500-265 Carling Avenue Ottawa K1S 2E1	2025 02 21
Tel	613-233-4474	
Fax	613-233-8868	

Fees/Taxes/Payment

Statutory Registration Fee	\$70.90
Total Paid	\$70.90

File Number

Claimant Client File Number :	19847 IBM
-------------------------------	-----------

THIS IS **EXHIBIT "27"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Properties

PIN

05280 - 0019

LT

Description

PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address

7 MAPLE AVENUE NORTH
SMITHS FALLS

Consideration

Consideration

\$37,651.60

Claimant(s)

Name

MASTERPIECE HARDWOOD FLOORING

Address for Service

2895 Ahearn Ave
Ottawa ON K2B 7A1

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

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

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

Statements

Name and Address of Owner HAMMER & NAILS DEVELOPMENTS LTD (Maple Street), 16 Beckwith Street North, Smith Falls, ON, K7A 2C7

Name and address of person to whom lien claimant supplied services or materials HAMMER & NAILS DEVELOPMENTS LTD (Maple Street),16 Beckwith Street North, Smith Falls, ON, K7A 2C7

Time within which services or materials were supplied from 2024/05/10 to 2025/02/01

Short description of services or materials that have been supplied Services - To Install carpet .Supply and install of all materials and services to complete 3700 sq ft floor, plus stair treads and risers with indicator strips and nosings)

Contract price or subcontract price 37651.60

Amount claimed as owing in respect of services or materials that have been supplied 37651.60

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

Patrick Luc Joseph Hebert

2828 St. Joseph Boulevard
Ottawa (Orléans)
K1C 1G7

acting for
Applicant(s)

Signed

2025 03 05

Tel

613-740-0111

Fax

613-740-0114

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

Submitted By

HEBERT & ROY

2828 St. Joseph Boulevard
Ottawa (Orléans)
K1C 1G7

2025 03 05

Tel

613-740-0111

Fax

613-740-0114

Fees/Taxes/Payment

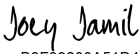
Statutory Registration Fee

\$70.90

Total Paid

\$70.90

THIS IS **EXHIBIT "28"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Properties

PIN

05280 - 0019 LT

Description

PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address

7 MAPLE AVENUE NORTH
SMITHS FALLS

Consideration

Consideration

\$186,466.28

Claimant(s)

Name

2384921 ONTARIO LTD.

Address for Service

c/o MBC Law Professional Corporation
265 Carling Ave., Suite 500
Ottawa, ON, K1S 2E1
Attention: Andrew D. Ferguson

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

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

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

Statements

Name and Address of Owner HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET), 420 Percy Crescent, Carleton Place, ON, K7C 0C4 Name and address of person to whom lien claimant supplied services or materials HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET), 420 Percy Crescent, Carleton Place, ON, K7C 0C4 Time within which services or materials were supplied from 2022/04/19 to 2025/03/05 Short description of services or materials that have been supplied Supply of labour and materials associated with the installation of plumbing fixtures, including the supply and installation of faucets Contract price or subcontract price \$382,952.19 Amount claimed as owing in respect of services or materials that have been supplied \$186,466.28

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 Schedule: 1) The Lien Claimant operates under the business name of Valley Plumbing Heating and Water Treatment

Signed By

Rebecca Isabel Christian

500-265 Carling Avenue
Ottawa
K1S 2E1

acting for
Applicant(s)

Signed

2025 03 19

Tel

613-233-4474

Email

rchristian@mbclaw.ca

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

Submitted By

MBC Law Professional Corporation

500-265 Carling Avenue
Ottawa
K1S 2E1

2025 03 19

Tel

613-233-4474

Email

rchristian@mbclaw.ca

Fees/Taxes/Payment

Statutory Registration Fee

\$70.90

Total Paid


\$70.90

File Number

Claimant Client File Number :

19874 (ADF)

THIS IS **EXHIBIT "29"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3E39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

LRO # 27 **Charge/Mortgage**

Registered as LC257797 on 2024 04 03 at 10:36

000372

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

yyyy mm dd Page 1 of 4

Properties

PIN	05269 - 0273 LT	Interest/Estate	Fee Simple
Description	PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS		
Address	161 BECKWITH STREET N SMITHS FALLS		

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	HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)
Address for Service	420 Percy Crescent, Carleton Place, ON, K7C 0C4

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	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.
Address for Service	147, RUE RIDEAU, OTTAWA, ON, K1N 5X4

Statements

The text added or imported if any, is legible and relates to the parties in this document.

Provisions

Principal	\$4,255,855.25	Currency	CDN
Calculation Period	monthly		
Balance Due Date			
Interest Rate	Prime + 10%		
Payments			
Interest Adjustment Date			
Payment Date	On Demand		
First Payment Date			
Last Payment Date			
Standard Charge Terms	201909		
Insurance Amount	Full insurable value		
Guarantor	Dylan James Sliter and Patrick Barry Lane Linnen		

Additional Provisions

See Schedules

Signed By

Martin Yvon St-Onge		1400-340 rue Albert Street Ottawa K1R 0A5	acting for Chargor(s)	First Signed	2024 04 03
Tel	613-238-2022				
Fax	613-238-8775				
Martin Yvon St-Onge		1400-340 rue Albert Street Ottawa K1R 0A5	acting for Chargor(s)	Last Signed	2024 04 08
Tel	613-238-2022				
Fax	613-238-8775				

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

LRO # 27 **Charge/Mortgage**

Registered as LC257797 on 2024 04 03

000373
at 10:36

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

Submitted By

PERLEY-ROBERTSON, HILL & MCDOUGALL LLP/s.r.l. 1400-340 rue Albert Street
Ottawa
K1R 0A5

2024 04 08

Tel 613-238-2022

Fax 613-238-8775

Fees/Taxes/Payment

Statutory Registration Fee

\$69.95

Total Paid

\$69.95

File Number

Chargor Client File Number : CPRV-0260

Chargee Client File Number : 84057

Protected Business/Commercial
84322934, 2024-02-29

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

SCHEDULE B – MLI SELECT PRODUCT FLEXIBILITIES – CLAUSES TO REGISTER AGAINST THE PROPERTY

MANDATORY SOCIAL OUTCOME COVENANT TO BE INCLUDED BY THE APPROVED LENDER IN THE INSURED MORTGAGE/HYPOTHEC REGISTERED ON TITLE: SOCIAL OUTCOME COVENANT

The following covenants (collectively, the “Social Outcome Covenant”) shall form part of the Mortgage registered on title to the property granted as security for the housing loan insured by CMHC.

Capitalized terms and expressions used in this Social Outcome Covenant shall have the meanings set out below.

DEFINED TERMS:

In this Social Outcome Covenant, the following terms will have the following meanings:

Accessibility Criteria means the social outcome criteria relating to accessibility outlined in the table below, which apply to the Project:

	LEVEL	Criteria
Existing Properties	1	<ul style="list-style-type: none">• The Project must be 100% visitable and all common areas within the Project must be barrier free, each in accordance with Canadian Standards Association (CSA) standard B651-2018.• In addition to the foregoing, the Project must also satisfy one of the following conditions:<ul style="list-style-type: none">(i) a minimum of 15% of the housing units within the Project must be accessible in accordance with the CSA standard B651-18; or(ii) a minimum of 15% of the housing units within the Project must be of universal design*; or(iii) The Project must receive the Rick Hansen Foundation Accessibility Certification (60%-79% score).

**Universal design refers to the features and practices described in the Universal Design Guide, as published by CMHC at www.cmhc.ca.*

Approved Lender means the approved lender or mortgagee/hypothecary creditor under the housing loan secured by this Mortgage and insured by CMHC.

CMHC means Canada Mortgage and Housing Corporation.

Energy Efficiency Criteria means the social outcome criteria relating to energy efficiency outlined in the table below, which apply to the Project:

	LEVEL	Criteria
Existing Properties	2	<ul style="list-style-type: none">• The Project must achieve a minimum 25% decrease in energy consumption and a 25% decrease in greenhouse gas emissions relative to the performance levels achieved at or prior to the request for loan insurance.

Protected Business/Commercial
84322934, 2024-02-29

SPECIAL CONDITIONS TO THE CERTIFICATE OF INSURANCE: PART 3 - SCHEDULES

--	--	--

Mortgage means this mortgage, charge or hypothec granted to the Approved Lender in support of the housing loan insured by CMHC pursuant to the National Housing Act.

Mortgagor means the borrower or mortgagor/hypothecary debtor named in this Mortgage, and includes the beneficial owner or nominee, for purposes of this Social Outcome Covenant.

Project means the multiple unit residential project located on the property described in this Mortgage.

