

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

B E T W E E N:

**DORR CAPITAL CORPORATION and OLYMPIA TRUST COMPANY**

Plaintiffs

- and -

**FLATO GREENS INC., DUNDALK MIXED USE EXPANSION ONE INC.,  
PATTERSON STREET HOLDINGS INC., FLATO NORTH VILLAGE DUNDALK INC.,  
BRAEMORE DUNDALK TWO INC., MELANCTHON MEADOWS INC.,  
2760562 ONTARIO INC., FLATO MANAGEMENT INC.  
and SHAKIR REHMATULLAH**

Defendants

**MOTION RECORD OF THE PLAINTIFFS  
VOLUME II OF III  
(Appointment of Receiver)**

June 8, 2026

**BLANEY McMURTRY LLP**  
Barristers & Solicitors  
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Toronto, ON M5C 3G5

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Lawyers for the Plaintiffs

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This is Exhibit "18" referred to in the Affidavit of Brian Dorr sworn by Brian Dorr at the City of Toronto, in the Province of Ontario, before me on June 5, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'S. Kelly', written over a horizontal line.

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

**STEVEN KELLY (LSO #87293B)**



**Dorr Capital Corporation**

41 Scarsdale Road, Unit 6

Toronto, ON M3B 2R2

[www.dorrcapital.com](http://www.dorrcapital.com)

January 24, 2023

**Melancthon Meadows Inc. and**

**2760562 Ontario Inc.**

**3621 Highway 7 East, Suite 503**

**Markham, Ontario**

**L3R 0G6**

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan**  
**Project Name: Melancthon South Lands, ON**  
**Loan No.: 23006**

Dorr Capital Corporation is pleased to advise that we are prepared to offer the following loan facilities (the "**Loan**") subject to the terms and conditions outlined below (hereinafter called the "**Commitment**").

**Borrower Name:** Melancthon Meadows Inc. and 2760562 Ontario Inc.  
 (the "**Borrower**")

**Lender:** Dorr Capital Corporation (the "**Lender**")

**Servicer:** Dorr Capital Corporation ("**DCC**")

**Guarantor(s):** Joint and several guarantee from Shakir Rehmatullah ("**Individual Guarantor**") and Flato Management Inc. ("**Corporate Guarantor**") (Individual Guarantor and Corporate Guarantor, together known as the "**Guarantor**" and/or "**Guarantors**").



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<b>Loan Facility:</b>	\$2,250,000 First Mortgage Land Loan
<b>Project Description:</b>	The subject parcel is a combination of two lands located at 516276 County Road 124 and 476259 Third line respectively in Melancthon, ON. The total land area of the parcel is 125 acres (the "Project").
<b>Property Legal Description:</b>	PT LT 5, CON 2, OS AS IN MF163384 EXCEPT MEL19045 ; MELANCTHON and PT LT 5, CON 2 OS AS IN MF201480 EXCEPT PT 1, 7R2155 & MF69136 ; MELANCTHON
<b>Purpose:</b>	To assist the Borrower to refinance the Project, fund transaction costs and Interest Reserve.
<b>Initial Funding:</b>	\$2,250,000 (the "Initial Advance")
<b>Interest Rate:</b>	The greater of Royal Bank of Canada's Prime lending rate plus 5.80% or 12.50% per annum  The following is applicable should the loan be extended; at the sole discretion of the Lender. <b>Month 13 to 18:</b> Greater of 13.50% and Prime + 6.80% <b>Month 19 to 24:</b> Greater of 14.50% and Prime +7.80% (the "Interest Rate")
<b>Interest:</b>	Interest shall accrue and be calculated daily on the outstanding balance of the amounts of the Loan advanced from time to time at the Interest Rate and be compounded monthly, not in advance, and shall be payable monthly, interest only throughout the Term of the loan. Interest payable will be funded monthly in arrears at the end of each month from the Interest Reserve until depleted. Once the Interest Reserve is depleted, the Borrower will be required to fund interest at the Interest Rate from its own resources.
<b>Interest Reserve:</b>	The Borrower shall establish an interest reserve (the "Interest Reserve") in the amount of \$281,250 representing interest on the

Loan for the term of this Loan, to be funded from the respective advances of the Loan.

**Term:**

Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan is repayable in full on the date that is 12 months from the date of the Initial Advance if the same occurs on the first calendar day of a month otherwise 12 months from the first calendar day of the month next following the date of the Initial Advance (the "**Maturity Date**")

**Optional extension:**

The term of the Loan is subject to two extension rights of six (6) months each, as follows: not later than 90 days prior to the Maturity Date (as it may have been extended) but not less than 60 days prior to the Maturity Date (as it may have been extended), provided that no Event of Default has ever occurred during the term of the Loan, the Borrower shall be entitled to give written notice to the Lender advising that it wishes to extend the Maturity Date (as it may have been extended) by 6 months, which notice must be accompanied by payment of the Extension Fee, whereupon at the Lender's option, in its sole and unfettered discretion, the term of the Loan shall be extended by 6 months. If the Lender elects not to extend the term, the payment accompanying the Borrower's notice as aforesaid shall be returned to the Borrower.

**Commitment Fee:**

\$67,500 deemed earned upon acceptance of this Commitment (the "**Commitment Fee**") with \$30,000 payable upon acceptance and the balance of \$37,500 payable upon funding of the Initial Advance. The Borrower acknowledges that this fee and the Placement Fee are a reasonable estimate of the Lender's costs incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that these fees are still earned by the Lender and payable by the Borrower if the Loan is not advanced. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee and Placement Fee will be payable and retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages in excess of the amount of the Commitment Fee and the Placement Fee,

- the Lender shall be entitled to seek compensation from the Borrower in addition to the Commitment Fee and Placement Fee. The Borrower directs the Lender to deduct the amount of the Commitment Fee and the Placement Fee from the proceeds of the Initial Advance.
- Placement Fee:** \$45,000 deemed earned upon acceptance of this Commitment and payable upon funding of the Initial Advance.
- Administration Fee:** The Lender shall charge an administration fee ("**Administration Fee**") of \$500 per advance throughout the term of the loan.
- Discharge Fee:** A discharge fee ("**Discharge Fee**") of \$500 shall be deemed earned by the Lender and payable by the Borrower prior to the delivery of the final discharge of the Security for the Project.
- Discharge statements will be provided to the Borrower within three business days of written notice.
- Extension Fee:** If an extension is granted by the Lender the following fees will apply.
- Extension Fee of 2.50% (per extension period) of the outstanding amount under the Loan shall become due and payable upon the first day of the Extension period.
- Regulatory Fees:** A maximum amount of **\$3,500 plus HST** for applicable regulatory fees.
- Other Fees:** Please refer to Schedule E for other applicable fees.
- Legal Fees:** For the account of the Borrower and the Borrower hereby irrevocably directs the Lender and the Lender's solicitors to deduct the same from the proceeds of the Initial Advance and any other advance of the Loan.
- Repayment:** Interest only, payable monthly in arrears from the Interest Reserve account held by the Lender in the amount of \$281,250. Upon full

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utilization, the Borrower agrees to make payments by way of pre-authorized debits to the Borrower's Project account.

**Prepayment:**

The Loan is closed for prepayment.

**Security:**

The Borrower, prior to any advance of funds, shall deliver the following security documents (collectively the "Security") which shall be in form, scope and substance satisfactory to the Lender and its legal counsel:

1. First mortgage with a principal amount of \$2,812,500 granting a first fixed charge against the Project.
2. A first-ranking assignment of rents and leases registered against title to the Project.
3. The joint and several guarantee of the Guarantors for the full amount of the Loan and all other costs, expenses and amounts owing hereunder or under the Security, together with an assignment and postponement of claims by the Guarantor and all shareholders of the Borrower relating to any claims against the Borrower and the other Guarantor. The Borrower and the Guarantor shall represent and warrant to the Lender the amount (if any) of any existing claims by any shareholders of the Borrower and the Guarantor against the Borrower or any Guarantor.
4. General Security Agreement registered under the Personal Property Security Act of Ontario granting a first-ranking security interest in all personal property of the Borrower, including without limitation:
  - Accounts and Book Debts of the Borrower in respect of the Project.
  - Agreements of Purchase and Sale inclusive of Purchasers' Deposits
  - All present and after acquired personal property of the Borrower in respect of Project.
  - Rights of the Borrower (a) under all building/development permits and the monies paid thereunder, (b) to all plans, specifications and

drawings related to the Project, and (c) under all contracts and agreements relating to the Property and the Project.

5. The Lender shall have received an acceptable insurance binder, certificate or cover note, to be followed, within 30 days of the issuance of the binder or cover note, with a certified copy of a policy or policies of insurance, satisfactory to the Lender, containing the requirements of Schedule "A" hereto and including evidence of a Comprehensive General Liability Insurance policy for the Project in an amount of not less than \$5,000,000 per occurrence. The Commercial General Liability Policy must reference the Property and DCC is to be added as an additional insured.

We will require the insurance policy(ies) to be reviewed by an Independent Insurance Consultant, at the Borrower's expense.

6. If registered title to the Property is held by a nominee or trustee, the beneficial owner or owners will execute a beneficial owners agreement, pursuant to which, among other things, it or they charge its or their beneficial interest or interests in the Property in favour of the Lender, authorizes the nominee or trustee to execute all documentation as required pursuant to this Commitment (including, if such nominee or trustee is not the Borrower, a guarantee and postponement and assignment of claims), and agree to be bound thereby as if it or they executed the same itself or themselves.
7. The Lender's solicitors shall obtain Title Insurance, at the cost of the Borrower, on the mortgage and the Property.
8. Pledge of shares of the Borrower.
9. Intentionally Deleted (Subordination and Standstill Agreement).

10. Intentionally Deleted (Condo voting rights).
11. Negative pledge by Borrower and Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, withdraw equity from the Project or increase compensation to principals of any of the Borrower or Guarantors until the Loan has been fully repaid.
12. Joint and several environmental warranty and indemnity agreement by the Borrower and Guarantors stated to survive repayment of the Loan.
13. A cost overrun and completion guarantee from the Borrower and Guarantor with respect to the Project (if applicable).
14. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

**The Security may be completed and registered in the name of Dorr Capital Corporation or its Nominee. Notwithstanding such registration, day-to-day administration of the Loan shall be by:**

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario  
M3B 2R2

to which all correspondence, enquiries, principal and interest and other payments, and any other matters whatsoever with respect to the Loan should be directed.

**Funding Conditions:**

The obligation of the Lender to make the first advance of the Loan is subject to fulfillment by the Borrower of the following conditions, to the satisfaction of the Lender:

1. Title to the Property must be satisfactory to DCC and DCC's solicitors, with no encumbrances other than Permitted

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Encumbrances and no work orders.

2. All Security documents must be executed and registered, the Lender's solicitors must provide a satisfactory report on registration of the Security. The Lender shall have received such off-title inquiry responses for the Property, including from the applicable Tax Department and the Building and Zoning Department, as it may require.
3. Satisfactory confirmation of equity injection in the Project in the amount of \$948,350.
4. Inspection of the Property by DCC and if required a meeting with the Borrower, all to the satisfaction of the Lender.
5. A soils test report and Geotechnical Report by an acceptable professional engineer or such other similar report as is acceptable to the Lender, must be provided, demonstrating to the satisfaction of the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and with the recommendations, if any, which may be contained in such soils test report. Such report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
6. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender, confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for in the approved budget for the Project, and has been formally

- approved by the Ontario Ministry of the Environment and Climate Change. Such environmental audit must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
7. All levies, impost fees, local improvement charges, property taxes and other charges affecting the Project due and payable shall have been paid to the date of the first advance of funds unless they are to be funded as part of the first advance.
  8. The Borrower shall have provided the Lender with (a) a survey of the Project by an Ontario licensed land surveyor, indicating no encroachments, easements or rights of way, save those which the Lender may specifically accept and showing the relationship of the Property to public thoroughfares for access purposes and (b) all site plans, plans and specifications, applications to municipalities, building and servicing permits, and engineers reports, as applicable and as the Borrower may have in its possession or control relating to the Property or the Project.
  9. The Lender shall have received from an approved appraiser a satisfactory appraisal of the Project confirming a fair market land value of \$4,000,000 on an "as-is" basis. Such appraisal report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the appraiser to the Lender and shall confirm that the Lender and its assigns can rely upon such appraisal for lending purposes.
  10. Receipt and satisfactory review of the Agreement of Purchase and Sale of the Property.
  11. The Lender is to be satisfied in its sole discretion that the required municipal and/or regional approvals necessary to proceed with the Project are in place.
  12. Receipt and satisfactory review by Lender of the project

- budget/proforma confirming the Project budget, as applicable.
13. Receipt and satisfactory review of payout statement from each lender being repaid on closing, as applicable.
  14. *Intentionally Deleted (Tarion Warranty Corporation enrolment)*
  15. Receipt and satisfactory Anti-Money Laundering and Client Information inclusive of beneficial owners within the Project.
  16. The Borrower and each Guarantor and beneficial owner authorize the Lender to make inquiries concerning its character, general reputation, personal characteristics, financial and credit data, including its respective directors, officers, shareholders, and principals, and to verify any information provided to the Lender hereunder, all for the purpose of underwriting and servicing the Loan.
  17. Receipt and satisfactory review of a personal net worth and/or financial statement(s) for the last three years from the Borrower and the Guarantors on DCC's standard form, duly signed and witnessed. In addition, the Lender is to receive satisfactory bank references and credit reports for the Borrower and Guarantors, both prior to the Initial Advance and at any time thereafter, as required by the Lender, until the Loan is fully repaid.
  18. This Commitment is conditional on the Lender receiving full approval by the Lender's investment committee and successful syndication.
  19. Receipt and satisfactory review of any cost sharing agreements related to the subject Project, by the Lender and its legal counsel, as applicable.
  20. A statutory declaration regarding the Borrower's compliance with the *Construction Act* (Ontario).
  21. The Borrower shall have provided a signed Mortgage

Application in the form of Schedule "D".

22. Other conditions precedent deemed appropriate by the Lender for a project of this nature.

#### Other Conditions

1. Advances of the Loan shall take place only (a) if no Event of Default exists and (b) on title to the Project being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and Guarantors and all Security and other instruments and agreements to evidence and secure the Loan are duly executed, with evidence of registration where applicable.
2. The Project may not be sold by the Borrower, in whole or in part, other than by individual unit sales in the normal course of business without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

Additionally, the Loan may not be assumed by a purchaser of the Project, in whole or in part, without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

3. The Lender shall require a satisfactory opinion and report from its solicitors indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Project. The Borrower shall be entitled to pay for title insurance to replace any title opinion, if it wishes.
4. The Lender shall require for the Borrower, any corporate beneficial owners and corporate Guarantors, evidence of corporate existence and authority, including without limitation certified copies of articles, by-laws and authorizing resolutions of directors, a certificate of non-restriction and incumbency and a certificate of status, all as the Lender and its counsel may require, together with an opinion of counsel to

the Borrower and the Guarantors as to usual matters such as: corporate existence, powers and authority, absence of litigation, and execution, delivery and enforceability of this Commitment and all Security.

5. The Borrower shall establish a separate bank account for the Project at a financial institution acceptable to the Lender, through which all advances and disbursements shall be made in respect to the Project.
6. The Lender will require a satisfactory Letter of Transmittal regarding all professional reports including, without limiting, the environmental report. A Transmittal Letter is to be issued for each report, addressed to DCC and state that the report can be relied upon by the Lender, and its assigns, for mortgage financing purposes.
7. The representations and warranties of the Borrower and the Guarantors set out herein and in the Security must be true and correct and there shall be no Event of Default that shall have occurred and be continuing.
8. Such other information that the Lender and/or its solicitor may reasonably require.

**Availability:**

Single advance in the amount of \$2,250,000 less Interest Reserve and closing costs.

Total Advance	
Total Land Loan	\$ 2,250,000
Less:	
Commitment & Placement Fees	\$ (112,500)
Closing Costs	\$ (25,000)
Interest Reserve	\$ (281,250)
Net Advance	\$ 1,831,250

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**Financing Program:**

Uses	Total	Per Acre	%
Purchase Price	\$ 2,725,000	\$ 21,795	85%
Land Transfer Tax	\$ 54,600	\$ 437	2%
Interest Costs	\$ 281,250	\$ 2,249	9%
Closing Costs	\$ 25,000	\$ 200	1%
Commitment Fees	\$ 67,500	\$ 540	2%
Placement Fees	\$ 45,000	\$ 360	1%
<b>Total Uses</b>	<b>\$ 3,198,350</b>	<b>\$ 25,581</b>	<b>100%</b>

Sources	Total	Per Acre	%
Land Loan	\$ 2,250,000	\$ 17,996	70%
Equity	\$ 948,350	\$ 7,585	30%
<b>Total Sources</b>	<b>\$ 3,198,350</b>	<b>\$ 25,581</b>	<b>100%</b>

**Closing Date:**

On or before February 9, 2023, or such other date as is agreed to by the lender and the Borrower. In any event if the Initial Advance is not funded by February 24, 2023, for any reason other than Lender default, this Commitment, at the option of the Lender, shall be null and void and the Lender shall be released of any present or further obligations hereunder. Notwithstanding the foregoing, the Borrower and Guarantors shall remain liable for any outstanding fees and costs as set out herein.

**Representations and Warranties:**

The Borrower and Guarantors represent and warrant the following to the Lender, each of which shall be true and correct for each advance hereunder:

- (i) If any of the Borrower and the Guarantors is a corporation, it is a corporation validly existing, duly organized and in good standing under the laws of its jurisdiction of incorporation and is in compliance with legal requirements applicable to doing business in such jurisdiction. The Borrower is not a "non-resident" within the meaning of the *Income Tax Act* (Canada). The Borrower and the Guarantors have the right to enter into this Commitment and to charge or pledge the Property and all other assets herein stipulated as security for the Loan and have the power and authority to execute and deliver this Commitment, the Security and all

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other documents contemplated hereby and to perform and complete the transaction contemplated herein;

- (ii) The legal description of the Property is accurately set out above. The legal and beneficial owner of the Property is the Borrower. Title to the Property is good and marketable and free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances. The Borrower and the Guarantors have not withheld any information of a material nature relating to the Property, the Borrower or the Guarantors;
- (iii) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or provisions of their articles, charter documents, by-laws or any unanimous shareholder agreement, as applicable;
- (iv) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder have been duly authorized or will, prior to funding, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency, or authority having jurisdiction over the Borrower or any of the Guarantors is or was necessary therefor, except as contemplated herein;
- (v) The Borrower possesses all consents, approvals, permits and authorizations under any applicable law and under any agreement to which it is a party or by which it is bound, which are necessary in connection with the operation of its business, the Project, and the performance of its obligations hereunder and under the Security. All such consents, approvals, permits and authorizations are in full force and effect and the Borrower is not in default in any respect

thereunder, which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired. The Project and its development and construction are in compliance with all laws;

- (vi) The Borrower is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or any of its property may be bound;
- (vii) Each of the Borrower and the Guarantors has filed all tax returns which is required to be filed by it and has paid or remitted when due all taxes, assessment and government charges imposed upon it except such tax, assessment or charge which is being contested in good faith and for which each of the Borrower or Guarantors, as the case may be, has made adequate reserves;
- (viii) With respect to the Property the Borrower has obtained and is in compliance with: (a) all terms and conditions of all authorizations which are required under any environmental law; and (b) all environmental laws. The Borrower does not generate hazardous materials or transport, treat or dispose of any hazardous materials nor is the Borrower aware of any underground storage tanks or surface contaminants located on the Property. The Borrower has never caused or permitted (A) a release of any contaminant from or on the Property or (B) any hazardous materials to be placed, held, located, or disposed of on or under the Property. No enforcement action, investigation or outstanding order from any official body in respect of any hazardous materials or release of contaminants is existing, threatened or pending with respect to the Borrower or the Property. No hazardous substances are used, stored, discharged or present on the Property, except in compliance with environmental laws;

- (ix) The Borrower has complied with and will, at all times during the term of the Loan, comply with the requirements of the *Construction Act* (Ontario) and the regulations pursuant thereto;
- (x) The Property complies in all material respects with all relevant by-laws relating to the use thereof and there are no work orders issued against the Property by any governmental body;
- (xi) All documents and information delivered by or on behalf of the Borrower and the Guarantors to the Lender is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan;
- (xii) There are no existing or pending claims, suits, actions, proceedings, judgments or orders outstanding against the Borrower or any of the Guarantors or involving the Property;
- (xiii) All necessary municipal services are available to the lot line of the Project;
- (xiv) All financial information provided by the Borrower and Guarantors to the Lender, including but not limited to, financial information provided in respect of the values and other matters pertaining to the Property and financial statements for the Borrower and the Guarantors, is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan and there has been no material adverse change in the Borrower's or any Guarantor's financial condition or operations since the date of such financial statements; and
- (xv) All property taxes, levies, assessments, penalties or other costs payable to a municipality or other local government in respect of the Property have been paid and no such amount is in arrears or is due and unpaid or will be paid on the Initial Advance.