Covenants:

1. Prior to the first advance under the housing loan secured by the Mortgage, the Mortgagor must provide evidence to the Approved Lender, in accordance with CMHC's prescribed documentation requirements, that the Project will comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant.
2. Within 60 days of the date of final advance under the housing loan, the Mortgagor must provide the Approved Lender with a signed attestation that the Project meets or exceeds the Energy Efficiency Criteria, together with documentation evidencing such compliance. The Approved Lender must inform CMHC in writing if (i) the Mortgagor has not submitted the required confirmation and documentation within the above timeline; or (ii) the Mortgagor's documentation indicates non-compliance with the Energy Efficiency Criteria.
3. Within 60 days of the date of final advance under the housing loan, the Mortgagor must provide the Approved Lender with a signed attestation that the Project meets or exceeds the Accessibility Criteria, together with documentation evidencing such compliance. The Approved Lender must inform CMHC in writing if (i) the Mortgagor has not submitted the required confirmation and documentation within the above timeline; or (ii) the Mortgagor's documentation indicates non-compliance with the Accessibility Criteria.
4. The Mortgagor shall maintain books and records to support confirmation of compliance and shall give the Approved Lender or CMHC access to such books and records during regular business hours on ten (10) days notice.
5. The Mortgagor acknowledges that it is a condition of the housing loan that the Project comply with the social outcome criteria outlined above in relation to this Social Outcome Covenant. In the event of non-compliance, which cannot be resolved to CMHC's satisfaction, the Approved Lender shall, at CMHC's direction, call the housing loan in default and take mortgage/hypothecary remedies as required by CMHC. Non-compliance with this Social Outcome Covenant by the Mortgagor may also result in other measures to be taken by CMHC, including restricting future access to CMHC products or programs.
6. This Social Outcome Covenant shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

THIS IS **EXHIBIT "30"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F30200A54D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

LRO # 27 **Notice Of Security Interest**

Registered as LC234446 on 2022 02 14 at 11:50

000377

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

yyyy mm dd Page 1 of 1

Properties

PIN 05269 - 0273 LT

Description PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Address BECKWITH STREET N
SMITHS FALLS

Consideration

Consideration \$250,000.00

Applicant(s)

Name EVOLVE SERVICES INC

Address for Service 6 Eglinton Avenue East, Suite 200
Toronto, Ontario, M4P 1A6

Under a notice of security agreement made between HAMMER AND NAILS DEVELOPMENT LTD. and 161 BECKWITH ST N, SMITHS FALLS, ON, K7A 2C7, the debtor and the applicant, the secured party a security interest has been created in HVAC Equipment. The collateral is located or affixed or is to be affixed to the selected PIN

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.

Signed By

Ely Rechtsman	25 Sheppard Avenue West, Suite 1600 Toronto M2N6S6	acting for Applicant(s)	Signed	2022 02 14
---------------	----------------------------------------------------------	-------------------------	--------	------------

Tel 416-221-8998

Fax 416-221-4787

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

Submitted By

Erin Rechtsman, Barrister and Solicitor	25 Sheppard Avenue West, Suite 1600 Toronto M2N6S6	2022 02 14
-----------------------------------------	----------------------------------------------------------	------------

Tel 416-221-8998

Fax 416-221-4787

Fees/Taxes/Payment

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

THIS IS **EXHIBIT "31"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F30200A54D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

LRO # 27 **Postponement Of Interest**

Registered as LC257799 on 2024 04 03 at 10:43

000379
Page 1 of 2

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

yyyy mm dd

Properties

PIN 05269 - 0273 LT

Description PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Address BECKWITH STREET N
SMITHS FALLS

Source Instruments

<i>Registration No.</i>	<i>Date</i>	<i>Type of Instrument</i>
LC234446	2022 02 14	Notice Of Security Interest

Party From(s)

Name EVOLVE SERVICES INC

Address for Service 6 Eglinton Avenue East, Suite 200
Toronto, Ontario
M4P 1A6

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.

<i>Party To(s)</i>	<i>Capacity</i>	<i>Share</i>
--------------------	-----------------	--------------

<i>Name</i>	CAISSE DESJARDINS ONTARIO CREDIT UNION INC.
<i>Address for Service</i>	147 Rideau St, Ottawa, Ontario K1N 5X4

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number LC257797 registered on 2024/04/03

Schedule: The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number LC257798 on 2024/04/03

Signed By

Valentin Erikson	105-18 Deakin Street Ottawa K2E 8B7	acting for Party From(s)	First Signed	2024 04 03
Tel 613-692-5885				
Fax 613-212-9035				
Valentin Erikson	105-18 Deakin Street Ottawa K2E 8B7	acting for Party From(s)	Last Signed	2024 04 08
Tel 613-692-5885				
Fax 613-212-9035				

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

Submitted By

ERIKSON LAW FIRM	105-18 Deakin Street Ottawa K2E 8B7	2024 04 08
Tel 613-692-5885		
Fax 613-212-9035		

Fees/Taxes/Payment

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

LRO # 27 **Postponement Of Interest**

Registered as LC257799 on 2024 04 03

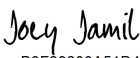
000380
at 10:43

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

File Number

Party To Client File Number : CPRV-0260

THIS IS **EXHIBIT "32"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

LRO # 27 **Postponement Of Interest**
The applicant(s) hereby applies to the Land Registrar.

Registered as **LC263059** on 2024 09 25 at 12:27
yyyy mm dd Page 1 of 2

000382

Properties

PIN	05269 - 0273 LT
Description	PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS
Address	BECKWITH STREET N SMITHS FALLS

Source Instruments

Registration No.	Date	Type of Instrument
LC234446	2022 02 14	Notice Of Security Interest

Party From(s)

Name	EVOLVE SERVICES INC
Address for Service	6 Eglinton Avenue East, Suite 200 Toronto, Ontario M4P 1A6

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	FIRST SOURCE FINANCIAL MANAGEMENT INC.
Address for Service	2 Sheppard Avenue East, Suite 605 Toronto, Ontario M2N 5Y7

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number LC263057 registered on 2024/09/25

Schedule: The applicant also postpones its rights under the selected Instrument to the Assignment of Rents registered as Instrument No. LC263058 in favour of First Source Financial Management Inc.

Signed By

Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Party From(s)	First Signed	2024 09 25
Tel 416-222-8888				
Fax 416-218-1860				
Cheryl Lynn Moore	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Party From(s)	Last Signed	2024 10 07
Tel 416-222-8888				
Fax 416-218-1860				

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

Submitted By

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9	2024 10 07
Tel 416-222-8888		
Fax 416-218-1860		

Fees/Taxes/Payment

Statutory Registration Fee	\$69.95
Total Paid	\$69.95

LRO # 27 **Postponement Of Interest**

Registered as LC263059 on 2024 09 25 at 12:27

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

File Number

Party From Client File Number : 89279

THIS IS **EXHIBIT "33"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39290A51D48F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



Writ Details Report / Rapport des détails du bref

Sheriff of / Shérif de : **COUNTY OF LANARK (PERTH)**

Certificate # / N° de certificat : **51195342-1950541B**

Date of Certificate / Date du certificat : **2025-APR-04 / 2025-AVR-04**

If there is information contained in this form in French and you require it in English, contact the Sheriff.

S'il y a des informations en anglais dans ce formulaire et que vous en avez besoin en français, contactez le shérif.

Sheriff's Statement

It is hereby certified that the information contained below is a true representation of information within the electronic database maintained by this office in accordance with Section 10 of the *Execution Act*, at the time of the report request.

Déclaration du shérif

Il est certifié, par la présente, que les renseignements ci-après reproduisent exactement l'information contenue dans la base de données électronique maintenue par ce bureau aux termes de l'article 10 de la *Loi sur l'exécution forcée* au moment de la demande de rapport.

File Details / Détails du dossier

Execution # / N° d'exécution forcée : **25-0000018**

Issue Date / Date de délivrance : **2025-JAN-21**

Expiry Date / Date d'expiration : **2031-JAN-20**

Effective Date / Date de prise d'effet : **2025-JAN-22**

Court File or Reference # / N° de dossier du tribunal ou de référence : **SC24Q90003000000**

Court Type / Type de tribunal : **SCJ - SCC**

Jurisdiction / Territoire de compétence : **PERTH**

Debtor(s) / Débiteur(s)**Debtor / Débiteur**

Name / Nom : HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET) AKA HAMMER AND NAILS DEVELOPMENTS LTD.

Address / Adresse : 420 PERCY CRES, CARLETON PLACE, ONTARIO, CANADA, K7C 0C4

Telephone / Téléphone : 613-284-8181

Debtor Search Name(s) / Nom(s) de recherche du(des) débiteur(s)

Company / Société : HAMMER AND NAILS DEVELOPMENTS LTD. (BECKWITH STREET)

Company / Société : HAMMER AND NAILS DEVELOPMENTS LTD.

Creditor / Créancier**Creditor / Créancier**

Company / Société : ANNIS O'SULLIVAN VOLLEBEKK (KEMPTVILLE) LTD.