**Reporting Requirements:** The Borrower and/or Guarantors shall provide to the Lender:



1. Within 120 days of each fiscal year end during the term of the Loan, accountant prepared financial statements for the Borrower and each corporate Guarantor;
2. Updated financial statements and/or net worth statements annually for each personal Guarantor;
3. Quarterly updates regarding zoning approval and servicing progress, costs, and sales activity relating to the Project;
4. The Borrower and Guarantors agree to be fully responsible for remittance and payment of any and all HST collected by or due to any of them and submission of HST credits or claims, and will provide monthly accounting of same to the Lender if requested by the Lender; and
5. Such other financial and supporting information as the Lender may request acting reasonably.

**Permitted Encumbrances:** None

**Subsequent Financing:** No financing subsequent to the Loan shall be permitted, without the prior written consent of the Lender, with such consent not to be unreasonably withheld. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project. The Borrower will provide evidence, satisfactory to the Lender, as to the source of the Borrower's required equity in the Project.

**Assignment:** The Commitment and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent. However, the Commitment and Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower or the Guarantors. Except as hereinafter provided, the Borrower and Guarantors consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Project, the Borrower, and the Guarantors within the possession or control of the Lender.

**Sign:** DCC shall have the right to erect a sign on the Project, at its own expense, indicating it has provided financing on the Project during the period for which the financing or any portion



thereof, remains outstanding. DCC may also refer to this Project in its advertising at any time after the first advance under the Loan.

**Defaults:**

In this Commitment and the Security, "Event of Default" means any of the following:

1. in the event of the Borrower failing to pay any amount when due hereunder;
2. in the event of the Borrower or any Guarantor being in breach of any covenant, condition or term of the Commitment or the Security;
3. if any representation made by the Borrower, the Guarantors or their agents, or any information provided by them is found to be materially untrue or incorrect;
4. if any of the Borrower or Guarantors commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them;
5. if any of the Borrower or Guarantors shall be deceased or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material proceedings, material litigation or continuation under the laws of any other jurisdiction, including without limitation the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), whether initiated or commenced by them or not;
6. in the event of any default by the Borrower or any Guarantor under any other mortgages or encumbrances

- registered against title to or otherwise affecting the Property or any part thereof;
7. in the event of the registration of any construction lien against title to the Property or any part thereof which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
  8. in the event that the Property or any material part thereof is abandoned or there is any cessation of the business activities now being conducted thereupon by the Borrower or any beneficial owner thereof or any of their respective officers, agents, employees, tenants or invitees or any material part thereof;
  9. if any Event of Default as defined in the Security occurs;
  10. if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, any Guarantor, the Property, the Project, or the risk associated with the Loan; and
  11. if any default occurs under any loan made by the Lender or DCC to the Borrower or any of the Guarantors or any person controlled by any of the Guarantors.

Upon the occurrence of an Event of Default, the Lender, at its option, may (a) cease or delay further funding of the Loan; (b) declare the principal and interest on the Loan and any other amount due under the Commitment forthwith due and payable, whereupon the same shall be and become immediately due and payable in full, and make demand to the Borrower for immediate payment of the same, and (c) exercise any and/or all remedies available to it at law or in equity hereunder, under the Security or otherwise.

**Construction Liens:**

If a construction lien is filed or registered against title to the Property or if the Borrower, any Guarantor or Lender receives notice of any such lien, then, at the option of the Lender, and in addition to any other remedies it may have, the Lender shall not

be required to make any further advance of the Loan until funds sufficient to satisfy such construction lien have been deposited with the Lender or until such time as such lien has been vacated, deleted or discharged.

**Costs:**

All appraisal, engineering, inspection, title, survey, legal, insurance review and other customary underwriting, inspection, securing or enforcement expenses of the Lender, are for the account of and shall be paid by the Borrower and may at the Lender's option be deducted from an advance of the Loan and the Borrower hereby irrevocably directs and authorizes the Lender to pay such expenses and costs, together with any outstanding balance of the Commitment Fee, or any other amount due to the Lender, from and out of any advance of funds under this Loan, in the event the same have not been paid at the time thereof.

**Waiver:**

No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or anyone acting on its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to, or waiver of any provision of, this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

**Governing Law:**

The Commitment and Loan shall be governed by and construed under laws of the Province of Ontario.

**Time:**

Time is of the essence in this Commitment.

**Severance:**

The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at

the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**Joint and Several:**

If the Borrower or the Guarantors are comprised of more than one person or corporation, the obligations hereunder shall be the joint and several obligations of each such person or corporation comprising the Borrower or Guarantors unless otherwise specifically stated herein.

**First Right:**

~~The Lender shall have a right of first refusal to finance or arrange financing for any subsequent phases of the development, of which the Project forms a part, or any further development to be developed on the lands adjacent thereto and shall be given the first opportunity and a reasonable period of time, after delivery to the Lender of all reasonably requested information, to provide a commitment to fund such further development.~~

**Indemnity:**

The Borrower and Guarantors, jointly and severally, shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Project and/or the use or occupation of the Project including, without limitation, those arising from the right to enter the Project from time to time and to carry out the various tests, inspections and other activities permitted by the Commitment and the Security. In addition to any liability imposed on the Borrower and Guarantors under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantors shall be liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Project of any hazardous or noxious substances. The

representations, warranties, covenants and agreements of the Borrower and Guarantor set forth in this subparagraph:

- (i) Are separate and distinct obligations from the Borrower's and Guarantors' other obligations;
- (ii) Survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefore;
- (iii) Are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
- (iv) Shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

**Lender's Solicitors:**

The Lender's solicitor shall be:

Garfinkle, Biderman LLP  
1 Adelaide Street East  
Toronto Ontario  
M5C 2V9

**Attention:** Mitch Kazdan

**Lender's Insurance  
Consultant:**

The Lender's insurance consultant shall be:

Proincon Limited  
287 Tache Avenue  
Winnipeg, Manitoba  
R2H 2A1

**Attention:** Wayne Fast

**Lender's Cost Consultant:**

N/A

**No Merger; Conflict:**

The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any

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other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions of the Security, the provisions of the Commitment will prevail.

**Confidentiality:**

The Borrower and Guarantors acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its solicitors, cost consultant, insurance consultant and Project monitor. The Borrower and Guarantors agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.

**Proceeds of Crime (Money Laundering) and Terrorist Financing Act:**

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 Guarantors and any third party involved in the transaction, and for information with respect to the source of funds used in connection with the Borrower's equity in the Property. The Borrower and each Guarantor hereby covenant and agree to provide, prior to funding, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

**Material Changes:**

If at any time before the Closing Date there is or has been any material change, discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to the Lender by or on behalf of the Borrower or upon the occurrence of an Event of Default under this Commitment which cannot be or is not rectified or nullified by the Borrower to the Lender's satisfaction within ten (10) days after written notification thereof by the Lender to the Borrower or the Lender's due diligence investigations regarding the Act produces a materially adverse result, the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder and to declare any funds which have been advanced, together with

Interest and other amounts, to be forthwith due and repayable in full.

**Further Assurances:**

The Borrower and the Guarantors will execute all reasonable documentation required by DCC and its solicitors from time to time.

**Timing of Payments:**

Any payment to be made by the Borrower hereunder, including of principal or interest, shall be received by the Lender prior to 1:00 p.m. (Toronto time). Any payment received after that time shall be deemed to have been received on the next following banking day.

**Privacy Act Consent:**

By signing this Commitment, each of you, being the parties signing (including all mortgagors and all guarantors) agrees that the Lender is authorized and entitled to:

- a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding, and will help protect you from fraud and will also protect the integrity of the credit-granting system;
- b) If the security for your loan includes an insured mortgage, to disclose your Personal Information to the mortgage insurer and to exchange, on an on-going basis, your Personal Information with such mortgage insurer, for all purposes related to the provision of mortgage insurance; and;
- c) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) and (b) above (collectively your "**Personal**

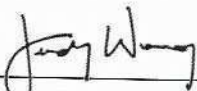
**Information")** to other organizations (including members of the Dorr Capital Corp) which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information


Even though your loan and the security securing your loan may be funded or owned by one or more other organizations, Dorr Capital Corp will continue to service your loan.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Commitment to the Lender's office by noon on October 11, 2022. If the Loan is not advanced for any reason other than a Lender default, any deposits received on account of this loan will be applied against due diligence expenses of the Lender and fees owing hereunder and will not be refundable. If this letter is not returned to us, duly executed, by such date and time, this letter shall be deemed null and void.

Yours truly,

**Dorr Capital Corporation**

  
\_\_\_\_\_  
Judy Wong  
Executive VP  
Underwriting & Loan Servicing

  
\_\_\_\_\_  
Brian Dorr  
President and CEO

**ACCEPTANCE**

Borrower and Guarantors hereby accept the terms and conditions of the Commitment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Commitment and authorize the credit checks contemplated herein.

DATED AT MARKHAM, this 24th day of JANUARY, 2023.

**Borrower:**

**Melanchthon Meadows Inc.**



Name: Shakir Rehmatullah

Title: PRESIDENT

I/we have the authority to bind the corporation

**2760562 Ontario Inc.**



Name: Shakir Rehmatullah

Title: PRESIDENT

I/we have the authority to bind the corporation

**Guarantors:**

**Flato Management Inc.**



Name: Shakir Rehmatullah

Title: PRESIDENT

I have the authority to bind the corporation



[Witness]



Mr. Shakir Rehmatullah



**SCHEDULE "A"**  
**INSURANCE REQUIREMENTS**

**1. GENERAL**

- a. All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to Lender and contain the original signatures of the insurers, not just the insurance broker or agent, unless otherwise agreed, and shall be delivered to the Lender within 30 days of issuance of the insurance cover note or binder.
- b. All policies shall be permitted to contain reasonable deductibles.
- c. If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then Lender may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Mortgage.
- d. It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, in no way represent an opinion as to the full scope of insurance cover a prudent Borrower would arrange to adequately protect its interest and the interest of Lender, and the Borrower must govern itself accordingly.

**2. COURSE OF CONSTRUCTION**

The following policies of insurance must be submitted:

- a. All Risks Builders Course of Construction on:
  - i) One hundred percent (100%) of the estimated final construction cost of the property, including reasonable soft costs.

**ADDITIONAL INFORMATION**

- All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
- All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
- The Borrower and Beneficial Owner(s), if any, must be shown as a Named Insured or Additional Named Insured under all policies of insurance.
- The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.

- The Property and, where applicable, Pressure, Mechanical, & Miscellaneous Electrical Apparatus policies shall contain a standard mortgage clause in favour of the Lender.
- Insurance must be on an "All Risks" basis of physical loss or damage, including Earthquake and Flood Insurance.
- Insurance must be for 100% of Full Replacement Cost of the Property, without deduction for foundations and footings, and including confirmation that the "same or adjacent site" clause has been deleted from the Replacement Cost wording.
- There must be a Stated Amount clause to waive the co-insurance conditions, or confirmation that there are no co-insurance restrictions applicable to the building(s).
- There must be evidence Sewer Back-Up coverage under the Property policy.
- There must be evidence of full By-Laws extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the Property and resultant loss of income.
- There must be evidence of Business Income Insurance, with a minimum period of indemnity of 18 months. This coverage should be written using the IBC Form 4109B, or an industry equivalent, providing 100% co-insurance, all-risk coverage, including full by-laws, earthquake and flood protection. The indemnity period must not cease when the premises become tenantable or operational.
- There must be evidence of comprehensive Pressure, Mechanical, & Miscellaneous Electrical Apparatus insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown. Alternatively, there needs to be satisfactory evidence that there is no Pressure, Mechanical, & Miscellaneous Electrical Apparatus exposure at the Property (i.e. how are building(s) heated/ventilated and are there any elevators/escalators).
- If the Property is insured under a "blanket" insurance policy, please indicate what amounts have been declared relative to physical loss or damage as well as for business interruption for the Property under the statement of values filed with the insurers.
- There must be evidence of Liability Insurance, with a minimum limit of liability of \$5,000,000.00 per occurrence covering the Property. This may be in the form of primary insurance or primary and excess/umbrella insurance. The Lender must be shown as an Additional Insured with respect to claims arising out of the operations of the Insured.
- Such other insurance as the Lender may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

- All policies of insurance **must** provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation (15 days' notice for non-payment). **Please note that the Lender WILL NOT ACCEPT "will endeavour to provide" language for such notice.**

**If the Property is under construction, additional insurance coverage as set out below (as applicable).**

- "All Risks" Builders Risk Course of Construction (Broad Form or CCDC 201 or equivalent) including (a) physical damage limit of not less than 100% of the total hard costs, (b) minimum 25% of the total soft costs or 100% of recurring soft costs, (c) delay in startup coverage with limit of 100% of the anticipated annual rents (assuming full occupancy) written on a delayed income basis. The policy shall allow for partial or full occupancy.
- Commercial General Liability or Wrap-up liability coverage with a limit of not less than \$25,000,000 or such other amount as may be required by the Lender acting reasonably with regard to the operations of the Borrower and shall include a "Cross Liability" clauses and must include all contractors, sub-contractors and trades.
- Architects' and Engineers' errors and omissions insurance for at least \$1,000,000 or such greater amount as the Lender may reasonably require.
- All other items and conditions of the Lender as applicable and as required by the Lender.



**SCHEDULE "B"**  
**PERSONAL NET WORTH STATEMENT**

**PERSONAL & EMPLOYMENT INFORMATION**

First Name: _____ Last Name: _____ Telephone (home): _____ SIN (required): _____ Driver's License: _____ Are you currently a client of Dorr Capital Corporation? Current Address: _____ _____ _____	Spouse's Name: _____ Marital Status: _____ Telephone (work): _____ Date of Birth: _____ # of dependents: _____  Length of time at current address: _____
Employer's Name: _____ Address: _____ _____ Annual Employment Income: \$ _____ Income from other sources (specify): \$ _____ Total Annual Income (state year of reference) \$ _____ Bank Reference: Address: _____ _____ _____	Present Position: _____ Length of Service: _____  Details: _____ _____ _____

**SUMMARY ~ FINANCIAL INFORMATION**

ASSETS		VALUE	LIABILITIES		Description	BALANCE OWING
CASH, DEPOSITS & MARKETABLE SECURITIES	BANK/TRUST CR.UNION	\$	OUTSTANDING LOANS	Refer to section D	\$	
REAL ESTATE	Must agree with section "B"	\$	MARGIN ACCOUNTS	Refer to section A	\$	
EQUITY IN NON-ARMS LENGTH COMPANIES	Must agree with section C	\$	OUTSTANDING MORTGAGES	Refer to section D	\$	
INVESTMENTS (Specify)		\$	OTHER LIABILITIES (itemize)		\$	
OTHER ASSETS (itemize)						
<b>TOTAL ASSETS</b>		\$	<b>TOTAL LIABILITIES</b>		\$	
			<b>NET WORTH</b>		\$	



(Supporting Schedules)

**ASSETS**

Page 2 of 2

**SECTION "A" ~ SECURITIES AND TAX SHELTERS**

Description of Security and Quantity Held	Registered to/ To whom pledged	Market Value	Cost	Margin Accts Balance Owing	Annual Profit or Loss
1		\$		\$	\$
2		\$		\$	\$
3		\$		\$	\$
4		\$		\$	\$
TOTAL		\$		\$	\$

**SECTION "B" ~ REAL ESTATE**

Address and Description (Acreage, Home, Business)	Title in Name of	Date Purchased	Market Value	Purchase Price	% Owned
1			\$ -		0%
2			\$ -		0%
3			\$ -		0%
4			\$ -		0%
5			\$ -		0%
6			\$ -		0%
TOTAL			\$		0%

**SECTION "C" ~ EQUITY IN NON ARMS-LENGTH COMPANIES**

Name of Company	Nature of Business	Position / Relationship	Value of Equity Invested	% Ownership
1			\$	0%
2			\$	0%
3			\$	0%
4			\$	0%
5			\$	0%
6			\$	0%
<b>NOTE: ATTACH FINANCIAL STATEMENTS</b>		<b>TOTAL</b>	\$	

**LIABILITIES**

**SECTION "D" ~ SECURITY**

Lender Name	Security	Amount	Terms & Rate	Outstanding Balance
1				\$
2				\$
3				\$
4				\$
5				\$
6				\$
TOTAL				\$

I warrant and confirm that the information given herein is true and I understand clearly that it is being used to determine my credit responsibility. You are authorized to obtain any information you require relative to this application from any sources to which you may apply and each such source is hereby authorized to provide you with such information. You are furthermore authorized to disclose any response to direct inquiries from any other lender or credit bureau, such information on my loaning account as you consider appropriate, and I hereby agree to indemnify you against and save you harmless from any and all claims in damages or otherwise arising from such disclosure on your part. You are also authorized to retain the application whether or not the relative mortgage is approved

Dated this \_\_\_\_\_ day of \_\_\_\_\_,

Signature (in ink)

**SCHEDULE "C"**  
**RELIANCE CERTIFICATE**

- TO:** Dorr Capital Corporation, and such persons for whom they act as agent or trustee from time to time, and in each case, their respective successors and assigns
- RE:** Commitment Letter dated \_\_\_\_\_ by Dorr Capital Corporation and addressed to [name addressees of report] (the "Report")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby certifies, agrees and confirms that the addressees hereof, and their respective successors and assigns, shall be entitled to rely on the Report to the same extent and with such effect as if such Report were prepared for and addressed to them. Potential liability to the Lender arising from this report is limited to the amount of professional liability insurance maintained in a minimum amount of \$1 million.

DATED the \_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Name:  
Title:



**SCHEDULE 'D'  
MORTGAGE DISCLOSURE STATEMENT**

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Cost of Borrowing Disclosure**

Property to be mortgaged: **Melanchthon South Lands**

**Details of Mortgage:**

The principal amount of the mortgage **\$2,250,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the 12-month term will be **\$281,250**. The mortgage will be amortized over **n/a** years.

**Interest:**

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is the **Greater of 12.50% and Prime +5.80%**. Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: **N/A**

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included in APR
Commitment Fee		\$67,500	Yes
Placement Fee		\$45,000	Yes
Legal Fees and Other Transactions		\$ 25,000	Yes
<b>Total Costs:</b>		\$137,500	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$418,750** APR: **18.61%**

*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

Prepayment Privileges: See commitment for detail

Transferability: See commitment for details

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**

The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 38 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014

Date: January 24, 2024

Authorized Signature:



**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: 24/1/2023 Borrower: 

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_



## SCHEDULE "E" FEE SCHEDULE

Item	Estimated Fee Amount	Comments
<b><u>Deducted From Initial Advance:</u></b>		
Expense Recovery re: Credit checks	\$35 per credit report \$75 - \$150 (per guarantor)	<ul style="list-style-type: none"> <li>To reimburse Lender for expenses incurred for credit bureaus and background checks</li> </ul>
Valuation Verification	\$250 Per Loan	<ul style="list-style-type: none"> <li>Valuation Verification</li> </ul>
Site Inspection	To be determined	<ul style="list-style-type: none"> <li>To reimburse lender for all reasonable costs incurred as part of due diligence</li> </ul>
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> <li>To confirm title (as required)</li> </ul>
Property Insurance Review	\$500 - \$1,500	<ul style="list-style-type: none"> <li>Peer review insurance coverage by ProIncon</li> </ul>
Regulator Fee	\$750 per Loan	<ul style="list-style-type: none"> <li>To reimburse Lender for expenses incurred in processing Loan with financial regulators</li> </ul>
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> <li>Peer review of subject property for hazardous materials and contaminants</li> </ul>
Geotechnical Reports – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> <li>Peer review of subject property for site suitability</li> </ul>
Cost Consultant Review	\$1,500 - \$2,500 per Report	<ul style="list-style-type: none"> <li>Peer review of construction budget, work in place, and cost to complete</li> </ul>
Planning Review	\$1,500 - \$3,000 per Report	<ul style="list-style-type: none"> <li>Peer review of planned development</li> </ul>
<b><u>Costs During Term of the Loan</u></b>		
Mortgage Statement	\$500 per Statement	<ul style="list-style-type: none"> <li>For information purposes and audit verification</li> </ul>
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$500 per occurrence	<ul style="list-style-type: none"> <li>Borrower shall pay liquidated damages to cover the Lender's administrative costs</li> </ul>
Insurance Coverage Change or Annual Review	\$500 per occurrence	<ul style="list-style-type: none"> <li>Lapsed or cancelled insurance not reinstated or replaced by borrower. Lender shall have option to replace coverage without notice to borrower.</li> </ul>
Subsequent Advance Review (Hard & Soft Costs)	\$500 - \$1,000	<ul style="list-style-type: none"> <li>Deducted from the draw upon release of funds to the Borrower</li> </ul>
Annual Review	\$1,500 per year	<ul style="list-style-type: none"> <li>Confirmation of realty taxes, insurance coverage, and general project monitoring</li> </ul>
Bank Processing Fee	\$500	<ul style="list-style-type: none"> <li>On repayment of Loans over \$2 Million</li> </ul>
Mortgage Discharge Statement	\$500 per statement	<ul style="list-style-type: none"> <li>Pay off and discharge mortgage</li> </ul>
<b><u>Default Costs:</u></b>		
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> <li>For each collection letter written whether in connection with one default or more</li> </ul>
Default Administration	\$5,000 First Month; \$10,000 Each Month Thereafter	<ul style="list-style-type: none"> <li>\$5,000 for 1<sup>st</sup> default that remains uncured for 14 days, \$10,000 for all subsequent defaults that remain uncured for 14 days.</li> </ul>

**Dorr Capital Corporation**  
41 Scarsdale Road, Unit 6  
Toronto, ON M3B 2R2  
[www.dorrcapital.com](http://www.dorrcapital.com)



March 11, 2024

**Melancthon Meadows Inc. and  
2760562 Ontario Inc.**  
3621 Highway 7 East, Suite 503  
Markham, Ontario  
L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan  
Melancthon South Lands, ON  
Loan No.: 23006**

---

Reference is made to the commitment letter dated January 24, 2023 from Dorr Capital Corporation (“DCC”) to Melancthon Meadows Inc. and 2760562 Ontario Inc. (the “Original Commitment”). DCC is pleased to provide the following amendment (the “Amendment”) to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment and the Original Commitment shall collectively be known as the “Commitment”, and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

**Purpose:**

1. To provide a 6-month extension of the Loan Facility.
2. To add a provision wherein Borrower agrees to provide monthly principal repayments in the amount of \$187,500, starting June 1, 2024.
3. To add a provision wherein Borrower agrees to provide a further 6-month Interest Reserve in the amount of \$157,500, payable from their own resources, such funds to be provided by no later than March 25, 2024, to fund interest payments during extension period.

**Loan Facility:** \$2,250,000 First Mortgage Land Loan

**Interest Rate:** The greater of Royal Bank of Canada’s Prime lending rate plus 6.80% or 13.50% per annum



Melancthon South Lands, ON  
File # 23006

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**Royal Bank of Canada's Prime Rate is 7.20% as of March 11, 2024**

Interest to be funded monthly from the Interest Reserve.

**Payments:** Borrower agrees to the following payments:

- Monthly interest due and payable on the first of each month payable from the Interest Reserve.
- Monthly principal repayments, each in the amount of \$187,500, due and payable on the first of each month, starting June 1, 2024 and continuing every 1<sup>st</sup> of the month thereafter, each such payment to permanently reduce the outstanding principal.

**Term of Extension:** 6 months (Open Mortgage)

**Existing Maturity Date:** March 1, 2024

**Extended Maturity Date:** September 1, 2024

**Extension Fee:** \$56,250 deemed earned and payable upon acceptance of this Amendment.

**Extension Interest Reserve:** The Borrower shall establish a new interest reserve (the "**Extension Interest Reserve**") in the amount of \$157,500 representing estimated interest on the Loan for the term to the Extended Maturity Date (based on the current Royal Bank of Canada Prime Rate), to be funded from the Borrower's own resources. The Borrower covenants and agrees that, if at any time and from time to time during the term of this extension, should the Royal Bank of Canada's Prime Rate increase, the Borrower shall forthwith deliver to DCC additional funds from its own resources to replenish/top-up the Extension Interest Reserve in such amount(s) so as to maintain coverage of the anticipated increased interest payments to be made to the Extended Maturity Date.

**Conditions of Extension:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Receipt and satisfactory review of updated Personal Net Worth Statement.
3. Receipt and satisfactory review of updated planning summary.
4. Updated insurance in place.
5. Payment of Extension Fee (\$56,250) upon acceptance of Amendment, as noted above.

Melancthon South Lands, ON  
File # 23006

- 
6. Delivery of Extension Interest Reserve Funds (\$157,500) by no later than March 25, 2024, as noted above.
  7. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by March 15, 2024, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



---

Brian Dorr  
President and CEO

- *signatures continued* -

Melancthon South Lands, ON  
File # 23006

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of 3/12/2024, 2024.

**Borrower**

**Melancthon Meadows Inc.**

DocuSigned by:



\_\_\_\_\_ B2D40ADDDE224CB...

Per:

I have the authority to bind the corporation

**2760562 Ontario Inc.**

DocuSigned by:



\_\_\_\_\_ B2D40ADDDE224CB...

Per:

I have the authority to bind the corporation

**Guarantor (s)**

**Flato Management Inc.**

DocuSigned by:



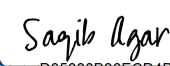
\_\_\_\_\_ B2D40ADDDE224CB...

Per:

I have the authority to bind the corporation

**Personal Guarantor:**

DocuSigned by:



\_\_\_\_\_ D05880B30ECD4BC...

[Witness]

DocuSigned by:



\_\_\_\_\_ B2D40ADDDE224CB...

Mr. Shakir Rehmatullah

**Dorr Capital Corporation**  
41 Scarsdale Road, Unit 6  
Toronto, ON M3B 2R2  
[www.dorrcapital.com](http://www.dorrcapital.com)



September 5, 2024

**Melancthon Meadows Inc. and  
2760562 Ontario Inc.**  
3621 Highway 7 East, Suite 503  
Markham, Ontario  
L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan  
Melancthon South Lands, ON  
Loan No.: 23006**

---

Reference is made to the commitment letter dated January 24, 2023 from Dorr Capital Corporation (“DCC”) to Melancthon Meadows Inc. and 2760562 Ontario Inc. (the “Original Commitment”). DCC is pleased to provide the following amendment (the “Amendment”) to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment and Amendment(s) dated March 11, 2024 shall collectively be known as the “Commitment”, and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

**Purpose:** To provide the second 6-month extension to the Loan Facility.

**Loan Facility:** \$2,250,000 First Mortgage Land Loan

**Interest Rate:** The greater of Royal Bank of Canada’s Prime lending rate plus 7.80% or 14.50% per annum (the “**Interest Rate**”)

**NOTE: Monthly interest payments will be paid by the Borrower 2 business days prior to the first of every month.**

**Interest Reserve:** Not applicable, interest will be paid current via Borrower’s own resources.

**Term of Extension:** 6 months (Open Mortgage)



Melancthon South Lands, ON  
File # 23006

**Existing Maturity Date:** September 1, 2024

**Extended Maturity**

**Date:** March 1, 2025

**Extension Fee:** \$56,250 deemed earned upon acceptance of this Amendment and payable as follows.

Payment Date	
November 1, 2024	\$ 14,062
December 1, 2024	\$ 14,062
January 1, 2025	\$ 14,062
February 1, 2025	\$ 14,064
<b>Total Fee</b>	<b>\$ 56,250</b>

**Conditions of Extension:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Updated insurance in place.
3. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by September 9<sup>th</sup>, 2024, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



\_\_\_\_\_  
Brian Dorr  
President and CEO

Melancthon South Lands, ON  
File # 23006


**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.


DATED AT Toronto, this 09th day of September, 2024.

**Borrower**

**Melancthon Meadows Inc.**


DocuSigned by:  
  
B2D40ADDDE224CB...  
Per: President  
I have the authority to bind the corporation

**2760562 Ontario Inc.**

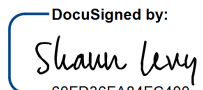
DocuSigned by:  
  
B2D40ADDDE224CB...  
Per: President  
I have the authority to bind the corporation


**Guarantor (s)**

**Flato Management Inc.**

DocuSigned by:  
  
B2D40ADDDE224CB...  
Per: President  
I have the authority to bind the corporation

**Personal Guarantor:**

DocuSigned by:  
  
60FD36FA84FC400...  
[Witness] Shaun Levy

DocuSigned by:  
  
B2D40ADDDE224CB...  
Mr. Shakir Rehmatullah

Melanchthon South Lands, ON  
File # 23006

**MORTGAGE DISCLOSURE STATEMENT**

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Cost of Borrowing Disclosure**

Property to be mortgaged: **Melanchthon South Lands**

**Details of Mortgage:**

The principal amount of the mortgage **\$2,250,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the **6**-month term will be **\$ 163,125**. The mortgage will be amortized over **n/a** years.

**Interest:**

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is **greater of Prime Rate plus 7.80% per annum, or 14.50% per annum** Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: N/A

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included in APR
Commitment Fee		\$56,250	Yes
Placement Fee			
Legal Fees and Other Transactions			
<b>Total Costs:</b>		\$56,250	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$ 219,375** APR: **19.50%** %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

Prepayment Privileges: See commitment for detail

Transferability: See commitment for details

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

Melancthon South Lands, ON  
File # 23006

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**

The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 30 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014


Date: September 5, 2024 Authorized Signature: 

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.


**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: 9/9/2024 Borrower:  B2D40ADDDE224CB...

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: 9/9/2024 Borrower:  B2D40ADDDE224CB...

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

**Dorr Capital Corporation**  
41 Scarsdale Road, Unit 6  
Toronto, ON M3B 2R2  
[www.dorrcapital.com](http://www.dorrcapital.com)



September 16, 2024

**Melancthon Meadows Inc. and  
2760562 Ontario Inc.**  
3621 Highway 7 East, Suite 503  
Markham, Ontario  
L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan  
Melancthon South Lands, ON  
Loan No.: 23006**

---

Reference is made to the commitment letter dated January 24, 2023 from Dorr Capital Corporation (“DCC”) to Melancthon Meadows Inc. and 2760562 Ontario Inc. (the “Original Commitment”). DCC is pleased to provide the following amendment (the “Amendment”) to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment and Amendment(s) dated March 11, 2024, September 5, 2024, and all other prior amendments made thereto from time to time, if any, shall collectively be known as the “Commitment”, and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the “Commitment”, as defined herein.

**Purpose:** To include a cross-default provision respecting certain of the Borrower’s (or companies related to the Borrower and/or Guarantor(s)) following Loans with DCC:

**772060 Highway 10, Dundalk, ON (Loan 22080)**

The subject land is located at 772060 Highway 10, Dundalk, ON. It has a total land area of 90 acres with 50 acres being used for the proposed residential development. It is a MZO approved land with proposed 412 low rise units (“ECO Park Property”).



Melancthon South Lands, ON  
File # 23006

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**381 & 421 Braemore, Dundalk, ON (Loan 22003)**

The subject land is located at 381 - 421 Braemore Street West, Dundalk with a land area of approximately 30.70 acres (“Braemore Property”).

**772288 Highway 10, Dundalk, ON (Loan 22034)**

The subject land is located at 772288 Highway 10, Dundalk. It has a total land area of 99.4 acres. It is a MZO approved land with proposed 804 low rise units (“100 Acre Property”).

**241 Patterson Street, Beeton, ON (Loan 17038)**

The subject property being a single family home on a 75ft x 148ft lot with a gross living space of 1370sf located in Beeton, Ontario (“Patterson Property”).

**INSERT**

**Security Condition:**

The Borrower and all Guarantor(s) hereby acknowledge and agree that default under any of the following Loans (also referred to above), namely: (i) Loan No. 22080 (re: ECO Park Property); (ii) Loan No. 22003 (re: Braemore Property); (iii) Loan No. 22034 (re: 100 Acre Property); and/or (iv) Loan No. 17038 (re: Patterson Property), shall also constitute a default under this Loan entitling the Lender to exercise all rights and remedies afforded to it pursuant to the Commitment, and all security pledged in connection therewith, including, but not limited to, the First Mortgage of the Property/Project, pledged thereunder, and/or otherwise available at common law in connection with such default.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by September 24<sup>th</sup>, 2024, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



---

Brian Dorr  
President and CEO

Melancthon South Lands, ON  
File # 23006


**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT Toronto, this 19th day of September, 2024.

**Borrower**


**Melancthon Meadows Inc.**

DocuSigned by:  


B2D40ADDDE224CB...  
Per: Shakir Rehmatullah President

I have the authority to bind the corporation

**2760562 Ontario Inc.**


DocuSigned by:  


B2D40ADDDE224CB...  
Per: Shakir Rehmatullah President

I have the authority to bind the corporation

**Guarantor (s)**


**Flato Management Inc.**

DocuSigned by:  


B2D40ADDDE224CB...  
Per: Shakir Rehmatullah President

I have the authority to bind the corporation

**Personal Guarantor:**

DocuSigned by:  


60FD36FA84FC400...  
[Witness] Shaun Levy

DocuSigned by:  


B2D40ADDDE224CB...  
Mr. Shakir Rehmatullah



**Dorr Capital Corporation**  
41 Scarsdale Road, Unit 6  
Toronto, ON M3B 2R2  
[www.dorrcapital.com](http://www.dorrcapital.com)

March 3, 2025

**Melancthon Meadows Inc. and  
2760562 Ontario Inc.**  
3621 Highway 7 East, Suite 503  
Markham, Ontario  
L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan  
Melancthon South Lands, ON  
Loan No.: 23006**

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Reference is made to the commitment letter dated January 24, 2023 from Dorr Capital Corporation (“DCC”) to Melancthon Meadows Inc. and 2760562 Ontario Inc. (the “Original Commitment”). DCC is pleased to provide the following amendment (the “Amendment”) to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment and Amendment(s) dated March 11, 2024, September 5, 2024 and September 16, 2024 shall collectively be known as the “Commitment”, and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

**Purpose:**

1. To provide a third 6-month extension to the Loan Facility.
2. To add a provision wherein Borrower agrees to provide permanent principal repayments totaling \$562,500 (refer to payment schedule herein),
3. To include a cross-default provision respecting certain of the Borrower’s (or companies related to the Borrower and/or Guarantor(s)) following Loans with DCC:

**772146 Highway 10, Southgate County (Dundalk), ON – Edgewood  
Greens Phase 6 & 11 (Loan 19065.1)**

The subject property represents phase 6 of a multi-phased development located in Dundalk. The development is located on the east side of Elm



Melancthon South Lands, ON  
File # 23006

Street and Rowes Lane, a short distance south of Victoria Street and west of Highway No. 10 in the Village of Dundalk, Grey County, Ontario. The project consists of 174 serviced lots under phase 6. (“Edgewood Greens Phase 6”)

**Loan Facility:** \$2,250,000 First Mortgage Land Loan

**Interest Rate:** The greater of Royal Bank of Canada’s Prime lending rate plus 10.30% or 15.50% per annum (the “**Interest Rate**”)

**Royal Bank of Canada’s Prime Rate is 5.20% as of March 3, 2025**

Interest to be funded monthly via Borrower’s own resources.

**Payments:** Borrower agrees to the following principal repayments:

March 17th, 2025	\$ 50,000.00
April 18th, 2025	\$ 130,000.00
May 18th 2025	\$ 127,500.00
June 18th, 2025	\$ 127,500.00
July 18th, 2025	\$ 127,500.00
<b>Total</b>	<b>\$ 562,500.00</b>

**INSERT**

**Security Condition:**

The Borrower and all Guarantor(s) hereby acknowledge and agree that default under any of the following Loans (also referred to above), namely: Loan No. 19065.1 (re: Edgewood Greens Phase 6), shall also constitute a default under this Loan entitling the Lender to exercise all rights and remedies afforded to it pursuant to the Commitment, and all security pledged in connection therewith, including, but not limited to, the First Mortgage of the Property/Project, pledged thereunder, and/or otherwise available at common law in connection with such default.

**Term of Extension:** 6 months (Open Mortgage)

**Existing Maturity Date:** March 1, 2025

**Extended Maturity**

**Date:** September 1, 2025

Melancthon South Lands, ON  
 File # 23006

**Extension Fee:** \$67,500 deemed earned upon acceptance of this Amendment and payable as follows:

May 30th, 2025	\$ 33,750.00
September 1st 2025	\$ 33,750.00
<b>Total</b>	<b>\$ 67,500.00</b>

**Conditions of Extension:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Receipt and satisfactory review of updated Personal Net Worth Statement.
3. Receipt and satisfactory review of updated planning summary.
4. Updated insurance in place.
5. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by March 4, 2025, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



\_\_\_\_\_  
 Brian Dorr  
 President and CEO

Melancthon South Lands, ON  
File # 23006


**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT \_\_\_\_\_, this \_\_\_\_\_ day of 3/4/2025, 2025.


**Borrower**

**Melancthon Meadows Inc.**

DocuSigned by:  
  
B2D40ADDDE224CB...

Per:  
I have the authority to bind the corporation


**2760562 Ontario Inc.**

DocuSigned by:  
  
B2D40ADDDE224CB...

Per:  
I have the authority to bind the corporation

**Guarantor (s)**


**Flato Management Inc.**

DocuSigned by:  
  
B2D40ADDDE224CB...

Per:  
I have the authority to bind the corporation

**Personal Guarantor:**

\_\_\_\_\_  
[Witness]

DocuSigned by:  
  
B2D40ADDDE224CB...  
Mr. Shakir Rehmatullah

**MORTGAGE DISCLOSURE STATEMENT**

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Cost of Borrowing Disclosure**

Property to be mortgaged: **Melanchthon South Lands**

**Details of Mortgage:**

The principal amount of the mortgage **\$2,250,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the **6-month** term will be **\$ 174,375**. The mortgage will be amortized over **n/a** years.

**Interest:**

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is **greater of Prime Rate plus 10.30% per annum, or 15.50% per annum** Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: N/A

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included in APR
Commitment Fee		\$67,500	Yes
Placement Fee			
Legal Fees and Other Transactions			
<b>Total Costs:</b>		\$67,500	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$ 241,875** APR: **21.50%** %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

- Prepayment Privileges: [See commitment for detail](#)
- Transferability: [See commitment for details](#)
- Method of Payment: [See commitment for details](#)
- Special Conditions: [See commitment for details](#)
- Particulars / Penalties: [See commitment for details](#)

Melancthon South Lands, ON  
File # 23006

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**


The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 30 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014

Date: March 3, 2025

Authorized Signature: 

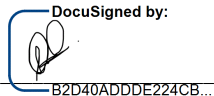
**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: 3/4/2025

Borrower: 

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

**Dorr Capital Corporation**  
 41 Scarsdale Road, Unit 6  
 Toronto, ON M3B 2R2  
[www.dorrcapital.com](http://www.dorrcapital.com)



August 6, 2025

**Melancthon Meadows Inc. and  
 2760562 Ontario Inc.**  
 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan  
 Melancthon South Lands, ON  
 Loan No.: 23006**

Reference is made to the commitment letter dated January 24, 2023 from Dorr Capital Corporation ("DCC") to Melancthon Meadows Inc. and 2760562 Ontario Inc. (the "Original Commitment"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment, subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment and Amendment(s) dated March 11, 2024, September 5, 2024, September 16, 2024 and March 3, 2025 shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

**Purpose:** To provide a further <sup>12</sup>~~6~~ month extension to the Loan Facility. *P. 20*

**Loan Facility:**

Original Loan Amount	Current Outstanding Balance	Repayment
\$ 2,250,000	\$ 2,200,000	\$ 50,000

**Interest Rate:** The greater of Royal Bank of Canada's Prime lending rate plus 11.05% or 16.00% per annum (the "**Interest Rate**")

**Royal Bank of Canada's Prime Rate is 4.95% as of August 6, 2025**  
 Interest to be funded monthly via Borrower's own resources.



12 <sup>7.</sup>  
**Term of Extension:** 6 months (Open Mortgage) *BD*

**Existing Maturity Date:** September 1, 2025

**Extended Maturity Date:** ~~September~~ <sup>7.</sup> *BD*  
March 1, 2026

**Extension Fee:** \$66,000 deemed earned upon acceptance of this Amendment and payable no later than ~~September 1, 2025~~ <sup>7.</sup> *BD*  
~~September 1, 2025~~ <sup>7.</sup> *BD*

**Conditions of Extension:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Receipt and satisfactory review of updated Personal Net Worth Statement.
3. Receipt and satisfactory review of updated planning summary.
4. Updated insurance in place.
5. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by August 15, 2025, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



Brian Dorr  
President and CEO

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT MARKHAM, this 29TH day of AUGUST, 2025.

**Borrower**

**Melancthon Meadows Inc.**

  
\_\_\_\_\_

Per:  
I have the authority to bind the corporation

**2760562 Ontario Inc.**

  
\_\_\_\_\_

Per:  
I have the authority to bind the corporation

**Guarantor (s)**

**Flato Management Inc.**

  
\_\_\_\_\_

Per:  
I have the authority to bind the corporation

**Personal Guarantor:**

  
\_\_\_\_\_

[Witness]

  
\_\_\_\_\_

Mr. Shakir Rehmatullah

Melancthon South Lands, ON  
File # 23006

**MORTGAGE DISCLOSURE STATEMENT**

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Cost of Borrowing Disclosure**

Property to be mortgaged: **Melancthon South Lands**

**Details of Mortgage:**

The principal amount of the mortgage ~~\$2,200,000~~ will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the ~~6-month~~ term will be ~~\$176,000~~.  
The mortgage will be amortized over ~~n/a~~ years.

12-month *bd* \$352,000

**Interest:**

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is greater of Prime Rate plus 11.05% per annum, or 16.00% per annum. Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: *N/A*

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included in APR
Commitment Fee		\$66,000	Yes
Placement Fee			
Legal Fees and Other Transactions			
<b>Total Costs:</b>		\$66,000	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: ~~\$242,000~~ *\$418,000 bd* APR: ~~22.00%~~ *19% bd* %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

- Prepayment Privileges: See commitment for detail
- Transferability: See commitment for details
- Method of Payment: See commitment for details
- Special Conditions: See commitment for details
- Particulars / Penalties: See commitment for details

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**


The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 30 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014

Date: August 6, 2025


Authorized Signature: 

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.