Address / Adresse : 113 PRESCOTT ST. BOX 1340, KEMPTVILLE, ONTARIO, CANADA, K0G 1J0

Telephone / Téléphone : 613-258-1717

Email / Courriel : MELISSAT@AOVLTD.COM

Creditor Representative / Représentant(e) des créanciers

Person / Personne : MACDONELL, VINCENT

Firm Name / Nom de l'entreprise :

Address / Adresse :

P.O.BOX 61
OTTAWA, ON K0A 2W0
TEL. 613-292-3474
EMAIL: VINCENTMACDONELL@ROGERS.COM

Judgment and Cost / Jugement et dépens

1. Judgment / Jugement :CAD 4,378.27
Interest rate / Taux d'intérêt :5.0000%
Start date / Date de début :2025-JAN-16
Against Debtors / Contre les débiteurs :ALL DEBTORS / TOUS LES DÉBITEURS

2. Cost / Dépens :CAD 362.00
Interest rate / Taux d'intérêt :5.0000%
Start date / Date de début :2025-JAN-16
Against Debtors / Contre les débiteurs :ALL DEBTORS / TOUS LES DÉBITEURS

Amount owing / Montant dû

No amount owing was added / Aucun montant dû n'a été ajouté

Financial Transactions / Opérations financières

#	Fee or payment / Frais ou paiement	Transaction date / Date d'opération	Amount / Montant	Reference or notes / Référence ou notes
1	Fee / Frais	2025-JAN-21	CAD 68.00	Issuance fee
2	Fee / Frais	2025-JAN-21	CAD 100.00	Filing fee

Public Comments / Remarque publique

No comments / Sans commentaires

Caution :

Ensure that the Name and Execution # (number) match your request.

Avertissement :

Assurez-vous que le nom et le numéro du dossier d'exécution forcée sont les mêmes que ceux figurant dans votre demande.

Charge for this report / Frais pour ce rapport : **CAD 7.10**

Requester reference / Référence concernant l'auteur(e) de la demande : **2500119**



Writ Details Report / Rapport des détails du bref

Sheriff of / Shérif de : **COUNTY OF LANARK (PERTH)**

Certificate # / N° de certificat : **51195349-7492961B**

Date of Certificate / Date du certificat : **2025-APR-04 / 2025-AVR-04**

If there is information contained in this form in French and you require it in English, contact the Sheriff.

S'il y a des informations en anglais dans ce formulaire et que vous en avez besoin en français, contactez le shérif.

Sheriff's Statement

It is hereby certified that the information contained below is a true representation of information within the electronic database maintained by this office in accordance with Section 10 of the *Execution Act*, at the time of the report request.

Déclaration du shérif

Il est certifié, par la présente, que les renseignements ci-après reproduisent exactement l'information contenue dans la base de données électronique maintenue par ce bureau aux termes de l'article 10 de la *Loi sur l'exécution forcée* au moment de la demande de rapport.

File Details / Détails du dossier

Execution # / N° d'exécution forcée : **25-0000020**

Issue Date / Date de délivrance : **2025-JAN-22**

Expiry Date / Date d'expiration : **2031-JAN-21**

Effective Date / Date de prise d'effet : **2025-JAN-23**

Court File or Reference # / N° de dossier du tribunal ou de référence : **SC24000003020000**

Court Type / Type de tribunal : **SCJ - SCC**

Jurisdiction / Territoire de compétence : **PERTH**

Debtor(s) / Débiteur(s)**Debtor / Débiteur**

Name / Nom : HAMMER AND NAILS DEVELOPMENTS L.TD. (MAPLE STREET)
AKA HAMMER AND NAILS DEVELOPMENTS

Address / Adresse : 11 WILLIAM ST. W., SMITHS FALLS, ONTARIO, CANADA, K2K
2E4

Telephone / Téléphone : 613-284-8181

Debtor Search Name(s) / Nom(s) de recherche du(des) débiteur(s)

Company / Société : HAMMER AND NAILS DEVELOPMENTS L.TD. (MAPLE STREET)

Company / Société : HAMMER AND NAILS DEVELOPMENTS

Creditor / Créancier**Creditor / Créancier**

Company / Société : ANNIS O'SULLIVAN VOLLEBEKK (KEMPTVILLE) LTD.

Address / Adresse : 113 PRESCOTT ST., BOX 1340, KEMPTVILLE, ONTARIO,
CANADA, K0G 1J0

Telephone / Téléphone : 613-258-1717

Creditor Representative / Représentant(e) des créanciers

Person / Personne : MACDONELL, VINCENT

Firm Name / Nom de
l'entreprise :

Address / Adresse : P.O. BOX 61
OTTAWA, ONTARIO K0A 2W0

T: 613 292 3474

E: VINCENTMACDONELL@ROGERS.COM

Judgment and Cost / Jugement et dépens

1. Judgment / Jugement : CAD 5,087.97

Interest rate / Taux d'intérêt : 5.0000%

Start date / Date de début : 2025-JAN-14

Against Debtors / Contre les débiteurs : ALL DEBTORS / TOUS LES DÉBITEURS

2. Cost / Dépens : CAD 362.00

Interest rate / Taux d'intérêt : 5.0000%

Start date / Date de début : 2025-JAN-14

Against Debtors / Contre les débiteurs : ALL DEBTORS / TOUS LES DÉBITEURS

Amount owing / Montant dû

No amount owing was added / Aucun montant dû n'a été ajouté

Financial Transactions / Opérations financières

#	Fee or payment / Frais ou paiement	Transaction date / Date d'opération	Amount / Montant	Reference or notes / Référence ou notes
1	Fee / Frais	2025-JAN-22	CAD 68.00	Issuance fee
2	Fee / Frais	2025-JAN-22	CAD 100.00	Filing fee

Public Comments / Remarque publique

No comments / Sans commentaires

Caution :

Ensure that the Name and Execution # (number) match your request.

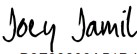
Avertissement :

Assurez-vous que le nom et le numéro du dossier d'exécution forcée sont les mêmes que ceux figurant dans votre demande.

Charge for this report / Frais pour ce rapport : **CAD 7.10**

Requester reference / Référence concernant l'auteur(e) de la demande : **2500119**

THIS IS **EXHIBIT "34"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

NOTICE OF INTENTION TO ENFORCE SECURITY
(Subsection 244(1))

TO: HAMMER & NAILS DEVELOPMENTS LTD (MAPLE STREET)
AND TO: HAMMER & NAILS DEVELOPMENTS LTD. (BECKWITH STREET)
AND TO: DYLAN JAMES SLITER
AND TO: PATRICK BARRY LANE LINNEN
AND TO: 1136234 ONTARIO LTD.

TAKE NOTICE THAT:

1. FIRST SOURCE FINANCIAL MANAGEMENT INC., the secured creditor, intends to enforce its security on the property described below:

7 Maple Avenue North, Town of Smiths Falls

PIN 05280-0019 (LT)

PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601, TOWN OF SMITHS FALLS

161 Beckwith Street North, Town of Smiths Falls

PIN 05269-0273 (LT)

PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385; TOWN OF SMITHS FALLS

2. The security that is to be enforced is in the form of:
- (a) A Charge/Mortgage of Land registered in the Land Registry Office for the Land Titles Division of Lanark (No. 27) on March 17th, 2022 as Instrument No. LC235577 with respect to 7 Maple Avenue North, Town of Smith Falls.
- (b) A Charge/Mortgage of Land registered in the Land Registry Office for the Land Titles Division of Lanark (No. 27) on September 25th, 2024 as Instrument No. LC263057 with respect to 161 Beckwith Street North, Town of Smiths Falls.
3. The total amount of the indebtedness secured by the security as at February 18th, 2025 is:

Principal Balance	\$11,105,250
February 1 to 18, 2025 (17 days interest)	\$93,101.55
3 Months Interest Bonus	\$499,736.25

Schedule A 2k) Request for Discharge Statement	\$500.00
Failure to provide proof of insurance after requested 2x (Oct. 2024)	\$500.00
Holding Over Fee	\$27,763.13
Trust Reserve	(\$28,885.82)
Legal Fees of Chaitons LLP (\$3,500 plus HST plus \$750) Disbursements	\$4,705.00
Total	\$11,702,670.11

Per Diem Rate of Interest - \$5,476.56

4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of the notice, unless the debtors consent to an earlier enforcement.

DATED at Toronto, Ontario, this 19th day of February, 2025.