**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: \_\_\_\_\_ Borrower:  \_\_\_\_\_

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: \_\_\_\_\_ Borrower:  \_\_\_\_\_

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

This is Exhibit “19” referred to in the Affidavit of Brian Dorr sworn by Brian Dorr at the City of Toronto, in the Province of Ontario, before me on June 5, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'S. Kelly', written over a horizontal line.

---

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

**STEVEN KELLY (LSO #87293B)**

LRO # 7 Charge/Mortgage

Received as DC250883 on 2023 02 09 at 16:18

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

yyyy mm dd Page 1 of 10

**Properties**

PIN 34136 - 0006 LT Interest/Estate Fee Simple  
 Description PT LT 5, CON 2, OS AS IN MF163384 EXCEPT MEL19045 ; MELANCTHON  
 Address 516276 COUNTY ROAD 124  
 MELANCTHON

**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 MELANCTHON MEADOWS INC.  
 Address for Service 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

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)**

Name	Capacity	Share
DORR CAPITAL CORPORATION		as to a 2,120,000 / 2,250,000 interest
41 Scarsdale Road, Unit 6 Toronto, Ontario M3B 2R2		
OLYMPIA TRUST COMPANY		as to a 130,000 / 2,250,000 interest
PO Box 2581, STN Central Calgary, AB T2P 1C8		

**Statements**

Schedule: See Schedules

**Provisions**

Principal \$2,250,000.00 Currency CDN  
 Calculation Period Monthly, not in advance  
 Balance Due Date 2024/03/01  
 Interest Rate See Schedule  
 Payments  
 Interest Adjustment Date 2023 03 01  
 Payment Date first day of each month  
 First Payment Date 2023 04 01  
 Last Payment Date 2024 03 01  
 Standard Charge Terms 201117  
 Insurance Amount See standard charge terms  
 Guarantor

**Additional Provisions**

Regular monthly payments are \$23,437.50 as at February 8, 2023.

**Signed By**

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 02 09  
 Toronto Chargor(s)  
 M5C 2V9

Tel 416-869-1234  
 Fax 416-869-0547

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

LRO # 7 Charge/Mortgage

Received as DC250883 on 2023 02 09 at 16:18

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

yyyy mm dd Page 2 of 10

**Submitted By**

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801  
Toronto  
M5C 2V9

2023 02 09

Tel 416-869-1234

Fax 416-869-0547

**Fees/Taxes/Payment**

Statutory Registration Fee \$69.00

Total Paid \$69.00

**File Number**

Chargor Client File Number : 9339-037

Chargee Client File Number : 23006



## **ADDITIONAL PROVISIONS**

### **1. Letter of Commitment**

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 24, 2023, and amendments made thereto from time to time, if and as applicable.

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Unless otherwise explicitly stated otherwise herein, all capitalized terms used throughout this schedule shall have the same meanings and definitions as stated in the Letter of Commitment.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

### **2. Due on Demand**

All amounts owing under this Charge and the Loan as defined in the Letter of Commitment shall be repayable upon the earlier of: (i) on demand by the Chargee for any reason whatsoever; or (ii) TWELVE (12) months from the Interest Adjustment Date as expressed on page one of this Charge (the earlier of such dates being the "Maturity Date").

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

### **3. Interest Rate and Payments**

(a) Commencing as of the date of funds are advanced to the Interest Adjustment date, and during the first TWELVE (12) months of the Term (the "Initial Term"), the Charge shall bear interest at the greater of: (i) TWELVE HUNDRED AND FIFTY BASIS POINTS (1250 b.p. or 12.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus FIVE HUNDRED AND EIGHTY BASIS POINTS (580 b.p. or 5.80%) per annum, adjusted daily and compounded and payable monthly, not in advance;

(b) Should the Loan be extended past the Initial Term, the following Interest Rates shall be applicable:

I. during the SIX (6) months following the Initial Term (i.e. months THIRTEEN (13) to EIGHTEEN (18) of the extended Term), the Charge shall bear interest at the greater of: (i) THIRTEEN HUNDRED AND FIFTY BASIS POINTS (1350 b.p. or 13.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus SIX HUNDRED AND EIGHTY BASIS POINTS (680 b.p. or 6.80%) per annum, adjusted daily and compounded and payable monthly, not in advance; and

II. during the next SIX (6) months subsequent to the first extension as in (I) above (i.e. months NINETEEN (19) to TWENTY-FOUR (24) of the extended Term)), the Charge shall bear interest at the greater of: (i) FOURTEEN HUNDRED AND FIFTY BASIS POINTS (1450 b.p. or 14.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus SEVEN HUNDRED AND EIGHTY BASIS POINTS (780 b.p. or 7.80%) per annum, adjusted daily

- 2 -

and compounded and payable monthly, not in advance.

**"RBC Prime Rate"** means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest only payments, at the aforesaid rates on the amount advanced from time to time, shall be payable on the first day of each and every month and shall be paid from the Interest Reserve as contemplated under the Letter of Commitment. In the event that the Interest Reserve is fully utilized, such payments shall be made by way of pre-authorized debits to Borrower's Project account.

The total outstanding amount of the Loan together with all accrued and unpaid interest and all other amounts owing by the Borrower hereunder shall be repayable in full on the Maturity Date (as same may be extended).

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;

- 3 -

- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act (Ontario), so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act (Ontario).

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld.
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen

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(15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal 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 principal and interest hereunder or at law.

- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.
- (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. Environmental

- (a) The following terms have the following meanings in this Section:
  - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the *Environmental Protection Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
  - (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutant or any other substance which when released to 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.
- (b) The Chargor hereby represents and warrants that:
  - (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
  - (ii) the business and assets of the Chargor are in compliance with all

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Applicable Environmental Laws;

- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
  - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
  - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
  - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
  - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
  - (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
  - (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
  - (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and

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- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.
- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "**Indemnified Persons**") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
  - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
    - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
    - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
  - (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
    - a. resulted by, through or under the Chargor; or
    - b. occurred with the Chargor's knowledge and consent; or
    - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.
- The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.
- (e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof,

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together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

10. Amendments to Standard Charge Terms

The Standard Charge Terms No. 201117 referred to in this document were filed by Terra Firma Capital Corporation, and for purposes of this document, any reference in the said Standard Charge Terms to Terra Firma Capital Corporation should be deemed to be replaced by the name of the Chargee.

11. No Prepayment Provision

The Chargor shall have no right or privilege to prepay any amount of the loan secured hereunder.

12. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

14. Voting Control

The Chargor agrees that voting control of the Chargor or of any beneficial owner shall not change during the currency of this loan without the prior written consent of the Chargee.

15. Joint & Several Obligations

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

16. Survival of Commitment

The terms, conditions, representations and warranties expressed herein and in the Letter of Commitment shall continue in effect as long as any part of the indebtedness secured

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hereunder remains outstanding and shall bind the personal representatives, heirs, successors and assigns of the Chargor and each Covenantor, if any, and shall enure to the benefit of the successors and assigns of the Chargee. Any default by the Chargor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge. In the event of any inconsistency between the terms of this Charge and the Letter of Commitment, the Letter of Commitment shall prevail.

LRO # 7 Charge/Mortgage

Received as DC250885 on 2023 02 09 at 16:18

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

yyyy mm dd Page 1 of 10

**Properties**

*PIN* 34136 - 0002 LT *Interest/Estate* Fee Simple  
*Description* PT LT 5, CON 2 OS AS IN MF201480 EXCEPT PT 1, 7R2155 & MF69136 ;  
 MELANCTHON  
*Address* 476259 3RD LINE ROAD  
 MELANCTHON

**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* 2780562 ONTARIO INC.  
*Address for Service* 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

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)**

	<i>Capacity</i>	<i>Share</i>
<i>Name</i> DORR CAPITAL CORPORATION		as to a 2,120,000 / 2,250,000 interest
<i>Address for Service</i> 41 Scarsdale Road, Unit 6 Toronto, Ontario M3B 2R2		
<i>Name</i> OLYMPIA TRUST COMPANY		as to a 130,000 / 2,250,000 interest
<i>Address for Service</i> PO Box 2581, STN Central Calgary, AB T2P 1C8		

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$2,250,000.00 *Currency* CDN  
*Calculation Period* Monthly, not in advance  
*Balance Due Date* 2024/03/01  
*Interest Rate* See Schedule  
*Payments*  
*Interest Adjustment Date* 2023 03 01  
*Payment Date* first day of each month  
*First Payment Date* 2023 04 01  
*Last Payment Date* 2024 03 01  
*Standard Charge Terms* 201117  
*Insurance Amount* See standard charge terms  
*Guarantor*

**Additional Provisions**

Regular monthly payments are \$23,437.50 as at February 8, 2023.

**Signed By**

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 02 09  
 Toronto Chargor(s)  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

LRO # 7 Charge/Mortgage

Received as DC250885 on 2023 02 09 at 16:18

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

yyyy mm dd Page 2 of 10

**Signed By**

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

**Submitted By**

GARFINKLE, BIDERMAN LLP

1 Adelaide Street E., Suite 801  
Toronto  
M5C 2V9

2023 02 09

Tel 416-869-1234

Fax 416-869-0547

**Fees/Taxes/Payment**

Statutory Registration Fee \$69.00

Total Paid \$69.00

**File Number**

Chargor Client File Number : 9339-037

Chargee Client File Number : 23006



## ADDITIONAL PROVISIONS

### 1. Letter of Commitment

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 24, 2023, and amendments made thereto from time to time, if and as applicable.

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Unless otherwise explicitly stated otherwise herein, all capitalized terms used throughout this schedule shall have the same meanings and definitions as stated in the Letter of Commitment.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

### 2. Due on Demand

All amounts owing under this Charge and the Loan as defined in the Letter of Commitment shall be repayable upon the earlier of: (i) on demand by the Chargee for any reason whatsoever; or (ii) TWELVE (12) months from the Interest Adjustment Date as expressed on page one of this Charge (the earlier of such dates being the "Maturity Date").

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

### 3. Interest Rate and Payments

- (a) Commencing as of the date of funds are advanced to the Interest Adjustment date, and during the first TWELVE (12) months of the Term (the "Initial Term"), the Charge shall bear interest at the greater of: (i) TWELVE HUNDRED AND FIFTY BASIS POINTS (1250 b.p. or 12.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus FIVE HUNDRED AND EIGHTY BASIS POINTS (580 b.p. or 5.80%) per annum, adjusted daily and compounded and payable monthly, not in advance;
- (b) Should the Loan be extended past the Initial Term, the following Interest Rates shall be applicable:
  - I. during the SIX (6) months following the Initial Term (i.e. months THIRTEEN (13) to EIGHTEEN (18) of the extended Term), the Charge shall bear interest at the greater of: (i) THIRTEEN HUNDRED AND FIFTY BASIS POINTS (1350 b.p. or 13.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus SIX HUNDRED AND EIGHTY BASIS POINTS (680 b.p. or 6.80%) per annum, adjusted daily and compounded and payable monthly, not in advance; and
  - II. during the next SIX (6) months subsequent to the first extension as in (I) above (i.e. months NINETEEN (19) to TWENTY-FOUR (24) of the extended Term)), the Charge shall bear interest at the greater of: (i) FOURTEEN HUNDRED AND FIFTY BASIS POINTS (1450 b.p. or 14.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus SEVEN HUNDRED AND EIGHTY BASIS POINTS (780 b.p. or 7.80%) per annum, adjusted daily

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and compounded and payable monthly, not in advance.

**"RBC Prime Rate"** means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest only payments, at the aforesaid rates on the amount advanced from time to time, shall be payable on the first day of each and every month and shall be paid from the Interest Reserve as contemplated under the Letter of Commitment. In the event that the Interest Reserve is fully utilized, such payments shall be made by way of pre-authorized debits to Borrower's Project account.

The total outstanding amount of the Loan together with all accrued and unpaid interest and all other amounts owing by the Borrower hereunder shall be repayable in full on the Maturity Date (as same may be extended).

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;

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- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand;
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act (Ontario), so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act (Ontario).

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld.
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen

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(15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal 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 principal and interest hereunder or at law.

- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.
- (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. Environmental

- (a) The following terms have the following meanings in this Section:
  - (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the *Environmental Protection Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
  - (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutant or any other substance which when released to 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.
- (b) The Chargor hereby represents and warrants that:
  - (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
  - (ii) the business and assets of the Chargor are in compliance with all

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Applicable Environmental Laws;

- (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
  - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
  - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
  - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the Applicable Environmental Laws;
  - (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
  - (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
  - (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
  - (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and

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- (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.
- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "**Indemnified Persons**") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
  - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
    - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
    - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
  - (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:
    - a. resulted by, through or under the Chargor; or
    - b. occurred with the Chargor's knowledge and consent; or
    - c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and satisfaction and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

- (e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof,

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together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

9. Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

10. Amendments to Standard Charge Terms

The Standard Charge Terms No. 201117 referred to in this document were filed by Terra Firma Capital Corporation, and for purposes of this document, any reference in the said Standard Charge Terms to Terra Firma Capital Corporation should be deemed to be replaced by the name of the Chargee.

11. No Prepayment Provision

The Chargor shall have no right or privilege to prepay any amount of the loan secured hereunder.

12. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

13. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

14. Voting Control

The Chargor agrees that voting control of the Chargor or of any beneficial owner shall not change during the currency of this loan without the prior written consent of the Chargee.

15. Joint & Several Obligations

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

16. Survival of Commitment

The terms, conditions, representations and warranties expressed herein and in the Letter of Commitment shall continue in effect as long as any part of the indebtedness secured

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hereunder remains outstanding and shall bind the personal representatives, heirs, successors and assigns of the Chargor and each Covenantor, if any, and shall enure to the benefit of the successors and assigns of the Chargee. Any default by the Chargor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge. In the event of any inconsistency between the terms of this Charge and the Letter of Commitment, the Letter of Commitment shall prevail.

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

yyyy mm dd Page 1 of 12

**Properties**

*PIN* 34136 - 0006 LT  
*Description* PT LT 5, CON 2, OS AS IN MF163384 EXCEPT MEL19045 ; MELANCTHON  
*Address* 516276 COUNTY ROAD 124  
 MELANCTHON

**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* MELANCTHON MEADOWS INC.  
*Address for Service* 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

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)**

	<i>Capacity</i>	<i>Share</i>
<i>Name</i> DORR CAPITAL CORPORATION		as to a 2,120,000 / 2,250,000 interest
<i>Address for Service</i> 41 Scarsdale Road, Unit 6 Toronto, Ontario M3B 2R2		
<i>Name</i> OLYMPIA TRUST COMPANY		as to a 130,000 / 2,250,000 interest
<i>Address for Service</i> PO Box 2581, STN Central Calgary, AB T2P 1C8		

**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, DC250883 registered on 2023/02/09 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 02 09  
 Toronto Applicant(s)  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 02 09  
 Toronto Party To(s)  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

**Submitted By**

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2023 02 09  
 Toronto  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Applicant Client File Number :	9339-037
Party To Client File Number :	23006

**GENERAL ASSIGNMENT**

THIS AGREEMENT made as of the 1st day of February, 2023.

B E T W E E N:

**MELANCTHON MEADOWS INC.**

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- and -

**DORR CAPITAL CORPORATION**

(AS TO A 2,120,000 / 2,250,000 INTEREST)

AND

**OLYMPIA TRUST COMPANY**

(AS TO A 130,000 / 2,250,000 INTEREST)

(hereinafter called the "Assignee"),

OF THE SECOND PART.

**WHEREAS:**

- A. MELANCTHON MEADOWS INC. is the registered and beneficial owner of the lands described as Part of Lot 5, Concession 2, Old Survey as in MF163384 except MEL19045, Township of Melancthon, County of Dufferin, and municipally known as: 516276 County Road 124, Melancthon, Ontario (the "Lands");
- B. Pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, *inter alia*, for the due payment of all principal, interest and other monies payable under the Mortgage;
- C. As additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

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

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

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

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (a) the Leases;
- (b) the Rents;

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

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

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

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

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

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

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

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- (iv) any action or other proceeding instituted by the Assignor, the Assignee or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

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

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

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

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

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

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

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;

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

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- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

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

9. **Assignee Not Liable:** The Assignee shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:
- (a) any delay by, or any failure of, the Assignee to:
- (i) exercise any of the rights afforded to it under this Agreement; or
- (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence (but not the wilful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.
10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Assignee deems best and the Assignee may at any time and from time to time change any such application.
11. **Further Assurances:** The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things including, without limitation, obtaining any consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.
12. **Information:** The Assignor covenants and agrees that from time to time forthwith upon the request of the Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.
13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:
- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and

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- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

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

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

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

15. **Re-assignment:** Upon the Indebtedness being paid in full, the Assignee shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

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17. **Notices:** Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail:

(a) if to the Assignor, addressed to it at:

Melancthon Meadows Inc.  
3621 Highway 7 East, Suite 503  
Markham, Ontario L3R 0G6

Attention: Shakir Rehmatullah

(b) if to the Assignee, addressed to it at:

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario M3B 2R2

Attention: Mortgage Administration Department

Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.

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

19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

21. **Assignment:** The Assignee may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Assignee, and this Agreement shall not be construed to make the Assignee liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

23. **Rights, Powers and Remedies:** Each right, power and remedy of the Assignee provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any

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combination of such rights, remedies and powers may be exercised by the Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

24. **Survival**: All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Assignee to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Assignee.
25. **Severability**: Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions, and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
26. **Governing Law**: This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.
27. **Headings**: The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.
28. **Number and Gender**: All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.
29. **Registrations**: Neither the preparation, execution nor any registrations or filings with respect hereto, shall bind the Assignee to make an advance under the Mortgage.
30. **Receipt of Copy**: The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

MELANCTHON MEADOWS INC.

DocuSigned by:  
  
Per: \_\_\_\_\_  
Name: Shakir Rehmatullah  
Title: President

I have authority to bind the corporation.

**Properties**

*PIN* 34136 - 0002 LT  
*Description* PT LT 5, CON 2 OS AS IN MF201480 EXCEPT PT 1, 7R2155 & MF69136 ;  
 MELANCTHON  
*Address* 476259 3RD LINE ROAD  
 MELANCTHON

**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* 2760562 ONTARIO INC.  
*Address for Service* 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

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)**

	<i>Capacity</i>	<i>Share</i>
<i>Name</i> DORR CAPITAL CORPORATION		as to a 2,120,000 / 2,250,000 interest
<i>Address for Service</i> 41 Scarsdale Road, Unit 6 Toronto, Ontario M3B 2R2		
<i>Name</i> OLYMPIA TRUST COMPANY		as to a 130,000 / 2,250,000 interest
<i>Address for Service</i> PO Box 2581, STN Central Calgary, AB T2P 1C8		

**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, DC250885 registered on 2023/02/09 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 02 09  
 Toronto Applicant(s)  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 02 09  
 Toronto Party To(s)  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

**Submitted By**

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2023 02 09  
 Toronto  
 M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Applicant Client File Number :	9339-037
Party To Client File Number :	23006

**GENERAL ASSIGNMENT**

THIS AGREEMENT made as of the 1st day of February, 2023.

B E T W E E N:

**2760562 ONTARIO INC.**

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- and -

**DORR CAPITAL CORPORATION**

(AS TO A 2,120,000 / 2,250,000 INTEREST)

AND

**OLYMPIA TRUST COMPANY**

(AS TO A 130,000 / 2,250,000 INTEREST)

(hereinafter called the "Assignee"),

OF THE SECOND PART.

**WHEREAS:**

- A. 2760562 ONTARIO INC. is the registered and beneficial owner of the lands described as Part of Lot 5, Concession 2, Old Survey as in MF201480 except Part 1 Plan 7R2155 and MF69136, Township of Melancthon, County of Dufferin, and municipally known as: 476259 3rd Line, Melancthon, Ontario (the "Lands");
- B. Pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, *inter alia*, for the due payment of all principal, interest and other monies payable under the Mortgage;
- C. As additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

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

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

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- (e) **Indebtedness** has the meaning ascribed thereto in Section 3 hereof;
- (f) **Lands** means the lands so defined in the recitals contained herein;
- (g) **Leases** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **Lease** means any of the Leases;
- (h) **Mortgage** means that certain mortgage or charge of land made by the Assignor wherein the Assignor did grant and mortgage unto the Assignee the Lands and which mortgage or charge was registered on title to the Lands on the same (or nearly the same) date as this General Assignment, as same may be supplemented, amended or modified from time to time;
- (i) **Interest Rate** means the rate of interest specified in the Mortgage;
- (j) **Project** means the Lands and the Building;
- (k) **Rents** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
- (l) **Tenant** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **Tenants** means all such persons.

3. **Assignment:** As continuing and additional security for:

- (a) the repayment to the Assignee of all amounts (the Indebtedness) owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; and
- (b) the due performance by the Assignor of the terms, agreements, provisions, conditions, obligations, and covenants on the part of the Assignor to be performed under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (a) the Leases;
- (b) the Rents;

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

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

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

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

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

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

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

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- (iv) any action or other proceeding instituted by the Assignor, the Assignee or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

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

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

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

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

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

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

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;

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

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- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

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

9. **Assignee Not Liable:** The Assignee shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:
- (a) any delay by, or any failure of, the Assignee to:
- (i) exercise any of the rights afforded to it under this Agreement; or
- (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence (but not the wilful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.
10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Assignee deems best and the Assignee may at any time and from time to time change any such application.
11. **Further Assurances:** The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things including, without limitation, obtaining any consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.
12. **Information:** The Assignor covenants and agrees that from time to time forthwith upon the request of the Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.
13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:
- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and

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- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

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

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

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

15. **Re-assignment:** Upon the Indebtedness being paid in full, the Assignee shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

17. **Notices:** Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail:
- (a) if to the Assignor, addressed to it at:
- 2760562 Ontario Inc.  
3621 Highway 7 East, Suite 503  
Markham, Ontario L3R 0G6
- Attention: Shakir Rehmatullah
- (b) if to the Assignee, addressed to it at:
- Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario M3B 2R2
- Attention: Mortgage Administration Department
- Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.
18. **Waiver:** No consent or waiver, express or implied, by the Assignee to or of any breach or default by the Assignor in the performance of its obligations hereunder shall be deemed or construed to be a consent to or waiver of any other breach or default in the performance by the Assignor of its obligations hereunder. Failure on the part of the Assignee to complain of any act or failure to act of the Assignor or to declare the Assignor in default, irrespective of how long such failure continues, shall not constitute a waiver by the Assignee of its rights hereunder.
19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.
20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.
21. **Assignment:** The Assignee may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.
22. **No Agency, Joint Venture or Partnership:** The Assignee is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Assignee, and this Agreement shall not be construed to make the Assignee liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.
23. **Rights, Powers and Remedies:** Each right, power and remedy of the Assignee provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any


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combination of such rights, remedies and powers may be exercised by the Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

24. **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Assignee to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Assignee.
25. **Severability:** Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions, and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
26. **Governing Law:** This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.
27. **Headings:** The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.
28. **Number and Gender:** All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.
29. **Registrations:** Neither the preparation, execution nor any registrations or filings with respect hereto, shall bind the Assignee to make an advance under the Mortgage.
30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

2760562 ONTARIO INC.

DocuSigned by:  
  
B2D40ADD0E224CB

Per: \_\_\_\_\_  
Name: Shakir Rehmatullah  
Title: President

I have authority to bind the corporation.

## GENERAL SECURITY AGREEMENT

### 1. SECURITY INTEREST

- (a) For value received, **Melancthon Meadows Inc. and 2760562 Ontario Inc.** (collectively the "Debtor"), hereby grants to **Dorr Capital Corporation** (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 therefor (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 inventory of whatever kind and wherever situate ("Inventory");
  - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
  - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into (including any deposits payable to the Debtor pursuant thereto) and generally all accounts, debts, dues, claims, choses 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");
  - iv. 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;
  - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property, licenses and permits;
  - vi. all contractual rights for the provision of materials, equipment and services to the lands described in Schedule "A" in connection with the construction and/or servicing upon the lands, including any applicable working drawings, plans, specifications, development and/or building approvals and permits in connection with the lands;
  - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
  - viii. all real property described in Schedule "A" attached hereto and all property described in any schedule now or hereafter annexed hereto.
- (b) The Security Interest created by this Agreement affects all present and after-acquired Collateral of the Debtor wheresoever situate, including, but not limited to, the Debtor's business and assets situate in the Township of Melancthon and more particularly described in Schedule "A" attached hereto (hereinafter called the "Premises").
- (c) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (d) 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 terms "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 arising out of a Letter of Commitment dated January 24, 2023, and any amendments thereto, and pursuant thereto a first mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$2,812,500.00 (the "Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this 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 and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (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 "A" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this 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 those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, 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 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 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;
- (j) To have the premises professionally managed at all times.

#### 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 acts 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 and to the premises described in Schedule "A".

#### 6. **ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE**

- (a) Although it is the intention of the parties that the assignment of all Agreements of Purchase and Sale or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including deposits) received or to be received by the Debtor, pursuant to the Agreements, or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to

the Agreements, or any one of them, without requiring any further proof of such authority.

- (b) In the exercise of the powers herein granted to the Lender no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Debtor. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Agreements, or any one of them, unless and until the Lender expressly and specifically agrees to do so in writing by separate instrument and until such time all parties shall look strictly to the Debtor for the performance and discharge of any and all obligations under the Agreements, or any one of them. The Debtor shall and does hereby agree to indemnify the Lender for and to save and hold it harmless of and from any and all liabilities, losses, expenses, costs or damages which it may or might incur by reason of this assignment.
- (c) This Assignment of Rights under Agreements of Purchase and Sale is given as further security for the performance of the Debtor's obligations under the Charge and in the event of the exercise of the Lender's rights hereunder the Lender shall have the right to apply any sale proceeds or deposits received by it hereunder at its discretion as against principal, interest or costs owing pursuant to the Charge provided always that upon satisfaction in full of the indebtedness owing to the Lender under the Charge, all rights, benefits, and privileges under the Agreements shall be deemed to be reassigned and the Lender shall account for any excess monies held by it pursuant hereto (if any) to the Debtor.

#### 7. **COLLECTION OF DEBTS**

Before or after default under this 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 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.

#### 8. **DISPOSITION OF MONIES**

Subject to any application 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.

#### 9. **EVENTS OF DEFAULT**

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

- (a) The nonpayment 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 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.

#### 10. **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 in 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 reasonably 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 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.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

11. **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 the 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 therefor, 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 notice of any other action taken by the Lender.
- (f) This 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 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 any provisions of this Agreement to the contrary, 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 whom 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.

The address of each party is as follows:

Debtor:

Melancthon Meadows Inc. and 2760562 Ontario Inc.  
3621 Highway 7 East, Suite 503  
Markham, Ontario L3R 0G6

Attention: Shakir Rehmatullah

Lender:

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario M3B 2R2

Attention: Mortgage Administration Department


- (i) This 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 Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this 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 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 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.

13. **COPY OF AGREEMENT**

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

**IN WITNESS WHEREOF** the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 1<sup>st</sup> day of February, 2023.


**MELANCTHON MEADOWS INC.**

DocuSigned by:  


Per: \_\_\_\_\_  
Name: Shakir Rehmatullah  
Title: President

I have authority to bind the corporation.

**2760562 ONTARIO INC.**

DocuSigned by:  


Per: \_\_\_\_\_  
Name: Shakir Rehmatullah  
Title: President

I have authority to bind the corporation.

**SCHEDULE "A"**

Firstly: Part of Lot 5, Concession 2, Old Survey as in MF163384 except MEL19045, Township of Melancthon, County of Dufferin, PIN 34136-0006(LT), municipally known as: 516276 County Road 124, Melancthon, Ontario; and

Secondly: Part of Lot 5, Concession 2, Old Survey as in MF201480 except Part 1 Plan 7R2155 and MF69136, Township of Melancthon, County of Dufferin, PIN 34136-0002(LT), municipally known as: 476259 3rd Line, Melancthon, Ontario.

Dufferin Land Registry Office (No. 07)

Page 9

**SCHEDULE "B"**

- NIL -

This is Exhibit “20” referred to in the Affidavit of Brian Dorr sworn by Brian Dorr at the City of Toronto, in the Province of Ontario, before me on June 5, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'S. Kelly', with a long horizontal line extending to the right.

---

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

**STEVEN KELLY (LSO #87293B)**

## Enquiry Result

File Currency: 28MAY 2026

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All Pages

**Note: All pages have been returned.**

Type of Search	Business Debtor								
Search Conducted On	MELANCTHON MEADOWS INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	790394157	1	1	1	4	31JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		001	4		20230131 1237 1793 8813	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MELANCTHON MEADOWS INC.					002809434			
	Address				City	Province	Postal Code		
	3621 HIGHWAY 7 EAST, SUITE 503				MARKHAM	ON	L3R0G6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2760562 ONTARIO INC.					002760562			
	Address				City	Province	Postal Code		
	3621 HIGHWAY 7 EAST, SUITE 503				MARKHAM	ON	L3R0G6		
Secured Party	Secured Party / Lien Claimant								
	DORR CAPITAL CORPORATON								
	Address				City	Province	Postal Code		
	41 SCARSDALE ROAD, UNIT 6				TORONTO	ON	M3B2R2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	(1) GENERAL SECURITY AGREEMENT RESPECTING ALL PRESENT AND AFTER-ACQUIRED PROPERTY OF THE DEBTOR WHERESOEVER SITUATE, (2) ASSIGNMENT OF INTEREST RESERVE, AND (3) GENERAL ASSIGNMENT OF RENTS AND LEASES								

Registering Agent	Registering Agent	City	Province	Postal Code
	GARFINKLE, BIDERMAN LLP (LMK/FY 9339-037)			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	1 ADELAIDE ST. EAST, SUITE 801	TORONTO	ON	M5C2V9

**577**

CONTINUED

Type of Search	Business Debtor							<b>578</b>	
Search Conducted On	MELANCTHON MEADOWS INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		002	4		20230131 1237 1793 8813				
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								
	RESPECTING FIRSTLY, PART OF LOT 5, CONCESSION 2, OLD SURVEY AS IN MF163384 EXCEPT MEL19045, TOWNSHIP OF MELANCTHON, COUNTY OF DUFFERIN, MUNICIPALLY KNOWN AS 516276 COUNTY ROAD 124, MELANCTHON,								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor							<b>579</b>	
Search Conducted On	MELANCTHON MEADOWS INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		003	4		20230131 1237 1793 8813				
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								
	ONTARIO, AND SECONDLY, PART OF LOT 5, CONCESSION 2, OLD SURVEY AS IN								
	MF201480 EXCEPT PART 1 PLAN 7R2155 AND MF69136, TOWNSHIP OF								
	MELANCTHON, COUNTY OF DUFFERIN, MUNICIPALLY KNOWN AS 476259 3RD								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor							<b>580</b>	
Search Conducted On	MELANCTHON MEADOWS INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		004	4		20230131 1237 1793 8813				
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								
	LINE, MELANCTHON, ONTARIO.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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## Enquiry Result

File Currency: 28MAY 2026

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Type of Search	Business Debtor								
Search Conducted On	2760562 ONTARIO INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	790394157	1	1	1	4	31JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		001	4		20230131 1237 1793 8813	P PPSA	5		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	MELANCTHON MEADOWS INC.					002809434			
	Address				City	Province	Postal Code		
	3621 HIGHWAY 7 EAST, SUITE 503				MARKHAM	ON	L3R0G6		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	2760562 ONTARIO INC.					002760562			
	Address				City	Province	Postal Code		
	3621 HIGHWAY 7 EAST, SUITE 503				MARKHAM	ON	L3R0G6		
Secured Party	Secured Party / Lien Claimant								
	DORR CAPITAL CORPORATON								
	Address				City	Province	Postal Code		
	41 SCARSDALE ROAD, UNIT 6				TORONTO	ON	M3B2R2		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
	(1) GENERAL SECURITY AGREEMENT RESPECTING ALL PRESENT AND AFTER-ACQUIRED PROPERTY OF THE DEBTOR WHERESOEVER SITUATE, (2) ASSIGNMENT OF INTEREST RESERVE, AND (3) GENERAL ASSIGNMENT OF RENTS AND LEASES								

Registering Agent	Registering Agent	City	Province	Postal Code
	GARFINKLE, BIDERMAN LLP (LMK/FY 9339-037)			
	<b>Address</b>	<b>City</b>	<b>Province</b>	<b>Postal Code</b>
	1 ADELAIDE ST. EAST, SUITE 801	TORONTO	ON	M5C2V9

**583**

CONTINUED

Type of Search	Business Debtor							<b>584</b>	
Search Conducted On	2760562 ONTARIO INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		002	4		20230131 1237 1793 8813				
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								
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Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor							<b>585</b>	
Search Conducted On	2760562 ONTARIO INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	790394157	1	1	3	4	31JAN 2028			
<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
790394157		003	4		20230131 1237 1793 8813				
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		
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	Address				City	Province	Postal Code		
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Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
	ONTARIO, AND SECONDLY, PART OF LOT 5, CONCESSION 2, OLD SURVEY AS IN								
	MF201480 EXCEPT PART 1 PLAN 7R2155 AND MF69136, TOWNSHIP OF								
	MELANCTHON, COUNTY OF DUFFERIN, MUNICIPALLY KNOWN AS 476259 3RD								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

CONTINUED

Type of Search	Business Debtor							<b>586</b>	
Search Conducted On	2760562 ONTARIO INC.								
File Currency	28MAY 2026								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
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<b>FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN</b>									
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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								
	LINE, MELANCTHON, ONTARIO.								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

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This is Exhibit “21” referred to in the Affidavit of Brian Dorr sworn by Brian Dorr at the City of Toronto, in the Province of Ontario, before me on June 5, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'S. Kelly', written over a horizontal line.

---

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

**STEVEN KELLY (LSO #87293B)**

**Dorr Capital Corporation**

41 Scarsdale Road, Unit 6

Toronto, ON M3B 2R2

[www.dorrcapital.com](http://www.dorrcapital.com)

January 24, 2023

**Flato Greens Inc.**
**3621 Highway 7 East, Suite 503**
**Markham, Ontario**
**L3R 0G6**

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

---

Dorr Capital Corporation is pleased to advise that we are prepared to offer the following loan facilities (the "Loan") subject to the terms and conditions outlined below (hereinafter called the "Commitment").

**Borrower Name:** Flato Greens Inc. (the "Borrower")  
**Lender:** Dorr Capital Corporation (the "Lender")  
**Servicer:** Dorr Capital Corporation ("DCC")  
**Guarantor(s):** Joint and several guarantee from Shakir Rehmatullah ("Individual Guarantor") and Flato Management Inc. ("Corporate Guarantor") (Individual Guarantor and Corporate Guarantor, together known as the "Guarantor" and/or "Guarantors").  
**Loan Facility:** \$4,000,000 First Mortgage Land Loan



P.

<b>Project Description:</b>	The subject land is located at 772060 Highway 10, Dundalk, ON. It has a total land area of 90 acres with 50 acres being used for the proposed residential development. It is a MZO approved land with proposed 412 low rise units (i.e., 226 Singles, 146 Townhouses and 40-unit Rental Apartment) (the "Project").
<b>Property Legal Description:</b>	Pt Lt 238-240 Con 1 Swtstr Proton; Pt Lt 238 Con 2 Swtstr Proton as in Gs61405 Except Pt 1-2 16R6077, Gs76867, R492286 & Lying Ne of R492286; Southgate L
<b>Purpose:</b>	To assist the Borrower with the acquisition of the property, and fund transaction costs.
<b>Initial Funding:</b>	\$4,000,000 (the "Initial Advance")
<b>Interest Rate:</b>	The greater of Royal Bank of Canada's Prime lending rate plus 5.80% or 12.50% per annum.  The following is applicable should the loan be extended; at the sole discretion of the Lender. <b>Month 19 to 24:</b> Greater of 13.50% and Prime + 6.80% <b>Month 25 to 30:</b> Greater of 14.50% and Prime +7.80% (the "Interest Rate")
<b>Interest:</b>	Interest shall accrue and be calculated daily on the outstanding balance of the amounts of the Loan advanced from time to time at the Interest Rate and be compounded monthly, not in advance, and shall be payable monthly, interest only throughout the term of the Loan. The Borrower will be required to fund interest at the Interest Rate from its own resources, by way of pre-authorized debits to the Borrower's Project account.
<b>Interest Reserve:</b>	Not applicable
<b>Term:</b>	Repayable on demand by the Lender, however, without prejudice to the right of the Lender to demand payment at any time for any reason whatsoever, the Loan is repayable in full on the date that is 18 months from the date of the Initial Advance if the same occurs

on the first calendar day of a month otherwise 18 months from the first calendar day of the month next following the date of the Initial Advance (the "**Maturity Date**")

**Optional extension:**

The term of the Loan is subject to two extension rights of six (6) months each, as follows: not later than 90 days prior to the Maturity Date (as it may have been extended) but not less than 60 days prior to the Maturity Date (as it may have been extended), provided that no Event of Default has ever occurred during the term of the Loan, the Borrower shall be entitled to give written notice to the Lender advising that it wishes to extend the Maturity Date (as it may have been extended) by 6 months, which notice must be accompanied by payment of the Extension Fee, whereupon at the Lender's option, in its sole and unfettered discretion, the term of the Loan shall be extended by 6 months. If the Lender elects not to extend the term, the payment accompanying the Borrower's notice as aforesaid shall be returned to the Borrower.

**Commitment Fee:**

\$104,000 deemed earned upon acceptance of this Commitment (the "**Commitment Fee**") with \$50,000 payable upon acceptance and the balance of \$54,000 payable upon funding of the Initial Advance. The Borrower acknowledges that this fee and the Placement Fee are a reasonable estimate of the Lender's costs incurred in sourcing, investigating, underwriting and preparing the Loan and holding monies available to fund the Loan and that these fees are still earned by the Lender and payable by the Borrower if the Loan is not advanced. In the event that the funding of the Loan is not completed for any reason other than the Lender's default, the full Commitment Fee and Placement Fee will be payable and retained as liquidated damages without prejudice to and in addition to any other remedy available to the Lender. If the Lender suffers losses, costs and damages in excess of the amount of the Commitment Fee and the Placement Fee, the Lender shall be entitled to seek compensation from the Borrower in addition to the Commitment Fee and Placement Fee. The Borrower directs the Lender to deduct the amount of the Commitment Fee and the Placement Fee from the proceeds of the Initial Advance.

<b>Placement Fee:</b>	\$40,000 deemed earned upon acceptance of this Commitment and payable upon funding of the Initial Advance.
<b>Administration Fee:</b>	The Lender shall charge an administration fee (" <b>Administration Fee</b> ") of \$500 per advance throughout the term of the loan.
<b>Discharge Fee:</b>	A discharge fee (" <b>Discharge Fee</b> ") of \$500 shall be deemed earned by the Lender and payable by the Borrower prior to the delivery of the final discharge of the Security for the Project.  Discharge statements will be provided to the Borrower within three business days of written notice.
<b>Extension Fee:</b>	If an extension is granted by the Lender the following fees will apply. <ul style="list-style-type: none"> <li>• Extension Fee of 1.20% (per extension period) of the outstanding amount under the Loan shall become due and payable upon the first day of the Extension period.</li> </ul>
<del><b>Regulatory Fees:</b></del>	<del>A maximum amount of \$3,500 plus HST for applicable regulatory fees.</del>
<b>Other Fees:</b>	Please refer to Schedule E for other applicable fees.
<b>Legal Fees:</b>	For the account of the Borrower and the Borrower hereby irrevocably directs the Lender and the Lender's solicitors to deduct the same from the proceeds of the Initial Advance and any other advance of the Loan.
<b>Repayment:</b>	Interest only, payable monthly in arrears from the Borrower's own resources. The Borrower agrees to make payments of interest when due by way of pre-authorized debits to the Borrower's Project account. The outstanding amount of the Loan together with all accrued and unpaid interest and all other amounts owing by the Borrower hereunder shall be repayable in full on the Maturity Date.
<b>Prepayment:</b>	The Loan is closed for prepayment.

**Security:**

The Borrower, prior to any advance of funds, shall deliver the following security documents (collectively the "Security") which shall be in form, scope and substance satisfactory to the Lender and its legal counsel:

1. First mortgage with a principal amount of \$5,000,000 granting a first fixed charge against the Project.
2. A first-ranking assignment of rents and leases registered against title to the Project.
3. The joint and several guarantee of the Guarantors for the full amount of the Loan and all other costs, expenses and amounts owing hereunder or under the Security, together with an assignment and postponement of claims by the Guarantor and all shareholders of the Borrower relating to any claims against the Borrower and the other Guarantor. The Borrower and the Guarantor shall represent and warrant to the Lender the amount (if any) of any existing claims by any shareholders of the Borrower and the Guarantor against the Borrower or any Guarantor.
4. General Security Agreement registered under the Personal Property Security Act of Ontario granting a first-ranking security interest in all personal property of the Borrower, including without limitation:
  - Accounts and Book Debts of the Borrower in respect of the Project.
  - Agreements of Purchase and Sale inclusive of Purchasers' Deposits
  - All present and after acquired personal property of the Borrower in respect of Project.
  - Rights of the Borrower (a) under all building/development permits and the monies paid thereunder, (b) to all plans, specifications and drawings related to the Project, and (c) under all contracts and agreements relating to the Property and the Project.

5. The Lender shall have received an acceptable insurance binder, certificate or cover note, to be followed, within 30 days of the issuance of the binder or cover note, with a certified copy of a policy or policies of insurance, satisfactory to the Lender, containing the requirements of Schedule "A" hereto and including evidence of a Comprehensive General Liability Insurance policy for the Project in an amount of not less than \$5,000,000 per occurrence. The Commercial General Liability Policy must reference the Property and DCC is to be added as an additional insured.