FIRST SOURCE FINANCIAL MANAGEMENT
INC. by its solicitors Chaitons LLP

Per: 
Barry Rotenberg

Inquires to: Barry Rotenberg
(416) 218-1133

THIS IS **EXHIBIT "35"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3E39200A51D40E...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



Arjomandi Law

Arjomandi Law
Phone: (647) 557-8774
Fax: (647) 797-0812
info@arjomandilaw.com
www.arjomandilaw.com

March 14, 2025

Via Electronic Mail

Chaitons LLP
5000 Yonge St.
North York, ON M2N 0A7

Reply to: Seena Arjomandi
Phone: (647) 557 - 8774
Email: seena@arjomandilaw.com

Attn: Barry Rotenberg

Dear Counsel:

RE: First Source Financial Management Inc. (hereinafter referred to as the "Chargee/Lender") FIRST mortgage loan to Hammer & Nails Developments Ltd. (Beckwith Street) and Hammer & Nails Developments Ltd. (Maple Street) (hereinafter referred to as the "Chargor/Borrower(s)")
Guarantors: Dylan James Sliter and Patrick Barry Lane Linnen (collectively the "Guarantors")
Property: Over 7 Maple Avenue North, Smiths Falls, Ontario, K7A 1Z4 legally known as PT LT 110 SS WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 NS MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 SIS WILJAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 SS WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY & T/W RS175981, T/W RS175982 TOWN OF SMITHS FALLS, SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S.'S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN C236601, and 161 Beckwith Street N, Smiths Falls, Ontario, K7A 2C7 legally known as PART LOT SE/S BECKWITH ST PLAN 13884 LANARIK S MONTAGUE; PART LOT 6 EIS BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 EIS BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/5 BECKWITH ST PLAN 13884 LANARK S MONTAGJE; PART LOTS E(S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

WRITTEN NOTICE OF RETAINED COUNSEL

Please be advised that we have been recently retained by the Chargor, Hammer & Nails Developments Ltd. (Maple Street) in regard to the Notice of Intention to Enforce Security (Subsection 244(1)) sent on February 19th, 2025 for the above noted properties.



Arjomandi Law

Arjomandi Law
Phone: (647) 557-8774
Fax: (647) 797-0812
info@arjomandilaw.com
www.arjomandilaw.com

Furthermore, please be advised that we are working diligently to resolve this matter and we ask for your indulgence while we investigate this matter as we were recently retained.

In the interim, we trust that you will not initiate any enforcement proceedings or measures without reasonable written notice. We will reach out shortly to schedule a time to discuss this matter on a without prejudice basis.

Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Yours truly,

ARJOMANDI LAW

Per:

Seena Arjomandi/zs

THIS IS **EXHIBIT "36"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

BSF39200A51D40F....

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Jessica Bugden

From: David Taub <dtaub@robapp.com>
Sent: March 19, 2025 2:54 PM
To: seena@arjomandilaw.com
Cc: Barry Rotenberg; Joey Jamil
Subject: First Source - Loan to Hammer and Nails Developments Ltd. (Maple Street)

Dear Mr. Arjomandi,

We are the lawyers for First Source Financial Management Inc. and First Source Mortgage Corporation regarding the above-noted matter. Barry Rotenberg has provided us with your letter dated March 14, 2025 which, *inter alia*, asks our clients not to take any enforcement proceedings without reasonable notice. We have been instructed to issue a proceeding in order to enforce our clients' security and will be delivering our materials shortly. Could you please confirm that you are authorized to accept service on behalf of the borrower and guarantors.

Yours truly,

David Taub | [Bio](#)

T. 416.360.3354

E. dtaub@robapp.com


ROBINS APPLEBY

BARRISTERS + SOLICITORS

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

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed. The message may be protected by solicitor-client privilege and contain information that is confidential and exempt from disclosure under applicable law. If you have received this transmission in error, please notify us immediately either by telephone at (416) 868-1080 or by e-mail at info@robapp.com and destroy any original transmission or copies of this message without making a copy. Any other distribution, copying or disclosure is strictly prohibited. Any personal information provided to Robins Appleby LLP is collected, used, retained and disclosed in accordance with the firm's Privacy Policy, available at <https://www.robinsappleby.com/>

THIS IS **EXHIBIT "37"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Jessica Bugden

From: Seena Arjomandi <seena@arjomandilaw.com>
Sent: March 19, 2025 4:44 PM
To: David Taub
Cc: 'Barry Rotenberg'; Joey Jamil
Subject: RE: First Source - Loan to Hammer and Nails Developments Ltd. (Maple Street)

CAUTION: External e-mail.

Hello David,

Thank you for getting back to me.

As per our phone call earlier, my client is seeking to refinance the loan from First Source in order to pay back the monies owed to your client. In doing so, I would first like to formally request consent from your client in order to place a further charge on the property as such consent is required as per the original loan commitment agreement from 2021.

Should your client provide such consent, I can inform you that we have already reached out to multiple lenders with 3 expressing interest and 2 verbally confirming they would like to proceed with a LOI. The lenders who have expressed interest are Glasslake, Lanyard Group, and Greenlight Capital, with Glasslake and Lanyard Group being the ones who verbally confirmed desire to enter into LOI. The details of the refinance that I can provide you with are that we are currently looking at 65% - 75% LTV based on the previous appraisal of the property, however, final numbers are contingent on entering into a formal LOI and completion of lender due diligence. Our plan to tackle the remaining debt is through equity financing, in each we have began talks with a few interested individuals.

I understand that you will be sending over an up-to-date Notice of Intention to Enforce Security as per your client's request, to which I confirm that I am authorized to accept service on behalf of the borrower and guarantors, however, I hope that this shows you that my client is taking this seriously and is fully intended on paying off the debt to First Source. To that end, if you could please verify the amount that is being enforced as well as a to date payout statement for the amount owed as of the date you send the notice, I would greatly appreciate it.

Should you have any further questions or require any information or clarification, please let me know.

Kind Regards,

Seena Arjomandi, *LL.B.(Hons), LL.M.*

Arjomandi Law

Phone: (647) 557 – 8774

Fax: (647) 930 – 1677

The information contained in this e-mail message may be privileged, confidential and protected from disclosure. If you are not the intended recipient, any use, disclosure, dissemination, distribution or copying of any portion of this message or any attachment is strictly prohibited.

From: David Taub <dtaub@robapp.com>
Sent: March 19, 2025 2:54 PM
To: seena@arjomandilaw.com
Cc: Barry Rotenberg <brotenberg@chaitons.com>; Joey Jamil <jjamil@robapp.com>
Subject: First Source - Loan to Hammer and Nails Developments Ltd. (Maple Street)

Dear Mr. Arjomandi,

We are the lawyers for First Source Financial Management Inc. and First Source Mortgage Corporation regarding the above-noted matter. Barry Rotenberg has provided us with your letter dated March 14, 2025 which, *inter alia*, asks our clients not to take any enforcement proceedings without reasonable notice. We have been instructed to issue a proceeding in order to enforce our clients' security and will be delivering our materials shortly. Could you please confirm that you are authorized to accept service on behalf of the borrower and guarantors.

Yours truly,



David Taub | [Bio](#)

T. 416.360.3354

E. dtaub@robapp.com

ROBINS APPLEBY

BARRISTERS + SOLICITORS

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

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed. The message may be protected by solicitor-client privilege and contain information that is confidential and exempt from disclosure under applicable law. If you have received this transmission in error, please notify us immediately either by telephone at (416) 868-1080 or by e-mail at info@robapp.com and destroy any original transmission or copies of this message without making a copy. Any other distribution, copying or disclosure is strictly prohibited. Any personal information provided to Robins Appleby LLP is collected, used, retained and disclosed in accordance with the firm's Privacy Policy, available at <https://www.robinsappleby.com/>

...

THIS IS **EXHIBIT "38"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL



ROBINS APPLEBY
BARRISTERS + SOLICITORS

David Taub
T. 416.360.3354
E. dtaub@robapp.com
F. 416.868.0306

Delivered by: Email
File No.: 2500119

March 21, 2025

Arjomandi Law
19 Edenbrook Hill
Etobicoke, Ontario
M9A 3Z7

Attention: Seena Arjomandi

Dear Sir:

Re: Demand Notice by First Source Financial Management Inc. ("First Source Inc.") and First Source Mortgage Corporation ("First Source Corporation") (collectively, the "Lender") upon:

A. Hammer & Nails Developments Ltd. (Maple Street) (the "Borrower") and Hammer & Nails Developments Ltd. (Beckwith Street) (the "Beckwith Mortgagor") and

B. Dylan James Sliter and Patrick Barry Lane Linnen (collectively, the "Guarantors")

regarding 7 Maple Avenue, Smith Falls, Ontario ("7 Maple") and 161 Beckwith Street North, Smith Falls, Ontario ("161 Beckwith")

We are the lawyers for the Lender with respect to the above-noted matters. We are writing to you further to our telephone discussion and your subsequent email dated March 19, 2025 in which you confirmed that you represent the Borrower, the Beckwith Mortgagor and the Guarantors in this matter and are authorized to accept service of this letter and the accompanying Notice of Intention to Enforce Security. We ask that you confirm your acceptance of this letter within two business days of its delivery, failing which we will serve it directly upon the Borrower, the Beckwith Mortgagor and the Guarantors.

We are writing to you regarding the Borrower's default in payment of the amounts due under the loan from the Lender to the Borrower, initially for the lesser of \$7,200,000 or 65.8% of the appraised value of 7 Maple, as amended from time to time to, *inter alia*, increase the loan amount and add the Beckwith Mortgagor (the "**Loan**"). The amendments were made pursuant to the terms and conditions of the commitment letter dated December 8, 2021, as amended, increased, and extended by:



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 2 -

1. the amendment to the commitment letter dated March 10, 2022;
2. the increase and extension agreement dated June 26, 2023;
3. the increase agreement dated December 23, 2023; and
4. the increase and extension agreement dated August 26, 2024.