We will require the insurance policy(ies) to be reviewed by an Independent Insurance Consultant, at the Borrower's expense.

6. If registered title to the Property is held by a nominee or trustee, the beneficial owner or owners will execute a beneficial owners agreement, pursuant to which, among other things, it or they charge its or their beneficial interest or interests in the Property in favour of the Lender, authorizes the nominee or trustee to execute all documentation as required pursuant to this Commitment (including, if such nominee or trustee is not the Borrower, a guarantee and postponement and assignment of claims), and agree to be bound thereby as if it or they executed the same itself or themselves.
7. The Lender's solicitors shall obtain Title Insurance, at the cost of the Borrower, on the mortgage and the Property.
8. Pledge of shares of the Borrower.
9. Intentionally Deleted (Subordination and Standstill Agreement).
10. Intentionally Deleted (Condo voting rights).

11. Negative pledge by Borrower and Guarantors to not repay any shareholder loans, redeem shares, pay out dividends, withdraw equity from the Project or increase compensation to principals of any of the Borrower or Guarantors until the Loan has been fully repaid.
12. Joint and several environmental warranty and indemnity agreement by the Borrower and Guarantors stated to survive repayment of the Loan.
13. A cost overrun and completion guarantee from the Borrower and Guarantor with respect to the Project (if applicable).
14. Such other and further security and documentation as may be required by the Lender or its counsel to complete and perfect the Security.

**The Security may be completed and registered in the name of Dorr Capital Corporation or its Nominee. Notwithstanding such registration, day-to-day administration of the Loan shall be by:**

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario  
M3B 2R2

to which all correspondence, enquiries, principal and interest and other payments, and any other matters whatsoever with respect to the Loan should be directed.

**Funding Conditions:**

The obligation of the Lender to make the first advance of the Loan is subject to fulfillment by the Borrower of the following conditions, to the satisfaction of the Lender:

1. Title to the Property must be satisfactory to DCC and DCC's solicitors, with no encumbrances other than Permitted Encumbrances and no work orders.

2. All Security documents must be executed and registered, the Lender's solicitors must provide a satisfactory report on registration of the Security. The Lender shall have received such off-title inquiry responses for the Property, including from the applicable Tax Department and the Building and Zoning Department, as it may require.
3. Satisfactory confirmation of equity injection in the Project in the amount of \$2,050,350.
4. Inspection of the Property by DCC and if required a meeting with the Borrower, all to the satisfaction of the Lender.
5. A soils test report and Geotechnical Report by an acceptable professional engineer or such other similar report as is acceptable to the Lender, must be provided, demonstrating to the satisfaction of the Lender that the proposed construction and site improvements of the Project are feasible under existing soil conditions, together with evidence that the construction specifications for the Project provide for construction in compliance with such conditions and with the recommendations, if any, which may be contained in such soils test report. Such report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
6. The Borrower will obtain at its own expense an environmental audit, from a firm approved by the Lender, confirming that in their professional opinion there is no evidence that the site or any structures thereon are contaminated by any environmental hazards and recommending that no further action need be taken or will provide evidence of a remediation plan that will leave the site environmentally acceptable to the relevant Provincial and Federal Agencies and further evidence that said remediation plan is being performed, as budgeted for in the approved budget for the Project, and has been formally approved by the Ontario Ministry of the Environment and Climate Change. Such environmental audit must be

- accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the consultant to the Lender and shall confirm that the Lender and its assigns can rely upon such report for lending purposes.
7. All levies, impost fees, local improvement charges, property taxes and other charges affecting the Project due and payable shall have been paid to the date of the first advance of funds unless they are to be funded as part of the first advance.
  8. The Borrower shall have provided the Lender with (a) a survey of the Project by an Ontario licensed land surveyor, indicating no encroachments, easements or rights of way, save those which the Lender may specifically accept and showing the relationship of the Property to public thoroughfares for access purposes and (b) all site plans, plans and specifications, applications to municipalities, building and servicing permits, and engineers reports, as applicable and as the Borrower may have in its possession or control relating to the Property or the Project.
  9. The Lender shall have received from an approved appraiser a satisfactory appraisal of the Project confirming a fair market land value of \$6,900,000 on an "as-is" basis. Such appraisal report must be accompanied by the Form of Reliance Certificate (attached to this Commitment as Schedule "C") from the appraiser to the Lender and shall confirm that the Lender and its assigns can rely upon such appraisal for lending purposes.
  10. Receipt and satisfactory review of the Agreement of Purchase and Sale of the Property.
  11. The Lender is to be satisfied in its sole discretion that the required municipal and/or regional approvals necessary to proceed with the Project are in place.
  12. Receipt and satisfactory review by Lender of the project budget/proforma confirming the Project budget, as applicable.

13. Receipt and satisfactory review of payout statement from each lender being repaid on closing, as applicable.
14. *Intentionally Deleted (Tarion Warranty Corporation enrolment)*
15. Receipt and satisfactory Anti-Money Laundering and Client Information inclusive of beneficial owners within the Project.
16. The Borrower and each Guarantor and beneficial owner authorize the Lender to make inquiries concerning its character, general reputation, personal characteristics, financial and credit data, including its respective directors, officers, shareholders, and principals, and to verify any information provided to the Lender hereunder, all for the purpose of underwriting and servicing the Loan.
17. Receipt and satisfactory review of a personal net worth and/or financial statement(s) for the last three years from the Borrower and the Guarantors on DCC's standard form, duly signed and witnessed. In addition, the Lender is to receive satisfactory bank references and credit reports for the Borrower and Guarantors, both prior to the Initial Advance and at any time thereafter, as required by the Lender, until the Loan is fully repaid.
18. This Commitment is conditional on the Lender receiving full approval by the Lender's investment committee and successful syndication.
19. Receipt and satisfactory review of any cost sharing agreements related to the subject Project, by the Lender and its legal counsel, as applicable.
20. A statutory declaration regarding the Borrower's compliance with the *Construction Act* (Ontario).
21. The Borrower shall have provided a signed Mortgage Application in the form of Schedule "D".

22. Other conditions precedent deemed appropriate by the Lender for a project of this nature.

### Other Conditions

1. Advances of the Loan shall take place only (a) if no Event of Default exists and (b) on title to the Project being acceptable to our solicitors and all matters in connection with the Security and other documentation deemed necessary or advisable by our solicitors being complied with by the Borrower and Guarantors and all Security and other instruments and agreements to evidence and secure the Loan are duly executed, with evidence of registration where applicable.
2. The Project may not be sold by the Borrower, in whole or in part, other than by individual unit sales in the normal course of business without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

Additionally, the Loan may not be assumed by a purchaser of the Project, in whole or in part, without the Lender's prior written consent, which consent may be unreasonably withheld, conditioned and/or delayed by the Lender.

3. The Lender shall require a satisfactory opinion and report from its solicitors indicating, among other things, the validity, enforceability and priority of all Security and the state of title of the Project. The Borrower shall be entitled to pay for title insurance to replace any title opinion, if it wishes.
4. The Lender shall require for the Borrower, any corporate beneficial owners and corporate Guarantors, evidence of corporate existence and authority, including without limitation certified copies of articles, by-laws and authorizing resolutions of directors, a certificate of non-restriction and incumbency and a certificate of status, all as the Lender and its counsel may require, together with an opinion of counsel to the Borrower and the Guarantors as to usual matters such as: corporate existence, powers and authority, absence of



litigation, and execution, delivery and enforceability of this Commitment and all Security.

5. The Borrower shall establish a separate bank account for the Project at a financial institution acceptable to the Lender, through which all advances and disbursements shall be made in respect to the Project.
6. The Lender will require a satisfactory Letter of Transmittal regarding all professional reports including, without limiting, the environmental report. A Transmittal Letter is to be issued for each report, addressed to DCC and state that the report can be relied upon by the Lender, and its assigns, for mortgage financing purposes.
7. The representations and warranties of the Borrower and the Guarantors set out herein and in the Security must be true and correct and there shall be no Event of Default that shall have occurred and be continuing.
8. Such other information that the Lender and/or its solicitor may reasonably require.

**Availability:**

Single advance in the amount of \$4,000,000 less closing costs.

**Financing Program:**

Uses	Total	Per Acre	%
Purchase Price	\$ 4,995,000	\$ 99,900	83%
Land Transfer Tax	\$ 111,350	\$ 2,227	2%
Interest Costs	\$ 750,000	\$ 15,000	12%
Closing Costs	\$ 50,000	\$ 1,000	1%
Commitment Fees	\$ 104,000	\$ 2,080	2%
Placement Fees	\$ 40,000	\$ 800	1%
<b>Total Uses</b>	<b>\$ 6,050,350</b>	<b>\$ 121,007</b>	<b>100%</b>

Sources	Total	Per Acre	%
Land Loan	\$ 4,000,000	\$ 80,000	66%
Equity	\$ 2,050,350	\$ 41,007	34%
<b>Total Sources</b>	<b>\$ 6,050,350</b>	<b>\$ 121,007</b>	<b>100%</b>

**Closing Date:**

On or before February 9, 2023, or such other date as is agreed to by the lender and the Borrower. In any event if the Initial Advance is not funded by February 24, 2023, for any reason

other than Lender default, this Commitment, at the option of the Lender, shall be null and void and the Lender shall be released of any present or further obligations hereunder. Notwithstanding the foregoing, the Borrower and Guarantors shall remain liable for any outstanding fees and costs as set out herein.

**Representations and  
Warranties:**

The Borrower and Guarantors represent and warrant the following to the Lender, each of which shall be true and correct for each advance hereunder:

- (i) If any of the Borrower and the Guarantors is a corporation, it is a corporation validly existing, duly organized and in good standing under the laws of its jurisdiction of incorporation and is in compliance with legal requirements applicable to doing business in such jurisdiction. The Borrower is not a "non-resident" within the meaning of the *Income Tax Act* (Canada). The Borrower and the Guarantors have the right to enter into this Commitment and to charge or pledge the Property and all other assets herein stipulated as security for the Loan and have the power and authority to execute and deliver this Commitment, the Security and all other documents contemplated hereby and to perform and complete the transaction contemplated herein;
- (ii) The legal description of the Property is accurately set out above. The legal and beneficial owner of the Property is the Borrower. Title to the Property is good and marketable and free from all easements, rights-of-way, agreements, restrictions, mortgages, charges, liens, executions and other encumbrances. The Borrower and the Guarantors have not withheld any information of a material nature relating to the Property, the Borrower or the Guarantors;
- (iii) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder do not and will not conflict with or result in a breach of any of the terms, conditions or

- provisions of their articles, charter documents, by-laws or any unanimous shareholder agreement, as applicable;
- (iv) The execution and delivery by the Borrower and the Guarantors of this Commitment and the applicable Security and the performance of their respective obligations hereunder and thereunder have been duly authorized or will, prior to funding, have been ratified by all necessary corporate action, and no authorization under any applicable law and no registration, qualification, approval, designation, declaration or filing with any government body, agency, or authority having jurisdiction over the Borrower or any of the Guarantors is or was necessary therefor, except as contemplated herein;
- (v) The Borrower possesses all consents, approvals, permits and authorizations under any applicable law and under any agreement to which it is a party or by which it is bound, which are necessary in connection with the operation of its business, the Project, and the performance of its obligations hereunder and under the Security. All such consents, approvals, permits and authorizations are in full force and effect and the Borrower is not in default in any respect thereunder, which default would have a material adverse effect. No action exists, is pending or threatened which has as its object the revocation, amendment or qualification of any such consent or authorization and all applicable appeal periods in respect of such actions have expired. The Project and its development and construction are in compliance with all laws;
- (vi) The Borrower is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it or any of its property may be bound;
- (vii) Each of the Borrower and the Guarantors has filed all tax returns which is required to be filed by it and has paid or remitted when due all taxes, assessment and government charges imposed upon it except such tax, assessment or

charge which is being contested in good faith and for which each of the Borrower or Guarantors, as the case may be, has made adequate reserves;

- (viii) With respect to the Property the Borrower has obtained and is in compliance with: (a) all terms and conditions of all authorizations which are required under any environmental law; and (b) all environmental laws. The Borrower does not generate hazardous materials or transport, treat or dispose of any hazardous materials nor is the Borrower aware of any underground storage tanks or surface contaminants located on the Property. The Borrower has never caused or permitted (A) a release of any contaminant from or on the Property or (B) any hazardous materials to be placed, held, located, or disposed of on or under the Property. No enforcement action, investigation or outstanding order from any official body in respect of any hazardous materials or release of contaminants is existing, threatened or pending with respect to the Borrower or the Property. No hazardous substances are used, stored, discharged or present on the Property, except in compliance with environmental laws;
- (ix) The Borrower has complied with and will, at all times during the term of the Loan, comply with the requirements of the *Construction Act* (Ontario) and the regulations pursuant thereto;
- (x) The Property complies in all material respects with all relevant by-laws relating to the use thereof and there are no work orders issued against the Property by any governmental body;
- (xi) All documents and information delivered by or on behalf of the Borrower and the Guarantors to the Lender is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan;
- (xii) There are no existing or pending claims, suits, actions, proceedings, judgments or orders outstanding against the Borrower or any of the Guarantors or involving the Property;

- (xiii) All necessary municipal services are available to the lot line of the Project;
- (xiv) All financial information provided by the Borrower and Guarantors to the Lender, including but not limited to, financial information provided in respect of the values and other matters pertaining to the Property and financial statements for the Borrower and the Guarantors, is true and accurate and may be relied upon by the Lender in executing this Commitment and making the Loan and there has been no material adverse change in the Borrower's or any Guarantor's financial condition or operations since the date of such financial statements; and
- (xv) All property taxes, levies, assessments, penalties or other costs payable to a municipality or other local government in respect of the Property have been paid and no such amount is in arrears or is due and unpaid or will be paid on the Initial Advance.

**Reporting Requirements:**

The Borrower and/or Guarantors shall provide to the Lender:

1. Within 120 days of each fiscal year end during the term of the Loan, accountant prepared financial statements for the Borrower and each corporate Guarantor;
2. Updated financial statements and/or net worth statements annually for each personal Guarantor;
3. Quarterly updates regarding zoning approval and servicing progress, costs, and sales activity relating to the Project;
4. The Borrower and Guarantors agree to be fully responsible for remittance and payment of any and all HST collected by or due to any of them and submission of HST credits or claims, and will provide monthly accounting of same to the Lender if requested by the Lender; and
5. Such other financial and supporting information as the Lender may request acting reasonably.

**Permitted Encumbrances:** None

**Subsequent Financing:** No financing subsequent to the Loan shall be permitted, without the prior written consent of the Lender, with such consent not to be unreasonably withheld. The Borrower shall disclose to the Lender all existing or proposed financing related to the Project. The Borrower will provide evidence, satisfactory to the Lender, as to the source of the Borrower's required equity in the Project.

**Assignment:** The Commitment and the Security may not be assigned, transferred or otherwise disposed of by the Borrower without the Lender's prior written consent. However, the Commitment and Security or any interest therein may be assigned or participated by the Lender (and its successors and assigns), in whole or in part, without the consent of the Borrower or the Guarantors. Except as hereinafter provided, the Borrower and Guarantors consent to the disclosure by the Lender to any such prospective assignee or participant of all information and documents regarding the Loan, the Project, the Borrower, and the Guarantors within the possession or control of the Lender.

**Sign:** DCC shall have the right to erect a sign on the Project, at its own expense, indicating it has provided financing on the Project during the period for which the financing or any portion thereof, remains outstanding. DCC may also refer to this Project in its advertising at any time after the first advance under the Loan.

**Defaults:** In this Commitment and the Security, "Event of Default" means any of the following:

1. in the event of the Borrower failing to pay any amount when due hereunder;
2. in the event of the Borrower or any Guarantor being in breach of any covenant, condition or term of the Commitment or the Security;
3. if any representation made by the Borrower, the Guarantors or their agents, or any information provided by them is found to be materially untrue or incorrect;

4. if any of the Borrower or Guarantors commits an act of bankruptcy or becomes insolvent or bankrupt or has a receiver or receiver and manager appointed for it or over any of its material assets or if any creditor takes possession of any of its material assets or if any execution, distress or other like process is levied or enforced upon the Property or any part thereof or if any compromise or arrangement with creditors is made by any of them;
5. if any of the Borrower or Guarantors shall be deceased or be the subject of any bankruptcy, arrangement with creditors, proposal, amalgamation, reorganization, liquidation, winding-up, dissolution, receivership or material proceedings, material litigation or continuation under the laws of any other jurisdiction, including without limitation the *Bankruptcy and Insolvency Act* (Canada) and the *Companies' Creditors Arrangement Act* (Canada), whether initiated or commenced by them or not;
6. in the event of any default by the Borrower or any Guarantor under any other mortgages or encumbrances registered against title to or otherwise affecting the Property or any part thereof;
7. in the event of the registration of any construction lien against title to the Property or any part thereof which is not discharged or vacated within a period of ten (10) days after the date of registration thereof;
8. in the event that the Property or any material part thereof is abandoned or there is any cessation of the business activities now being conducted thereupon by the Borrower or any beneficial owner thereof or any of their respective officers, agents, employees, tenants or invitees or any material part thereof;
9. if any Event of Default as defined in the Security occurs;
10. if in the sole opinion of the Lender, a material adverse change occurs relating to the Borrower, any Guarantor, the

Property, the Project, or the risk associated with the Loan;  
and

11. if any default occurs under any loan made by the Lender or DCC to the Borrower or any of the Guarantors or any person controlled by any of the Guarantors.

Upon the occurrence of an Event of Default, the Lender, at its option, may (a) cease or delay further funding of the Loan; (b) declare the principal and interest on the Loan and any other amount due under the Commitment forthwith due and payable, whereupon the same shall be and become immediately due and payable in full, and make demand to the Borrower for immediate payment of the same, and (c) exercise any and/or all remedies available to it at law or in equity hereunder, under the Security or otherwise.

**Construction Liens:**

If a construction lien is filed or registered against title to the Property or if the Borrower, any Guarantor or Lender receives notice of any such lien, then, at the option of the Lender, and in addition to any other remedies it may have, the Lender shall not be required to make any further advance of the Loan until funds sufficient to satisfy such construction lien have been deposited with the Lender or until such time as such lien has been vacated, deleted or discharged.

**Costs:**

All appraisal, engineering, inspection, title, survey, legal, insurance review and other customary underwriting, inspection, securing or enforcement expenses of the Lender, are for the account of and shall be paid by the Borrower and may at the Lender's option be deducted from an advance of the Loan and the Borrower hereby irrevocably directs and authorizes the Lender to pay such expenses and costs, together with any outstanding balance of the Commitment Fee, or any other amount due to the Lender, from and out of any advance of funds under this Loan, in the event the same have not been paid at the time thereof.

**Waiver:**

No term or requirement of this Commitment may be waived or varied orally or by any course of conduct of the Borrower or

anyone acting on its behalf or by any officer, employee or agent of the Lender. Any alteration or amendment to, or waiver of any provision of, this Commitment must be in writing and signed by a duly authorized officer of the Lender and accepted by the Borrower and Guarantors. The waiver by the Lender of any breach or default by the Borrower of any provisions contained herein shall not be construed as a waiver of any other or subsequent breach or default by the Borrower. In addition, any failure by the Lender to exercise any rights or remedies hereunder or under the Security shall not constitute a waiver thereof.

**Governing Law:** The Commitment and Loan shall be governed by and construed under laws of the Province of Ontario.

**Time:** Time is of the essence in this Commitment.

**Severance:** The Borrower and Guarantors agree that if any one or more of the provisions contained in this Commitment shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Lender, not affect any or all other provisions of this Commitment and this Commitment shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

**Joint and Several:** If the Borrower or the Guarantors are comprised of more than one person or corporation, the obligations hereunder shall be the joint and several obligations of each such person or corporation comprising the Borrower or Guarantors unless otherwise specifically stated herein.

~~**First Right:**~~

~~The Lender shall have a right of first refusal to finance or arrange financing for any subsequent phases of the development, of which the Project forms a part, or any further development to be developed on the lands adjacent thereto and shall be given the first opportunity and a reasonable period of time, after delivery to the Lender of all reasonably requested information, to provide a commitment to fund such further development.~~

**Indemnity:**

The Borrower and Guarantors, jointly and severally, shall indemnify and save harmless the Lender and its officers, agents, trustees, employees, contractors, licensees or invitees from and against any and all losses, damages, injuries, expenses, suits, actions, claims and demands of every nature whatsoever arising out of the provisions of this Commitment and the Security, any letters of credit or letters of guarantee issued, sale or lease of the Project and/or the use or occupation of the Project including, without limitation, those arising from the right to enter the Project from time to time and to carry out the various tests, inspections and other activities permitted by the Commitment and the Security. In addition to any liability imposed on the Borrower and Guarantors under any instrument evidencing or securing the Loan indebtedness, the Borrower and Guarantors shall be liable for any and all of the Lender's costs, expenses, damages or liabilities, including, without limitation, all reasonable legal fees, directly or indirectly arising out of or attributable to the use, generation, storage, release, threatened release, discharge, disposal or presence on, under or about the Project of any hazardous or noxious substances. The representations, warranties, covenants and agreements of the Borrower and Guarantor set forth in this subparagraph:

- (i) Are separate and distinct obligations from the Borrower's and Guarantors' other obligations;
- (ii) Survive the payment and satisfaction of their other obligations and the discharge of the Security from time to time taken as security therefore;
- (iii) Are not discharged or satisfied by foreclosure of the charges created by any of the Security; and
- (iv) Shall continue in effect after any transfer of the land including, without limitation, transfers pursuant to foreclosure proceedings (whether judicial or non-judicial) or by any transfer in lieu of foreclosure.

- 
- Lender's Solicitors:** The Lender's solicitor shall be:
- Garfinkle, Biderman LLP  
1 Adelaide Street East  
Toronto Ontario  
M5C 2V9
- Attention:** Mitch Kazdan
- Lender's Insurance Consultant:** The Lender's insurance consultant shall be:
- Proincon Limited  
287 Tache Avenue  
Winnipeg, Manitoba  
R2H 2A1
- Attention:** Wayne Fast
- Lender's Cost Consultant:** N/A
- No Merger; Conflict:** The representations, warranties, covenants and obligations herein set out shall not merge or be extinguished by the execution or registration of the Security but shall survive until all obligations under this Commitment and the Security have been duly performed and the Loan, interest thereon and any other moneys payable to the Lender are repaid in full. In the event of any inconsistency or conflict between any of the provisions of the Commitment and any provision or provisions or the Security, the provisions of the Commitment will prevail.
- Confidentiality:** The Borrower and Guarantors acknowledge and agree that the terms and conditions recited herein are confidential between themselves and the Lender, its solicitors, cost consultant, insurance consultant and Project monitor. The Borrower and Guarantors agree not to disclose the information contained herein to a third party, other than their lawyer, without the Lender's prior written consent.

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**Proceeds of Crime (Money Laundering) and Terrorist Financing Act:**

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 Guarantors and any third party involved in the transaction, and for information with respect to the source of funds used in connection with the Borrower's equity in the Property. The Borrower and each Guarantor hereby covenant and agree to provide, prior to funding, such identification and information as may be reasonably required to ensure the Lender's compliance with the Act.

**Material Changes:**

If at any time before the Closing Date there is or has been any material change, discrepancy or inaccuracy in any information, statements, representations or warranties made or furnished to the Lender by or on behalf of the Borrower or upon the occurrence of an Event of Default under this Commitment which cannot be or is not rectified or nullified by the Borrower to the Lender's satisfaction within ten (10) days after written notification thereof by the Lender to the Borrower or the Lender's due diligence investigations regarding the Act produces a materially adverse result, the Lender shall be entitled forthwith to withdraw and cancel its obligations hereunder and to declare any funds which have been advanced, together with Interest and other amounts, to be forthwith due and repayable in full.

**Further Assurances:**

The Borrower and the Guarantors will execute all reasonable documentation required by DCC and its solicitors from time to time.

**Timing of Payments:**

Any payment to be made by the Borrower hereunder, including of principal or interest, shall be received by the Lender prior to 1:00 p.m. (Toronto time). Any payment received after that time shall be deemed to have been received on the next following banking day.

**Privacy Act Consent:**

By signing this Commitment, each of you, being the parties signing (including all mortgagors and all guarantors) agrees that the Lender is authorized and entitled to:

- a) Use your Personal Information (as hereinafter defined) to assess your ability to obtain your loan and to evaluate your ability to meet your financial obligations. This use includes disclosing and exchanging your Personal Information on an on-going basis with credit bureaus, credit reporting agencies and financial institutions or their agents, or to service providers, in order to determine and verify, on an on-going basis, your continuing eligibility for your loan and your continuing ability to meet your financial obligations. This use, disclosure and exchange of your Personal Information will continue as long as your loan is outstanding, and will help protect you from fraud and will also protect the integrity of the credit-granting system;
- b) If the security for your loan includes an insured mortgage, to disclose your Personal Information to the mortgage insurer and to exchange, on an on-going basis, your Personal Information with such mortgage insurer, for all purposes related to the provision of mortgage insurance; and;
- c) Use, disclose and exchange, on an on-going basis, all the personal information collected by us or delivered by you to us from time to time in connection with your loan and any information obtained by us from time to time pursuant to paragraphs (a) and (b) above (collectively your "**Personal Information**") to other organizations (including members of the Dorr Capital Corp) which may fund all or any part of your loan and/or own all or any part of your loan and the security securing your loan from time to time and permit prospective investors in your loan to inspect your Personal Information

Even though your loan and the security securing your loan may be funded or owned by one or more other organizations, Dorr Capital Corp will continue to service your loan.

If you are in agreement with the foregoing terms and conditions, please indicate by signing and returning one (1) copy of this Commitment to the Lender's office by noon on October

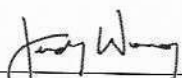


772060 Highway 10, Dundalk, ON  
File No: 22080

11, 2022. If the Loan is not advanced for any reason other than a Lender default, any deposits received on account of this loan will be applied against due diligence expenses of the Lender and fees owing hereunder and will not be refundable. If this letter is not returned to us, duly executed, by such date and time, this letter shall be deemed null and void.

Yours truly,

**Dorr Capital Corporation**



Judy Wong  
Executive VP  
Underwriting & Loan Servicing



Brian Dorr  
President and CEO



**ACCEPTANCE**

Borrower and Guarantors hereby accept the terms and conditions of the Commitment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Commitment and authorize the credit checks contemplated herein.

DATED AT MARILAN, this 24<sup>th</sup> day of JANUARY, 2023.

**Borrower:**

Flato Greens Inc.



Name: Shakir Rehmatullah

Title: PRESIDENT

I/we have the authority to bind the corporation

**Guarantors:**

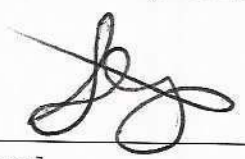
Flato Management Inc.



Name: Shakir Rehmatullah

Title: PRESIDENT

I have the authority to bind the corporation



[Witness]



Mr. Shakir Rehmatullah

---

**SCHEDULE "A"**  
**INSURANCE REQUIREMENTS**

**1. GENERAL**

- a. All insurance policies referred to herein shall be in form and with insurers reasonably acceptable to Lender and contain the original signatures of the insurers, not just the insurance broker or agent, unless otherwise agreed, and shall be delivered to the Lender within 30 days of issuance of the insurance cover note or binder.
- b. All policies shall be permitted to contain reasonable deductibles.
- c. If the Borrower fails to take out and keep in force such minimum insurance as is required hereunder, then Lender may, but shall not be obligated to, take out and keep in force such insurance at the immediate sole cost and expense of the Borrower plus costs incurred, or use other means at its disposal under the terms of the Mortgage.
- d. It is clearly understood and agreed that the Insurance Requirements contained herein are a minimum guide and, although must be adhered to throughout the life of the Mortgage, in no way represent an opinion as to the full scope of insurance cover a prudent Borrower would arrange to adequately protect its interest and the interest of Lender, and the Borrower must govern itself accordingly.

**2. COURSE OF CONSTRUCTION**

The following policies of insurance must be submitted:

- a. All Risks Builders Course of Construction on:
  - i) One hundred percent (100%) of the estimated final construction cost of the property, including reasonable soft costs.

**ADDITIONAL INFORMATION**

- All insurance policies must be forwarded to our insurance consultant for review. The cost of such review shall be for the account of the Borrower.
- All insurance policies shall be in form and with insurers reasonably acceptable to the Lender and contain the original signatures of the insurers.
- The Borrower and Beneficial Owner(s), if any, must be shown as a Named Insured or Additional Named Insured under all policies of insurance.
- The insurers, policy numbers, policy limits, policy term, applicable reasonable deductibles and the location of the Property as an insured location must be shown on the insurance policies.

- The Property and, where applicable, Pressure, Mechanical, & Miscellaneous Electrical Apparatus policies shall contain a standard mortgage clause in favour of the Lender.
- Insurance must be on an "All Risks" basis of physical loss or damage, including Earthquake and Flood Insurance.
- Insurance must be for 100% of Full Replacement Cost of the Property, without deduction for foundations and footings, and including confirmation that the "same or adjacent site" clause has been deleted from the Replacement Cost wording.
- There must be a Stated Amount clause to waive the co-insurance conditions, or confirmation that there are no co-insurance restrictions applicable to the building(s).
- There must be evidence Sewer Back-Up coverage under the Property policy.
- There must be evidence of full By-Laws extensions, including the increased cost of construction, cost of demolition of the undamaged portion of the Property and resultant loss of income.
- There must be evidence of Business Income Insurance, with a minimum period of indemnity of 18 months. This coverage should be written using the IBC Form 4109B, or an industry equivalent, providing 100% co-insurance, all-risk coverage, including full by-laws, earthquake and flood protection. The indemnity period must not cease when the premises become tenantable or operational.
- There must be evidence of comprehensive Pressure, Mechanical, & Miscellaneous Electrical Apparatus insurance covering all central HVAC and miscellaneous electrical equipment (and production machinery where applicable) for explosion, electrical and mechanical breakdown. Alternatively, there needs to be satisfactory evidence that there is no Pressure, Mechanical, & Miscellaneous Electrical Apparatus exposure at the Property (i.e. how are building(s) heated/ventilated and are there any elevators/escalators).
- If the Property is insured under a "blanket" insurance policy, please indicate what amounts have been declared relative to physical loss or damage as well as for business interruption for the Property under the statement of values filed with the insurers.
- There must be evidence of Liability Insurance, with a minimum limit of liability of \$5,000,000.00 per occurrence covering the Property. This may be in the form of primary insurance or primary and excess/umbrella insurance. The Lender must be shown as an Additional Insured with respect to claims arising out of the operations of the Insured.
- Such other insurance as the Lender may reasonably require given the nature of the security and that which a prudent owner of similar security would purchase and maintain, or cause to be purchased and maintained.

- 
- All policies of insurance **must** provide the Lender with at least 30 days' prior written notice of adverse material change or cancellation (15 days' notice for non-payment). **Please note that the Lender WILL NOT ACCEPT "will endeavour to provide" language for such notice.**

**If the Property is under construction, additional insurance coverage as set out below (as applicable).**

- "All Risks" Builders Risk Course of Construction (Broad Form or CCDC 201 or equivalent) including (a) physical damage limit of not less than 100% of the total hard costs, (b) minimum 25% of the total soft costs or 100% of recurring soft costs, (c) delay in startup coverage with limit of 100% of the anticipated annual rents (assuming full occupancy) written on a delayed income basis. The policy shall allow for partial or full occupancy.
- Commercial General Liability or Wrap-up liability coverage with a limit of not less than \$25,000,000 or such other amount as may be required by the Lender acting reasonably with regard to the operations of the Borrower and shall include a "Cross Liability" clauses and must include all contractors, sub-contractors and trades.
- Architects' and Engineers' errors and omissions insurance for at least \$1,000,000 or such greater amount as the Lender may reasonably require.
- All other items and conditions of the Lender as applicable and as required by the Lender.



**SCHEDULE "B"**  
**PERSONAL NET WORTH STATEMENT**

**PERSONAL & EMPLOYMENT INFORMATION**

First Name: _____ Last Name: _____ Telephone (home): _____ SIN (required): _____ Driver's License: _____ Are you currently a client of Dorr Capital Corporation? Current Address: _____ _____ _____	Spouse's Name: _____ Marital Status: _____ Telephone (work): _____ Date of Birth: _____ # of dependents: _____  Length of time at current address: _____
Employer's Name: _____ Address: _____ _____ Annual Employment Income: \$ _____ Income from other sources (specify): \$ _____ Total Annual Income (state year of reference) \$ _____ Bank Reference: Address: _____ _____	Present Position: _____ Length of Service: _____  Details: _____ _____

**SUMMARY ~ FINANCIAL INFORMATION**

ASSETS		VALUE	LIABILITIES		BALANCE OWING
CASH, DEPOSITS & MARKETABLE SECURITIES	BANK/TRUST CR. UNION	\$	OUTSTANDING LOANS	Refer to section D	\$
REAL ESTATE	Must agree with section "B"	\$	MARGIN ACCOUNTS	Refer to section A	\$
EQUITY IN NON-ARMS LENGTH COMPANIES	Must agree with section C	\$	OUTSTANDING MORTGAGES	Refer to section D	\$
INVESTMENTS (Specify)		\$	OTHER LIABILITIES (itemize)		\$
OTHER ASSETS (itemize)			TOTAL LIABILITIES      \$ _____		
<b>TOTAL ASSETS</b>		\$ _____	NET WORTH                      \$ _____		

(Supporting Schedules)

**ASSETS**

Page 2 of 2

**SECTION "A" ~ SECURITIES AND TAX SHELTERS**

Description of Security and Quantity Held	Registered to/ To whom pledged	Market Value	Cost	Margin Accts Balance Owing	Annual Profit or Loss
1		\$		\$	\$
2		\$		\$	\$
3		\$		\$	\$
4		\$		\$	\$
TOTAL		\$		\$	\$

**SECTION "B" ~ REAL ESTATE**

Address and Description (Acreage, Home, Business)	Title in Name of	Date Purchased	Market Value	Purchase Price	% Owned
1			\$ -		0%
2			\$ -		0%
3			\$ -		0%
4			\$ -		0%
5			\$ -		0%
6			\$ -		0%
TOTAL			\$		0%

**SECTION "C" ~ EQUITY IN NON ARMS-LENGTH COMPANIES**

Name of Company	Nature of Business	Position / Relationship	Value of Equity Invested	% Ownership
1			\$	0%
2			\$	0%
3			\$	0%
4			\$	0%
5			\$	0%
6			\$	0%
NOTE: ATTACH FINANCIAL STATEMENTS			TOTAL	\$

**LIABILITIES**

**SECTION "D" ~ SECURITY**

Lender Name	Security	Amount	Terms & Rate	Outstanding Balance
1				\$
2				\$
3				\$
4				\$
5				\$
6				\$
TOTAL				\$

I warrant and confirm that the information given herein is true and I understand clearly that it is being used to determine my credit responsibility. You are authorized to obtain any information you require relative to this application from any sources to which you may apply and each such source is hereby authorized to provide you with such information. You are furthermore authorized to disclose any response to direct inquiries from any other lender or credit bureau, such information on my loaning account as you consider appropriate, and I hereby agree to indemnify you against and save you harmless from any and all claims in damages or otherwise arising from such disclosure on your part. You are also authorized to retain the application whether or not the relative mortgage is approved

Dated this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Signature (in ink)



**SCHEDULE "C"**  
**RELIANCE CERTIFICATE**

- TO:** Dorr Capital Corporation, and such persons for whom they act as agent or trustee from time to time, and in each case, their respective successors and assigns
- RE:** Commitment Letter dated \_\_\_\_\_ by Dorr Capital Corporation and addressed to [name addressees of report] (the "Report")

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby certifies, agrees and confirms that the addressees hereof, and their respective successors and assigns, shall be entitled to rely on the Report to the same extent and with such effect as if such Report were prepared for and addressed to them. Potential liability to the Lender arising from this report is limited to the amount of professional liability insurance maintained in a minimum amount of \$1 million.

DATED the \_\_ day of \_\_\_\_\_, 20\_\_.

By: \_\_\_\_\_  
Name:  
Title:

## SCHEDULE 'D' MORTGAGE DISCLOSURE STATEMENT

### Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

#### Disclosure to Borrower

#### Cost of Borrowing Disclosure

Property to be mortgaged: 772060 Highway 10, Dundalk, ON

#### Details of Mortgage:

The principal amount of the mortgage **\$4,000,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the 18-month term will be **\$750,000**. The mortgage will be amortized over n/a years.

#### Interest:

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is the **Greater of 12.50% and Prime +5.80%**. Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: N/A

#### Fees and Costs Payable by Borrower:

	Comments	Value	Included in APR
Commitment Fee		\$104,000	Yes
Placement Fee		\$40,000	Yes
Legal Fees and Other Transactions		\$ 25,000	Yes
<b>Total Costs:</b>		<b>\$169,000</b>	

#### Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$919,000** APR: **15.32%**

*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

#### Terms and Conditions:

Prepayment Privileges: See commitment for detail

Transferability: See commitment for details

Method of Payment: See commitment for details

Special Conditions: See commitment for details

Particulars / Penalties: See commitment for details

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**

The Brokerage is representing \_\_\_\_\_ the Lender \_\_\_\_\_ in this transaction.

The Brokerage has acted for \_\_\_\_\_ 38 \_\_\_\_\_ lenders during the previous fiscal year.

Name and Address of Brokerage: \_\_\_\_\_ Dorr Capital \_\_\_\_\_ Licence #: \_\_\_\_\_ 12099 \_\_\_\_\_

Name of Authorized Person on behalf of Brokerage: \_\_\_\_\_ Brian Dorr \_\_\_\_\_ Licence #: \_\_\_\_\_ M09002014 \_\_\_\_\_

Date: \_\_\_\_\_ January 24, 2023 \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: \_\_\_\_\_ 24 / 1 / 2023 \_\_\_\_\_ Borrower: \_\_\_\_\_ 

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

## SCHEDULE "E" FEE SCHEDULE

Item	Estimated Fee Amount	Comments
<b><u>Deducted From Initial Advance:</u></b>		
Expense Recovery re: Credit checks	\$35 per credit report \$75 - \$150 (per guarantor)	<ul style="list-style-type: none"> <li>To reimburse Lender for expenses incurred for credit bureaus and background checks</li> </ul>
Valuation Verification	\$250 Per Loan	<ul style="list-style-type: none"> <li>Valuation Verification</li> </ul>
Site Inspection	To be determined	<ul style="list-style-type: none"> <li>To reimburse lender for all reasonable costs incurred as part of due diligence</li> </ul>
Title Search (Teranet)	\$40 per PIN	<ul style="list-style-type: none"> <li>To confirm title (as required)</li> </ul>
Property Insurance Review	\$500 - \$1,500	<ul style="list-style-type: none"> <li>Peer review insurance coverage by ProIncon</li> </ul>
Regulator Fee	\$750 per Loan	<ul style="list-style-type: none"> <li>To reimburse Lender for expenses incurred in processing Loan with financial regulators</li> </ul>
Environmental Site Assessment – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> <li>Peer review of subject property for hazardous materials and contaminants</li> </ul>
Geotechnical Reports – Peer Review Report	\$500 - \$1,000 per Report	<ul style="list-style-type: none"> <li>Peer review of subject property for site suitability</li> </ul>
Cost Consultant Review	\$1,500 - \$2,500 per Report	<ul style="list-style-type: none"> <li>Peer review of construction budget, work in place, and cost to complete</li> </ul>
Planning Review	\$1,500 - \$3,000 per Report	<ul style="list-style-type: none"> <li>Peer review of planned development</li> </ul>
<b><u>Costs During Term of the Loan</u></b>		
Mortgage Statement	\$500 per Statement	<ul style="list-style-type: none"> <li>For information purposes and audit verification</li> </ul>
N.S.F. Cheque and/or Failed Debit under an EFT Plan	\$500 per occurrence	<ul style="list-style-type: none"> <li>Borrower shall pay liquidated damages to cover the Lender's administrative costs</li> </ul>
Insurance Coverage Change or Annual Review	\$500 per occurrence	<ul style="list-style-type: none"> <li>Lapsed or cancelled insurance not reinstated or replaced by borrower. Lender shall have option to replace coverage without notice to borrower.</li> </ul>
Subsequent Advance Review (Hard & Soft Costs)	\$500 - \$1,000	<ul style="list-style-type: none"> <li>Deducted from the draw upon release of funds to the Borrower</li> </ul>
Annual Review	\$1,500 per year	<ul style="list-style-type: none"> <li>Confirmation of realty taxes, insurance coverage, and general project monitoring</li> </ul>
Bank Processing Fee	\$500	<ul style="list-style-type: none"> <li>On repayment of Loans over \$2 Million</li> </ul>
Mortgage Discharge Statement	\$500 per statement	<ul style="list-style-type: none"> <li>Pay off and discharge mortgage</li> </ul>
<b><u>Default Costs:</u></b>		
Default Letters	\$750 per occurrence	<ul style="list-style-type: none"> <li>For each collection letter written whether in connection with one default or more</li> </ul>
Default Administration	\$5,000 First Month; \$10,000 Each Month Thereafter	<ul style="list-style-type: none"> <li>\$5,000 for 1<sup>st</sup> default that remains uncured for 14 days, \$10,000 for all subsequent defaults that remain uncured for 14 days.</li> </ul>



**Dorr Capital Corporation**  
41 Scarsdale Road, Unit 6  
Toronto, ON M3B 2R2 [www.dorrcapital.com](http://www.dorrcapital.com)

September 5, 2024

**Flato Greens Inc.**  
**3621 Highway 7 East, Suite 503**  
**Markham, Ontario**  
**L3R 0G6**

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

Reference is made to the commitment letter dated January 24, 2023 (the “Original Commitment”) from Dorr Capital Corporation (“DCC”) to Flato Greens Inc. (the “Borrower”). DCC is pleased to provide the following amendment (the “Amendment”) to the Original Commitment subject to the terms and conditions outlined below. Together, this Amendment and the Original Commitment shall collectively be known as the “Commitment”, and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the Commitment as defined herein.