(collectively, the “**Commitment**”)

As you are aware, the Loan is secured by, *inter alia*:

1. a first-ranking Charge/Mortgage of Land on 7 Maple between the Borrower, as mortgagor, and First Source Inc., as mortgagee, registered on March 17, 2022 as Instrument No. LC235577 (the “**Maple Mortgage**”), as amended by the Notice registered on July 21, 2023 as Instrument No. LC250766, and the Notice registered on September 25, 2024 as Instrument No. LC263056; and
2. a second-ranking Charge/Mortgage of Land on 161 Beckwith between the Beckwith Mortgagor, as mortgagor, and First Source Inc., as mortgagee, registered on September 25, 2024 as Instrument No. LC263057 (the “**Beckwith Mortgage**”).

This letter constitutes notice to you that the Borrower has defaulted on the terms of the Commitment and applicable security by *inter alia*:

1. failing to repay the Loan on its maturity (February 8, 2025);
2. permitting construction liens to be registered on title to 7 Maple; and
3. the cross-default in payment of the Maple Mortgage, the Beckwith Mortgage, and the other applicable security.

Accordingly, the Lender hereby demands that the Borrower makes payment in full of the amount of the Loan indebtedness for principal, interest and costs as of **March 20, 2025**, in the sum of **\$11,892,760.64**, plus legal costs of \$5,000 and per diem interest at the rate of **\$5,476.56** to March 31, 2025, increasing thereafter to \$5,622.60 per diem as of April 1, 2025 (the “**Indebtedness**”). Enclosed is a copy of the March 20, 2025 Loan discharge statement. Accordingly, the Lender hereby demands payment of the Indebtedness and costs by **March 31, 2025**.

This demand letter is also notice to (a) the Guarantors, who are jointly and severally liable pursuant to the Guarantee and Postponement of Claim from the Guarantors dated March 14, 2022; and (b) the Beckwith Mortgagor who provided the Beckwith Mortgage as security for the Loan. Accordingly, the Lender hereby demands that the Guarantors and the Beckwith Mortgagor make payment of the Indebtedness and costs by **March 31, 2025**, as required under the Guarantors’ contractual obligations to the Lender.

In addition, we enclose a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act*. This is in addition to the prior section 244 notice served upon you and dated February 19, 2025.



ROBINS APPLEBY
BARRISTERS + SOLICITORS

- 3 -

If payment is not received by **5:00 pm on March 31, 2025**, the Lender will take whatever steps are necessary to enforce its rights under the security provided to it pursuant to the Loan.

Yours very truly,

ROBINS APPLEBY LLP

Per:

David Taub

DAT:

Encls. Discharge Statement and Notice of Intention to Enforce Security

Discharge Statement

FIRST SOURCE
FINANCIAL MANAGEMENT INC.

Borrower
Hammer & Nails Development Ltd.
Property
7 Maple Avenue, Smith Falls, ON

Account Number	1371.21.11
Payoff Due Date	20-Mar-25
Payoff Amount	\$11,892,760.64
Principal Amount	\$11,105,250.00
Interest Rate as of Jan 1/25: Higher of 11.00% or (CIBC Prime + 4.30%)	11.00%
Interest Rate as of Jan 29/25: Higher of 11.00% or (CIBC Prime + 4.30%)	11.00%
Interest Rate as of Feb 1/25: Higher of 18.00% or (CIBC Prime + 11.30%)	18.00%
Interest Per Diem as of Mar 20, 2025	\$5,476.56
Interest Per Diem as of Apr 1, 2025	\$5,622.60

After 2025-03-20, please pay an additional \$5,476.56 per day. Then after 2025-04-01, please pay an additional \$5,622.60. This notice expires on 2025-04-21, at which time you are instructed to contact this office for additional instructions.

Funds may be tendered any time up to 1:00 pm March 20, 2025 based on the existing statement.
If funds are tendered after 1:00 pm, March 20, 2025 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	\$11,105,250.00
February 1 - 28, 2025 (28 days interest)	\$153,343.73
February 1 - 28, 2025 (28 days interest) - Partial Payment	-\$28,885.82
March 1-19, 2025 (19 days interest)	\$105,220.82
3 Months Interest Bonus at 18.00%	\$499,736.25
Schedule A 2k) Request for Discharge Statement 2x	\$1,500.00
Late Interest Charge	\$500.00
Failure to provide proof of insurance after requested 2x (Oct 2024)	\$500.00
Holding Over Fee	\$55,595.66
Total Outstanding Amount	\$11,892,760.64

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
02/01/2025	\$11,105,250.00	28	0.0493151%	18.00%	\$153,343.73
03/01/2025	\$11,229,707.91	19	0.0493151%	18.00%	\$105,220.82

THIS IS **EXHIBIT "39"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

BSF39200A51D40F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

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

**TO: HAMMER & NAILS DEVELOPMENT LTD. (MAPLE STREET),
an insolvent corporation**
420 Percey Crescent
Carleton Place, ON K7C 0C4

**AND TO: HAMMER & NAILS DEVELOPMENT LTD. (BECKWITH STREET),
an insolvent corporation**
420 Percey Crescent
Carleton Place, ON K7C 0C4

AND TO: DYLAN JAMES SLITER
3023 Drummond Concession 10a Road
Balderson, ON K0G 1A0

AND TO: PATRICK BARRY LANE LINNEN
420 Percey Crescent
Carleton Place, ON K7C 0C4

AND TO: 1136234 ONTARIO LTD.
7 Birch Lane
Smiths Falls, ON K7A 0C6

AND TO: TBG MECHANICAL SOLUTIONS LIMITED
130 Industrial Avenue, Unit 420
Carleton Place, ON K7C 3T2

AND TO: 2384921 ONTARIO LTD.
15749 Highway 7 East
Perth, ON K7H 3C8

AND TO: MASTERPIECE HARDWOOD FLOORING
1700 Kingsdale Avenue
Ottawa, ON K1T 1H6

AND TO: 4169492 CANADA INC.
2895 Ahearn Avenue
Ottawa, ON K2B 7A1

AND TO: CAISSE DESJARDINS ONTARIO CREDIT UNION INC.
147 Rideau Street
Ottawa, ON K1N 5X4

AND TO: MITSUBISHI HC CAPITAL CANADA LEASING, INC.
401-1100 Burloak Drive
Burlington, ON L7L 6B2

AND TO: WESTBORO MANAGEMENT LTD.
267 Richmond Road, 2nd Floor
Ottawa, ON K1Z 6X3

TAKE NOTICE THAT:

1. First Source Financial Management Inc., the secured creditor, intends to enforce its security on the property of the insolvent person/corporation described as:

PIN: 05280-0019 LT

Description: PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address: 7 Maple Avenue, Smiths Falls, Ontario

PIN: 05269-0273 LT

Description: PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Address: 161 Beckwith Street North, Smiths Falls, Ontario

2. The security that is to be enforced is in the form of:
 - (a) a Charge/Mortgage of Land registered in the Land Registry Office No. 27 (Lanark) as Instrument No.: LC235577 on March 17, 2022 with respect to 7 Maple Avenue, Smiths Falls, Ontario, in favour of First Source Financial

Management Inc.;

- (b) a Charge/Mortgage of Land registered in the Land Registry Office No. 27 (Lanark) as Instrument No.: LC263057 on September 25, 2024 with respect to 161 Beckwith Street North, Smiths Falls, Ontario, in favour of First Source Financial Management Inc.;
 - (c) a Notice of Assignment of Rents – General registered in the Land Registry Office No. 27 (Lanark) as Instrument No.: LC235578 on March 17, 2022 with respect to 7 Maple Avenue, Smiths Falls, Ontario, in favour of First Source Financial Management Inc.;
 - (d) a Notice of Assignment of Rents – General registered in the Land Registry Office No. 27 (Lanark) as Instrument No.: LC263058 on September 25, 2024 with respect to 161 Beckwith Street North, Smiths Falls, Ontario, in favour of First Source Financial Management Inc.;
 - (e) General Security Agreement between First Source Financial Management Inc. and Hammer & Nails Development Ltd. (Maple Street) made as of March 14, 2022;
 - (f) General Security Agreement between First Source Financial Management Inc., Dylan James Sliter and Patrick Barry Lane Linnen made as of March 14, 2022;
 - (g) Assignment of Insurance Interest to First Source Financial Management Inc., dated March 14, 2022 with respect to 7 Maple Avenue, Smiths Falls, Ontario;
 - (h) Hazardous Substances, Fraud and Misrepresentation Indemnity, dated March 14, 2022 in respect of Hammer & Nails Developments Ltd. (Maple Street);
 - (i) Hazardous Substances, Fraud and Misrepresentation Indemnity, dated September 11, 2024 in respect of Hammer & Nails Developments Ltd. (Beckwith Street);
 - (j) Ontario PPSA Registration No. 20240925 1141 1590 9624 in respect of Hammer & Nails Developments Ltd. (Beckwith Street), dated September 25, 2024; and
 Ontario PPSA Registration No. 20220316 1138 1590 2871 in respect of Hammer & Nails Developments Ltd. (Maple Street), dated March 16, 2022
3. The total amount of indebtedness secured by the mortgage/charge security as of **March 20 2025**, is \$11,892,760.64 plus additional interest and costs and per diem interest at **\$5,476.56**.
 4. The secured creditor will not have the right to enforce the security until after the expiry of the 10-day period following the sending of this notice unless the insolvent person/corporation consents to an earlier enforcement.

DATED at Toronto, this 21st day of March, 2025.

**FIRST SOURCE MORTGAGE
CORPORATION**

by their lawyers,

ROBINS APPLEBY LLP

120 Adelaide St. West, Suite 2600

Toronto, ON M5H 1T1



Per: _____

David Taub

Phone: 416-360-3354 / Fax: 416-868-0306

Email: dtaub@robapp.com

File No.: 2500119

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

REGISTERED MAIL

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

Date: March 21, 2015

From Rachel Cheung

CANADA POSTES REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT		R
To / Destinataire Name / Nom: <u>Masterpiece Hardwood Flooring</u> Address / Adresse: <u>1700 Kingsdale Avenue</u> City / Prov. / Postal Code: <u>Ottawa, ON K1T 1H6</u>		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca / postescanada.ca 1 888 550-6333		
Declared Value / Valeur déclarée: \$		CPC Tracking Number / Numéro de repérage de la SCP: <u>RN 812 248 499 CA</u>		

File:

Amount:

2500119

\$14.90

CANADA POSTES REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT		R
To / Destinataire Name / Nom: <u>Canada Inc.</u> Address / Adresse: <u>2895 Ahearn Ave.</u> City / Prov. / Postal Code: <u>Ottawa, ON K2B 7A1</u>		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca / postescanada.ca 1 888 550-6333		
Declared Value / Valeur déclarée: \$ <u>69967</u>		CPC Tracking Number / Numéro de repérage de la SCP: <u>RN 812 248 508 CA</u>		

File:

Amount:

2500119

\$14.90

CANADA POSTES REGISTERED DOMESTIC CUSTOMER RECEIPT		RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT		R
To / Destinataire Name / Nom: <u>Caisse Desjardins Ont. Credit Union</u> Address / Adresse: <u>147 Rideau Street</u> City / Prov. / Postal Code: <u>Ottawa Ont. K1N 5X9</u>		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca / postescanada.ca 1 888 550-6333		
Declared Value / Valeur déclarée: \$		CPC Tracking Number / Numéro de repérage de la SCP: <u>RN 812 248 511 CA</u>		

File:

Amount:

2500119

\$14.90

REGISTERED MAIL

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

Date: March 21, 2025

From Rachel Cheury

File:	Amount:
2500119	\$14.90
2500119	\$14.90
2500119	\$14.90

REGISTERED MAIL

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

Date: March 21, 2025

From Rachel Cheung

CANADA POSTES POST CANADA		REGISTERED DOMESTIC CUSTOMER RECEIPT	RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT	R
To / Destinataire Name / Nom: <u>Mitsubishi HC Capital Canada Leasing Inc.</u> Address / Adresse: <u>461-1100 Burnhamthorpe Drive</u> City / Prov. / Postal Code: <u>Burlington On. L7R 6B2</u>		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333 CPC Tracking Number / Numéro de repérage de la SCP: RN 812 248 525 CA		
Declared Value / Valeur déclarée: \$		33-086-584 (17-12)		

File: 2500119 Amount: \$14.90

MSX 100
2025-03-24
79359
FIRST CANADIAN PLACE PO

CANADA POSTES POST CANADA		REGISTERED DOMESTIC CUSTOMER RECEIPT	RECOMMANDÉ RÉGIME INTÉRIEUR REÇU DU CLIENT	R
To / Destinataire Name / Nom: <u>Westboro Management LTD.</u> Address / Adresse: <u>267 Richmond Road 2nd floor</u> City / Prov. / Postal Code: <u>Ottawa ON K1Z 6X3</u>		FOR DELIVERY CONFIRMATION / CONFIRMATION DE LA LIVRAISON canadapost.ca or/ou postescanada.ca 1 888 550-6333 CPC Tracking Number / Numéro de repérage de la SCP: RN 812 248 539 CA		
Declared Value / Valeur déclarée: \$		33-086-584 (17-12)		

File: 2500119 Amount: \$14.90

File: Amount:

Place Customer Receipt and attach
Canada Post Date Stamp here

THIS IS **EXHIBIT "40"** REFERRED TO IN
THE AFFIDAVIT OF LEONARD ZAIDENER
SWORN BEFORE ME ON APRIL 14, 2025

DocuSigned by:

Joey Jamil

B3F39290A64D48F...

Commissioner for Taking Affidavits etc./Notary Public

JOEY JAMIL

Court File No.:

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

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

Respondents

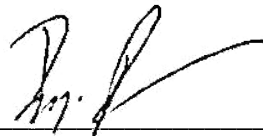
APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

CONSENT

TDB RESTRUCTURING LIMITED, a licensed trustee in bankruptcy, hereby agrees to act as Receiver of the properties municipally known as 7 Maple Avenue, Smith Falls, Ontario (“**7 Maple**”) and 161 Beckwith Street North, Smith Falls, Ontario (“**161 Beckwith**”, collectively 7 Maple and 161 Beckwith are the “**Properties**”), being PINs 05280-0019 (LT) and 05269-0273 (LT), respectively owned by the Respondents Hammer & Nails Developments Ltd. (Maple Street) (the “**Borrower**”); and Hammer & Nails Developments Ltd. (Beckwith Street) (“**Beckwith**”).

Dated at Toronto, Ontario this 2nd day of April, 2025.

TDB RESTRUCTURING LIMITED

Per: 
Name: Bryan A. Tannenbaum
Title: Managing Director

**FIRST SOURCE FINANCIAL - and- HAMMER & NAILS DEVELOPMENTS
MANAGEMENT INC. and FIRST LTD. (MAPLE STREET) and HAMMER
SOURCE MORTGAGE CORPORATION & NAILS DEVELOPMENTS LTD.
(BECKWITH STREET)**

Applicants

Respondents

Court File No.:

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

PROCEEDING COMMENCED AT TORONTO

**CONSENT OF TDB RESTRUCTURING
LIMITED**

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

David Taub LSO No. 33518M
Email: dtaub@robapp.com
Tel: (416) 360-3795

Joey Jamil LSO No. 74614L
Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants

FIRST SOURCE FINANCIAL MANAGEMENT INC. et al - and- **HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) et al.**

<i>Applicants</i>	<i>Respondents</i>	Court File No.: CV-25-00740748-00CL
	ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) PROCEEDING COMMENCED AT TORONTO	
	AFFIDAVIT OF LEONARD ZAIDENER	
	ROBINS APPLEBY LLP Barristers + Solicitors 2600 - 120 Adelaide Street West Toronto, ON M5H 1T1 David Taub LSO No. 33518M Email: dtaub@robapp.com Tel: (416) 360-3354 Joey Jamil LSO No. 74614L Email: jjamil@robapp.com Tel: (416) 360-3783 Lawyers for the Applicants	

TAB C

Court File No.: CV-25-00740748-00CL

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

THE HONOURABLE)
)
JUSTICE) **DAY OF** , **2025**

BETWEEN:

**FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION**

Applicants

-and-

**HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)**

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

**ORDER
(Appointing Receiver)**

THIS APPLICATION made by the Applicants, First Source Financial Management Inc. and First Source Mortgage Corporation (collectively, the “**Applicants**”) 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 (“**TDB Limited**”), as receiver and manager (the “**Receiver**”) of the properties municipally known as 7 Maple Avenue, Smith Falls, Ontario (“**7 Maple**”) and 161 Beckwith Street North, Smith Falls, Ontario (“**161 Beckwith**”) and legally

described in Schedule “A” hereto (collectively 7 Maple and 161 Beckwith are the “**Properties**”) owned by the Respondents Hammer & Nails Developments Ltd. (Maple Street) (the “**Debtor**”); and Hammer & Nails Developments Ltd. (Beckwith Street) (“**Beckwith**” Collectively, the Debtor and Beckwith are the “**Companies**”) , and all other property, assets and undertakings relating thereto, acquired for, or used in relation to a business carried on by the Companies, and for other relief, was heard this day by way of video-conference.

ON READING the affidavit of Leonard Zaidener sworn April 14, 2025 and the Exhibits thereto, and on hearing the submissions of counsel acting for the Applicants, the Respondents and such other parties as were present, and on reading the consent of TDB Limited to act as the Receiver,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record, and the Applicants’ factum is hereby abridged and validated so that this application 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 Limited is hereby appointed Receiver, without security, over the Properties, including all other property, assets and undertakings relating thereto, and all proceeds thereof.

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 Properties 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 Properties and any and all proceeds, receipts and disbursements arising out of or from the Properties;

- (b) to receive, preserve, and protect the Properties, 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 Companies in respect of the Properties, 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 Companies in respect of the Properties;
- (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 Properties or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Companies in respect of the Properties and to exercise all remedies of the Companies in respect of the Properties in collecting such monies, including, without limitation, to enforce any security held by the Companies in respect of the Properties;
- (g) to settle, extend or compromise any indebtedness owing to the Companies in respect of the Properties;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Properties, whether in the Receiver's name or in the name and on behalf of the Companies, for any purpose pursuant to this Order;
- (i) to undertake environmental assessments of the Properties;

- (j) 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 Companies in respect of the Properties, the Properties 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;
- (k) to market any or all of the Properties, including advertising and soliciting offers in respect of the Properties or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Properties 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 \$50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$250,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required;
- (m) to apply for any vesting order or other orders necessary to convey the Properties or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Properties;
- (n) 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 Properties and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (o) to register a copy of this Order and any other Orders in respect of the Properties against title to any of the Properties;
- (p) 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 Companies in respect of the Properties;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Companies, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Companies;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Companies may have in respect of the Properties;
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;
- (t) 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 Companies, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Companies, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, limited partners 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 Properties in such Person's possession or control, shall grant immediate and continued access to the Properties to the Receiver, and shall deliver all such Properties 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 Companies in respect of the Properties, 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 PROPERTIES

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Properties 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 Properties 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 Receiver, or affecting the Properties, 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 Companies to carry on any business which the Companies are not lawfully entitled to carry on, (ii) exempt the Receiver or the Companies 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 Companies in respect of the Properties, 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 Companies in respect of the Properties 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 Companies in respect of the Properties 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 Companies' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Properties, 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 Companies 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 Properties 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 Companies shall remain the employees of the Companies until such time as the Receiver, on the Companies' 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 Properties and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Properties (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 of the Properties shall be entitled to continue to use the personal information provided to it, and related to the Properties purchased, in a manner which is in all material respects identical to the prior use of such information by the Companies, 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 Properties 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 Properties 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 Properties, 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 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.

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 \$750,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Properties 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 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/hammer-nails-ltd/>

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 Companies’ creditors or other interested parties at their respective addresses as last shown on the records of the Companies 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.

RETENTION OF LAWYERS

27. **THIS COURT ORDERS** that the Receiver may retain lawyers, including the Applicants' lawyers, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such lawyers may be the lawyers for the Applicants herein, in respect of any aspect, where the Receiver is satisfied that there is no actual or potential conflict of interest. The Receiver shall, however, retain independent lawyers in respect of any legal advice or services where a conflict exists, or may exist.

GENERAL

28. **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.

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

30. **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.

31. **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.

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

33. **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.

SCHEDULE "A" THE PROPERTIES**7 Maple****PIN: 05280-0019 (LT)**

DESCRIPTION: PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address: 7 Maple Avenue North, Smiths Falls, Ontario

161 Beckwith**PIN: 05269-0273 (LT)**

DESCRIPTION: PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Address: 161 Beckwith Street North, Smiths Falls, Ontario

SCHEDULE "B"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that TDB Restructuring Limited, the receiver (the "**Receiver**") over the properties municipally known as 7 Maple Avenue, Smith Falls, Ontario ("**7 Maple**") and 161 Beckwith Street North, Smith Falls, Ontario ("**161 Beckwith**", collectively 7 Maple and 161 Beckwith are the "**Properties**"), respectively owned by the Respondents Hammer & Nails Developments Ltd. (Maple Street) (the "**Debtor**"); and Hammer & Nails Developments Ltd. (Beckwith Street) ("**Beckwith**") and including all other property, assets and undertakings relating thereto, and all proceeds thereof, appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ____ of _____, 2025 (the "**Order**") made in an application having Court file number CV-25-00740748-00CL, 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 \$_____ 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 Properties, 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 Properties 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 Properties 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 Properties, and not in
its personal capacity

Per: _____

Name: Bryan Tannenbaum

Title: Managing Director

FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE MORTGAGE CORPORATION

**- and-
HAMMER & NAILS DEVELOPMENTS LTD.
(MAPLE STREET) and HAMMER & NAILS
DEVELOPMENTS LTD. (BECKWITH STREET)**

Applicants

Respondents

Court File No.: CV-25-00740748-00CL

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

PROCEEDING COMMENCED AT TORONTO

ORDER

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

David Taub LSO No. 33518M
Email: dtaub@robapp.com
Tel: (416) 360-3795

Joey Jamil LSO No. 74614L
Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants, First Source Financial
Management Inc. and First Source Mortgage Corporation

TAB D

Revised: January 21, 2014
~~s.243(1) BIA (National Receiver) and s. 101 CJA (Ontario) Receiver~~

~~Court File No. —~~

Court File No.: CV-25-00740748-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

<u>THE HONOURABLE</u>)		, <u>THE</u>
)		
THE HONOURABLE —)		WEEKDAY, THE #
)		
JUSTICE —)	DAY OF MONTH	, 20YR <u>2025</u>

BETWEEN:

FIRST SOURCE FINANCIAL MANAGEMENT INC. and FIRST SOURCE
MORTGAGE CORPORATION

Applicants

PLAINTIFF⁺

Plaintiff

-and-

DEFENDANT

HAMMER & NAILS DEVELOPMENTS LTD. (MAPLE STREET) and HAMMER &
NAILS DEVELOPMENTS LTD. (BECKWITH STREET)

~~Defendant~~ 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

⁺ ~~The Model Order Subcommittee notes that a receivership proceeding may be commenced by action or by application. This model order is drafted on the basis that the receivership proceeding is commenced by way of an action.~~

COURTS OF JUSTICE ACT, R.S.O. 1990, c. C.43, AS AMENDED

ORDER

~~(appointing~~Appointing Receiver)

THIS ~~MOTION made by the Plaintiff²~~ APPLICATION made by the Applicants, First Source Financial Management Inc. and First Source Mortgage Corporation (collectively, the "Applicants") 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 ~~[RECEIVER'S NAME]~~TDB Restructuring Limited ("TDB Limited"), as receiver ~~[and manager] (in such capacities,~~ the "**Receiver**") ~~without security, of all of the assets, undertakings and properties of [DEBTOR'S NAME] (the "Debtor")~~ of the properties municipally known as 7 Maple Avenue, Smith Falls, Ontario ("7 Maple") and 161 Beckwith Street North, Smith Falls, Ontario ("161 Beckwith") and legally described in Schedule "A" hereto (collectively 7 Maple and 161 Beckwith are the "Properties") owned by the Respondents Hammer & Nails Developments Ltd. (Maple Street) (the "Debtor"); and Hammer & Nails Developments Ltd. (Beckwith Street) ("Beckwith" Collectively, the Debtor and Beckwith are the "Companies") , and all other property, assets and undertakings relating thereto, acquired for, or used in relation to a business carried on by the ~~Debtor~~Companies, and for other relief, was heard this day ~~at 330 University Avenue, Toronto, Ontario~~ by way of video-conference.

ON READING the affidavit of ~~[NAME]~~Leonard Zaidener sworn ~~[DATE]~~April 14, 2025 and the Exhibits thereto, and on hearing the submissions of counsel ~~for [NAMES], no one appearing for [NAME] although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~ acting for the Applicants, the Respondents and such other parties as were present, and on reading the consent of ~~[RECEIVER'S NAME]~~TDB Limited to act as the Receiver,

SERVICE

² Section 243(1) of the BIA provides that the Court may appoint a receiver "on application by a secured creditor".

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Motion and the Motion~~Application, the Application Record, and the Applicants' factum is hereby abridged and validated³ so that this ~~motion~~application 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, ~~[RECEIVER'S NAME]~~TDB Limited 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~~over the Properties, including all other property, assets and undertakings relating thereto, 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~~Properties 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~~Properties and any and all proceeds, receipts and disbursements arising out of or from the ~~Property~~Properties;
- (b) to receive, preserve, and protect the ~~Property~~Properties, 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;

³ ~~If service is effected in a manner other than as authorized by the Ontario Rules of Civil Procedure, an order validating irregular service is required pursuant to Rule 16.08 of the Rules of Civil Procedure and may be granted in appropriate circumstances.~~

- (c) to manage, operate, and carry on the business of the ~~Debtor~~Companies in respect of the Properties, 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~~Companies in respect of the Properties;
- (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~~Properties or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the ~~Debtor~~Companies in respect of the Properties and to exercise all remedies of the ~~Debtor~~Companies in respect of the Properties in collecting such monies, including, without limitation, to enforce any security held by the ~~Debtor~~Companies in respect of the Properties;
- (g) to settle, extend or compromise any indebtedness owing to the ~~Debtor~~Companies in respect of the Properties;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the ~~Property~~Properties, whether in the Receiver's name or in the name and on behalf of the ~~Debtor~~Companies, for any purpose pursuant to this Order;
- (i) to undertake environmental assessments of the Properties;
- (j) ~~(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~~Companies in respect of the Properties, the Properties or the

⁴ ~~This model Receiver, and to settle or compromise any such proceedings. The authority hereby granted to the Receiver, and to settle or compromise any such proceedings, shall not constitute a bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A~~

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

- (k) ~~(j)~~ to market any or all of the ~~Property~~Properties, including advertising and soliciting offers in respect of the ~~Property~~Properties or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) ~~(k)~~ to sell, convey, transfer, lease or assign the ~~Property~~Properties 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 \$ ~~_____~~50,000.00, provided that the aggregate consideration for all such transactions does not exceed \$ ~~_____~~250,000.00; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, ~~for~~ section 31 of the Ontario *Mortgages Act*, as the case may be,⁵ shall not be required, ~~and in each case the Ontario Bulk Sales Act shall not apply.~~

~~bankruptcy on behalf of the Debtor, or to consent to the making of a bankruptcy order against the Debtor. A bankruptcy may have the effect of altering the priorities among creditors, and therefore the specific authority of the Court should be sought if the Receiver wishes to take one of these steps.~~

⁵ ~~If the Receiver will be dealing with assets in other provinces, consider adding references to applicable statutes in other provinces. If this is done, those statutes must be reviewed to ensure that the Receiver is exempt from or can be exempted from such notice periods, and further that the Ontario Court has the jurisdiction to grant such an exemption.~~

- (m) ~~(h)~~ to apply for any vesting order or other orders necessary to convey the ~~Property~~Properties or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such ~~Property~~Properties;
- (n) ~~(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~~Properties and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) ~~(n)~~ to register a copy of this Order and any other Orders in respect of the ~~Property~~Properties against title to any of the ~~Property~~Properties;
- (p) ~~(e)~~ 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~~Companies in respect of the Properties;
- (q) ~~(p)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the ~~Debtor~~Companies, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the ~~Debtor~~Companies;
- (r) ~~(q)~~ to exercise any shareholder, partnership, joint venture or other rights which the ~~Debtor~~Companies may have in respect of the Properties; ~~and~~
- (s) ~~(r)~~ to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations~~;~~;
- (t) 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~~Companies, 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~~Companies, (ii) all of ~~its~~their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, limited partners 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~~Properties in such Person's possession or control, shall grant immediate and continued access to the ~~Property~~Properties to the Receiver, and shall deliver all such ~~Property~~Properties 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~~Companies in respect of the Properties, 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~~PROPERTIES

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the ~~Debtor or the Property~~Properties 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~~Properties 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~~Properties, 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~~Companies to carry on any business which the ~~Debtor is~~Companies are not lawfully entitled to carry on, (ii) exempt the Receiver or the ~~Debtor~~Companies 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~~Companies in respect of the Properties, 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~~Companies in respect of the Properties 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~~Companies in respect of the Properties 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~~Companies' current telephone numbers, facsimile numbers, internet addresses and domain names in respect of the Properties, 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~~Companies 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~~Properties 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~~Companies shall remain the employees of the ~~Debtor~~Companies until such time as the Receiver, on the ~~Debtor's~~Companies' 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~~Properties 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~~Properties (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~~of the Properties shall be entitled to continue to use the personal information provided to it, and related to the ~~Property~~Properties purchased, in a manner which is in all material respects identical to the

prior use of such information by the ~~Debtor~~Companies, 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~~Properties 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~~Properties 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~~Properties, 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~~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.⁶

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.

~~⁶ Note that subsection 243(6) of the BIA provides that the Court may not make such an order "unless it is satisfied that the secured creditors who would be materially affected by the order were given reasonable notice and an opportunity to make representations".~~

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 \$~~_____~~750,000.00 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the ~~Property~~Properties 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~~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 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/hammer-nails-ltd/>

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~~Companies' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Debtor~~Companies 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.

RETENTION OF LAWYERS

27. THIS COURT ORDERS that the Receiver may retain lawyers, including the Applicants' lawyers, to represent and advise the Receiver in connection with the exercise of the Receiver's powers and duties, including without limitation, those conferred by this Order. Such lawyers may be the lawyers for the Applicants herein, in respect of any aspect, where the Receiver is satisfied that there is no actual or potential conflict of interest. The Receiver shall, however, retain independent lawyers in respect of any legal advice or services where a conflict exists, or may exist.

GENERAL

28. ~~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.

29. ~~28.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the ~~Debtor~~ Companies.

30. ~~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.

31. ~~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.

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

33. **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.

SCHEDULE "A" THE PROPERTIES

7 Maple

PIN: = 05280-0019 (LT)

DESCRIPTION: PT LT 110 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY AS IN RS175982; LT 90 N/S MAIN ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 3, 27R244; LT 111 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY EXCEPT PTS 1 & 2, 27R5591; LT 112 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY; LT 113 S/S WILLIAM ST PL 13884 LANARK S SOUTH ELMSLEY ; S/T & T/W RS175981; T/W RS175982 ; TOWN OF SMITHS FALLS; SUBJECT TO AN EASEMENT IN GROSS OVER PART LOT 110 S/S WILLIAM ST PLAN 13884 , PART 1 PLAN 27R11814 AS IN LC236601

Address: 7 Maple Avenue North, Smiths Falls, Ontario

161 Beckwith

PIN: = 05269-0273 (LT)

DESCRIPTION: PART LOT 5 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS136584 ; PART LOT 6 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE AS IN RS59055; PART LOT 7 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE; PART LOT 8 E/S BECKWITH ST PLAN 13884 LANARK S MONTAGUE, BEING PART 1, 27R5385;; TOWN OF SMITHS FALLS

Address: 161 Beckwith Street North, Smiths Falls, Ontario

SCHEDULE "AB"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~ TDB Restructuring Limited, the receiver (the "**Receiver**") ~~of the assets, undertakings and properties [DEBTOR'S NAME] acquired for, or used in relation to a business carried on by the Debtor, including all~~ over the properties municipally known as 7 Maple Avenue, Smith Falls, Ontario ("7 Maple") and 161 Beckwith Street North, Smith Falls, Ontario ("161 Beckwith", collectively 7 Maple and 161 Beckwith are the "Properties"), respectively owned by the Respondents Hammer & Nails Developments Ltd. (Maple Street) (the "Debtor"); and Hammer & Nails Developments Ltd. (Beckwith Street) ("Beckwith") and including all other property, assets and undertakings relating thereto, 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~~ 2025 (the "**Order**") made in an ~~action~~ application having Court file number ~~CL~~ CV-25-00740748-00CL, 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 \$ _____ 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~~ Properties, 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~~Properties 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~~Properties 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__.

~~[RECEIVER'S NAME]~~TDB Restructuring Limited, solely in its capacity
- as Receiver of the ~~Property~~Properties, and not
in its personal capacity

Per: _____

Name: Bryan Tannenbaum

Title: Managing Director

~~DOCSTOR: 1771742\8~~

<u>FIRST SOURCE FINANCIAL MANAGEMENT</u> <u>INC. and FIRST SOURCE MORTGAGE</u> <u>CORPORATION</u>	<u>- and -</u>	<u>HAMMER & NAILS DEVELOPMENTS LTD.</u> <u>(MAPLE STREET) and HAMMER & NAILS</u> <u>DEVELOPMENTS LTD. (BECKWITH STREET)</u>
<u>Applicants</u>	<u>Respondents</u>	<u>Court File No.: CV-25-00740748-00CL</u>

[Link-to-previous setting changed from off in original to on in modified.]
- 2 -

Summary report: Litera Compare for Word 11.11.0.158 Document comparison done on 2025-04-21 2:02:59 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://robapp.cloudimanage.com/active/20006513/1 - Model Order Template.doc	
Modified DMS: iw://robapp.cloudimanage.com/active/20006518/6 - Draft Order - Applicant - First Source (7 Maple).doc	
Changes:	
<u>Add</u>	161
Delete	179
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	3
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	343

**FIRST SOURCE FINANCIAL
MANAGEMENT INC. and FIRST
SOURCE MORTGAGE CORPORATION**

- and- **HAMMER & NAILS DEVELOPMENTS LTD.
(MAPLE STREET) and HAMMER & NAILS
DEVELOPMENTS LTD. (BECKWITH STREET)**

Applicants

Respondents

Court File No.: CV-25-00740748-00CL

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

PROCEEDING COMMENCED AT TORONTO

APPLICATION RECORD

ROBINS APPLEBY LLP

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

David Taub LSO No. 33518M

Email: dtaub@robapp.com
Tel: (416) 360-3354

Joey Jamil LSO No. 74614L

Email: jjamil@robapp.com
Tel: (416) 360-3783

Lawyers for the Applicants, First Source Financial
Management Inc. and First Source Mortgage Corporation