**Purpose:** To apply the first 6-month extension to the Loan Facility.

**Loan Amount:** \$4,000,000 First Mortgage Land Loan

**Interest Rate:** The greater of Prime lending rate plus 6.80% or 13.50% per annum (the “**Interest Rate**”)  
Note: Prime lending rate as at September 5, 2024 is 6.45%

**NOTE: Monthly interest payments will be paid by the Borrower 2 business days prior to the first of every month.**

**Interest Reserve:** Not applicable, interest will be paid current via Borrower’s own resources.

**Extension Fee:** \$48,000 deemed earned upon acceptance of this Amendment and payable as follows.



772060 Highway 10, Dundalk, ON  
File # 22080

<b>Payment Date</b>	
November 1, 2024	\$ 12,000
December 1, 2024	\$ 12,000
January 1, 2025	\$ 12,000
February 1, 2025	\$ 12,000
<b>Total Fee</b>	<b>\$ 48,000</b>

**Existing Maturity Date:** September 1, 2024

**Extended Maturity**

**Date:** March 1, 2025

**Conditions of Amendment:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Updated insurance in place.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by September 9th, 2024, together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**




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Brian Dorr  
**President and CEO**

772060 Highway 10, Dundalk, ON  
File # 22080

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT Toronto, this 09th day of September, 2024.

**Borrower:**

Flato Greens Inc.

DocuSigned by:  
  
B2D40ADDDE224CB...


Name: Shakir Rehmatullah

Title: President

I/we have the authority to bind the corporation

**Guarantors:**

Flato Management Inc.

DocuSigned by:  
  
B2D40ADDDE224CB...


Name: Shakir Rehmatullah

Title: President

I have the authority to bind the corporation

DocuSigned by:  
  
60ED36FA84FC400...

[Witness] Shaun Levy

DocuSigned by:  
  
B2D40ADDDE224CB...

Mr. Shakir Rehmatullah

772060 Highway 10, Dundalk, ON  
File # 22080

**MORTGAGE DISCLOSURE STATEMENT**

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Cost of Borrowing Disclosure**

Property to be mortgaged: 772060 Highway 10, Dundalk, ON

**Details of Mortgage:**

The principal amount of the mortgage **\$4,000,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the **6-month** term will be **\$ 270,000**. The mortgage will be amortized over **n/a** years.

**Interest:**

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is **greater of Prime Rate plus 6.80% per annum, or 13.50% per annum** Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: N/A

**Fees and Costs Payable by Borrower:**

	Comments	Value	Included in APR
Commitment Fee		\$48,000	Yes
Placement Fee			
Legal Fees and Other Transactions			
<b>Total Costs:</b>		\$48,000	

**Total Cost of Borrowing:**

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$ 318,000** APR: **15.90%** %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

**Terms and Conditions:**

- Prepayment Privileges: [See commitment for detail](#)
- Transferability: [See commitment for details](#)
- Method of Payment: [See commitment for details](#)
- Special Conditions: [See commitment for details](#)
- Particulars / Penalties: [See commitment for details](#)

772060 Highway 10, Dundalk, ON  
File # 22080

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**

The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 30 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014


Date: September 5, 2024 Authorized Signature: 

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.


**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: 9/9/2024 Borrower:  B2D40ADDDE224CB...

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: 9/9/2024 Borrower:  B2D40ADDDE224CB...

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

**Dorr Capital Corporation**  
41 Scarsdale Road, Unit 6  
Toronto, ON M3B 2R2 [www.dorrcapital.com](http://www.dorrcapital.com)



September 17, 2024

**Flato Greens Inc.**  
**3621 Highway 7 East, Suite 503**  
**Markham, Ontario**  
**L3R 0G6**

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

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Reference is made to the commitment letter dated January 24, 2023 (the "Original Commitment") from Dorr Capital Corporation ("DCC") to Flato Greens Inc. (the "Borrower"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment, the Amendment dated September 5, 2024, and all other prior amendments made thereto from time to time, if any, shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the "Commitment", as defined herein.

**Purpose:** To include a cross-default provision respecting certain of the Borrower's (or companies related to the Borrower and/or Guarantor(s)) following Loans with DCC:

**Melancthon South Lands, Melancthon, ON (Loan 23006)**

The subject parcel is a combination of two lands located at 516276 County Road 124 and 476259 Third line respectively in Melancthon, ON. The total land area of the parcel is 125 acres ("Melancthon South Property").

**381 & 421 Braemore, Dundalk, ON (Loan 22003)**

The subject land is located at 381 - 421 Braemore Street West, Dundalk with a land area of approximately 30.70 acres ("Braemore Property").



772060 Highway 10, Dundalk, ON  
File # 22080

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**772288 Highway 10, Dundalk, ON (Loan 22034)**

The subject land is located at 772288 Highway 10, Dundalk. It has a total land area of 99.4 acres. It is a MZO approved land with proposed 804 low rise units ("100 Acre Property").

**241 Patterson Street, Beeton, ON (Loan 17038)**

The subject property being a single family home on a 75ft x 148ft lot with a gross living space of 1370sf located in Beeton, Ontario ("Patterson Property").

**INSERT**

**Security Condition:**

The Borrower and all Guarantor(s) hereby acknowledge and agree that default under any of the following Loans (also referred to above), namely: (i) Loan No. 23006 (re: Melancthon South Property); (ii) Loan No. 22003 (re: Braemore Property); (iii) Loan No. 22034 (re: 100 Acre Property); and/or (iv) Loan No. 17038 (re: Patterson Property), shall also constitute a default under this Loan entitling the Lender to exercise all rights and remedies afforded to it pursuant to the Commitment, and all security pledged in connection therewith, including, but not limited to, the First Mortgage of the Property/Project, pledged thereunder, and/or otherwise available at common law in connection with such default.

All other terms and conditions of the Original Commitment, as amended, shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment, as amended.

Please confirm acknowledgement by signing and returning one (1) copy of this Letter to the Lender's office by September 24th, 2024.

Yours very truly,

**Dorr Capital Corporation**



---

Brian Dorr  
President and CEO

772060 Highway 10, Dundalk, ON  
File # 22080


**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT Toronto, this 19th day of September, 2024.

**Borrower:**

Flato Greens Inc.

DocuSigned by:  


B2D40ADDDE224CB...

Name: Shakir Rehmatullah

Title: President

I/we have the authority to bind the corporation

**Guarantors:**

Flato Management Inc.

DocuSigned by:



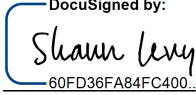
B2D40ADDDE224CB...

Name: Shakir Rehmatullah

Title: President

I have the authority to bind the corporation

DocuSigned by:



60FD36FA84FC400...

[Witness] Shaun Levy

DocuSigned by:



B2D40ADDDE224CB...

Mr. Shakir Rehmatullah

**Dorr Capital Corporation**  
 41 Scarsdale Road, Unit 6  
 Toronto, ON M3B 2R2 [www.dorrcapital.com](http://www.dorrcapital.com)



February 24, 2025

**Flato Greens Inc.**  
**3621 Highway 7 East, Suite 503**  
**Markham, Ontario**  
**L3R 0G6**

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

Reference is made to the commitment letter dated January 24, 2023 (the "Original Commitment") from Dorr Capital Corporation ("DCC") to Flato Greens Inc. (the "Borrower"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment, the Amendment dated September 5, 2024 and September 17, 2024, and all other prior amendments made thereto from time to time, if any, shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the "Commitment", as defined herein.

**Purpose:**

1. To apply the second 6-month extension to the Loan Facility.
2. To include a cross-default provision respecting certain of the Borrower's (or companies related to the Borrower and/or Guarantor(s)) following Loans with DCC:

**772146 Highway 10, Southgate County (Dundalk), ON – Edgewood Greens Phase 6 & 11 (Loan 19065.1)**

The subject property represents phase 6 of a multi-phased development located in Dundalk. The development is located on the east side of Elm Street and Rows Lane, a short distance south of Victoria Street and west of Highway No. 10 in the Village of Dundalk, Grey County, Ontario. The project consists of 174 serviced lots under phase 6. ("Edgewood Greens Phase 6")



772060 Highway 10, Dundalk, ON  
File # 22080

**Loan Amount:** \$4,000,000 First Mortgage Land Loan

**Interest Rate:** The greater of Prime lending rate plus 7.80% or 14.50% per annum  
(the "Interest Rate")

Note: Prime lending rate as at February 24, 2025 is 5.20%

**NOTE: Monthly interest payments will be paid by the Borrower 2 business days prior to the first of every month.**

**Interest Reserve:** Not applicable, interest will be paid current via Borrower's own resources.

**Extension Fee:** \$48,000 deemed earned and payable upon acceptance of this Amendment.

**Existing Maturity Date:** March 1, 2025

**Extended Maturity**

**Date:** September 1, 2025

**INSERT**

**Security Condition:**

The Borrower and all Guarantor(s) hereby acknowledge and agree that default under any of the following Loans (also referred to above), namely: Loan No. 19065.1 (re: Edgewood Greens Phase 6), shall also constitute a default under this Loan entitling the Lender to exercise all rights and remedies afforded to it pursuant to the Commitment, and all security pledged in connection therewith, including, but not limited to, the First Mortgage of the Property/Project, pledged thereunder, and/or otherwise available at common law in connection with such default.

**Conditions of Amendment:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Receipt and satisfactory review of updated Personal Net Worth Statement.
3. Receipt and satisfactory review of updated planning summary.
4. Updated insurance in place.
5. Payment of Extension Fee (\$48,000) upon acceptance of Amendment, as noted above.
6. Such other and further documentation as may be required by the Lender.

772060 Highway 10, Dundalk, ON  
File # 22080

---

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by February 26, 2025 together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



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**Brian Dorr - President and CEO**

772060 Highway 10, Dundalk, ON  
File # 22080

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT KARLHAM, this 27<sup>th</sup> day of FEBRUARY, 2025.

**Borrower:**

Flato Greens Inc.



Name: Shakir Rehmatullah

Title: PRESIDENT

I/we have the authority to bind the corporation

**Guarantors:**

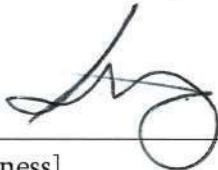
Flato Management Inc.



Name: Shakir Rehmatullah

Title: PRESIDENT

I have the authority to bind the corporation



[Witness]



Mr. Shakir Rehmatullah

772060 Highway 10, Dundalk, ON  
File # 22080

## MORTGAGE DISCLOSURE STATEMENT

### Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

#### Disclosure to Borrower

#### Cost of Borrowing Disclosure

Property to be mortgaged: 772060 Highway 10, Dundalk, ON

#### Details of Mortgage:

The principal amount of the mortgage **\$4,000,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the **6**-month term will be **\$ 290,000**. The mortgage will be amortized over **n/a** years.

#### Interest:

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is **greater of Prime Rate plus 7.80% per annum, or 14.50% per annum**. Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: N/A

#### Fees and Costs Payable by Borrower:

	Comments	Value	Included in APR
Commitment Fee		\$48,000	Yes
Placement Fee			
Legal Fees and Other Transactions			
<b>Total Costs:</b>		\$48,000	

#### Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$ 338,000** APR: **16.90%** %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

#### Terms and Conditions:

Prepayment Privileges: [See commitment for detail](#)

Transferability: [See commitment for details](#)

Method of Payment: [See commitment for details](#)

Special Conditions: [See commitment for details](#)

Particulars / Penalties: [See commitment for details](#)



772060 Highway 10, Dundalk, ON  
File # 22080

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**


The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 30 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014

Date: February 24, 2025

Authorized Signature: 

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: FEB. 27TH 2025 Borrower: 

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: FEB. 27TH 2025 Borrower: 

Date: \_\_\_\_\_ Borrower: \_\_\_\_\_

**Dorr Capital Corporation**  
 41 Scarsdale Road, Unit 6  
 Toronto, ON M3B 2R2 [www.dorrcapital.com](http://www.dorrcapital.com)



April 25, 2025

**Flato Greens Inc.**  
**3621 Highway 7 East, Suite 503**  
**Markham, Ontario**  
**L3R 0G6**

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re: First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

Reference is made to the commitment letter dated January 24, 2023 (the "Original Commitment") from Dorr Capital Corporation ("DCC") to Flato Greens Inc. (the "Borrower"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment, the Amendment dated September 5, 2024, September 17, 2024, and February 24, 2025 and all other prior amendments made thereto from time to time, if any, shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the "Commitment", as defined herein.

**Purpose:** To provide a loan increase of \$530,000 to the existing loan facility funding Borrower's working capital and transaction costs.

**Loan Amount:** Original  
 \$4,000,000 First Mortgage Land Loan

Amended  
 \$4,530,000 First Mortgage Land Loan

**Interest Rate:** Unchanged  
 The greater of Prime lending rate plus 7.80% or 14.50% per annum  
 (the "**Interest Rate**")  
 Note: Prime lending rate as at April 24, 2025 is 4.95%



772060 Highway 10, Dundalk, ON  
File # 22080

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**NOTE: Monthly interest payments will be paid by the Borrower 2 business days prior to the first of every month.**

**Interest Reserve:** Not applicable, interest will be paid current via Borrower's own resources.

**Loan Increase Fee:** \$4,240 deemed earned and payable upon acceptance of this Amendment.

**Maturity Date:** September 1, 2025

**Conditions of Amendment:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Updated insurance in place.
3. Payment of Loan Increase Fee (\$4,240) upon acceptance of Amendment, as noted above.
4. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by April 28, 2025 together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



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**Brian Dorr - President and CEO**

772060 Highway 10, Dundalk, ON  
File # 22080

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT MIRAMICHI, this 25 day of APRIL, 2025.

**Borrower:**

Flato Greens Inc.



Name: Shakir Rehmatullah

Title:

I/we have the authority to bind the corporation

**Guarantors:**

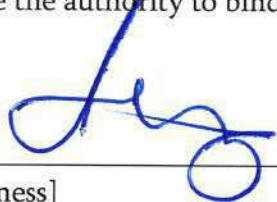
Flato Management Inc.



Name: Shakir Rehmatullah

Title:

I have the authority to bind the corporation



[Witness]



Mr. Shakir Rehmatullah

**Dorr Capital Corporation**  
 41 Scarsdale Road, Unit 6  
 Toronto, ON M3B 2R2 [www.dorrcapital.com](http://www.dorrcapital.com)



May 12, 2025

**Flato Greens Inc.**  
 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re:** **First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

Reference is made to the commitment letter dated January 24, 2023 (the "Original Commitment") from Dorr Capital Corporation ("DCC") to Flato Greens Inc. (the "Borrower"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment, the Amendment dated September 5, 2024, September 17, 2024, February 24, 2025 and April 25, 2025 all other prior amendments made thereto from time to time, if any, shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the "Commitment", as defined herein.

**Purpose:** To provide a loan increase of \$470,000 to the existing loan facility funding Borrower's working capital and transaction costs.

**Loan Amount:** Original  
 \$4,530,000 First Mortgage Land Loan

Amended  
 \$5,000,000 First Mortgage Land Loan

**Interest Rate:** Unchanged  
 The greater of Prime lending rate plus 7.80% or 14.50% per annum  
 (the "**Interest Rate**")

Note: Prime lending rate as at May 12, 2025 is 4.95%



772060 Highway 10, Dundalk, ON  
File # 22080

---

**NOTE: Monthly interest payments will be paid by the Borrower 2 business days prior to the first of every month.**

**Interest Reserve:** Not applicable, interest will be paid current via Borrower's own resources.

**Loan Increase Fee:** \$3,290 deemed earned and payable upon acceptance of this Amendment.

**Maturity Date:** September 1, 2025

**Conditions of Amendment:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Updated insurance in place.
3. Payment of Loan Increase Fee (\$3,290) upon acceptance of Amendment, as noted above.
4. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by May 14, 2025 together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



**Brian Dorr - President and CEO**

772060 Highway 10, Dundalk, ON  
File # 22080

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT MARLETON, this 12<sup>TH</sup> day of MAY, 2025.

**Borrower:**

Flato Greens Inc.



Name: Shakir Rehmatullah

Title:

I/we have the authority to bind the corporation

**Guarantors:**

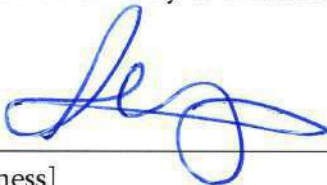
Flato Management Inc.



Name: Shakir Rehmatullah

Title:

I have the authority to bind the corporation



[Witness]



Mr. Shakir Rehmatullah

**Dorr Capital Corporation**  
 41 Scarsdale Road, Unit 6  
 Toronto, ON M3B 2R2 [www.dorrcapital.com](http://www.dorrcapital.com)



September 2, 2025

**Flato Greens Inc.**  
 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

Attention: Mr. Shakir Rehmatullah

Via: Email

Dear Sirs:

**Re:** **First Mortgage Land Loan**  
**Project Name: 772060 Highway 10, Dundalk, ON**  
**Loan No.: 22080**

Reference is made to the commitment letter dated January 24, 2023 (the "Original Commitment") from Dorr Capital Corporation ("DCC") to Flato Greens Inc. (the "Borrower"). DCC is pleased to provide the following amendment (the "Amendment") to the Original Commitment subject to the terms and conditions outlined below. Together, this Amendment, the Original Commitment, the Amendment dated September 5, 2024, September 17, 2024, February 24, 2025, April 25, 2025 and May 12, 2025 and all other prior amendments made thereto from time to time, if any, shall collectively be known as the "Commitment", and references to the Commitment in the Original Commitment and in the Security (as defined in the Original Commitment) shall be deemed to be references to the "Commitment", as defined herein.

**Purpose:** To apply a further 6-month extension to the Loan Facility.

**Loan Amount:** \$5,000,000 First Mortgage Land Loan

**Interest Rate:** The greater of Prime lending rate plus 7.80% or 14.50% per annum (the "Interest Rate")  
 Note: Prime lending rate as at September 2, 2025 is 4.95%

**Interest Reserve:** Not applicable, interest will be paid current via Borrower's own resources.



772060 Highway 10, Dundalk, ON  
File # 22080

**Extension Fee:** \$48,000 deemed earned upon acceptance of this Amendment and payable as follows:

1-Sep-25	\$	8,000
1-Oct-25	\$	8,000
1-Nov-25	\$	8,000
1-Dec-25	\$	8,000
1-Jan-26	\$	8,000
1-Feb-26	\$	8,000
<b>Total Fee</b>	<b>\$</b>	<b>48,000</b>

**Note: This extension fee will be paid monthly as the extension is required. If the loan is paid out on or before September 16<sup>th</sup>, 2025, this Extension Fee will be waived.**

**Existing Maturity Date:** September 1, 2025

**Extended Maturity**

**Date:** March 1, 2026

**Conditions of Amendment:**

1. Confirmation that property taxes and corporate taxes are paid current.
2. Receipt and satisfactory review of updated Personal Net Worth Statement.
3. Updated insurance in place.
4. Payment of Extension Fee upon acceptance of Amendment, as noted above.
5. Such other and further documentation as may be required by the Lender.

All other terms and conditions of the Original Commitment shall remain unchanged and enforceable. Capitalized terms used but not defined in this Amendment have the respective meanings assigned to them in the Original Commitment.

Please confirm the extension by signing and returning one (1) copy of this Letter to the Lender's office by September 5th, 2025 together with applicable fees, failing which this letter shall be deemed null and void.

Yours very truly,

**Dorr Capital Corporation**



**Brian Dorr - President and CEO**

772060 Highway 10, Dundalk, ON  
File # 22080

**ACCEPTANCE**

Borrower and Guarantor hereby accept the terms and conditions of the above Amendment, agree to be responsible for all fees and disbursements payable in accordance with provisions of this Amendment and authorize any credit checks contemplated herein.

DATED AT MARKHAM, this 3<sup>RD</sup> day of SEPTEMBER, 2025.

**Borrower:**

Flato Greens Inc.

Name: Shakir Rehmatullah

Title: PRESIDENT

I/we have the authority to bind the corporation

**Guarantors:**

Flato Management Inc.

Name: Shakir Rehmatullah

Title: PRESIDENT

I have the authority to bind the corporation

[Witness]

Mr. Shakir Rehmatullah

772060 Highway 10, Dundalk, ON  
File # 22080

## MORTGAGE DISCLOSURE STATEMENT

### Mortgage Brokerages, Lenders and Administrators Act

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

#### Disclosure to Borrower

#### Cost of Borrowing Disclosure

Property to be mortgaged: 772060 Highway 10, Dundalk, ON

#### Details of Mortgage:

The principal amount of the mortgage **\$5,000,000** will be repayable monthly in arrears, interest only, paid on the 1<sup>st</sup> day of each month, starting one month after Interest Adjustment Date (IAD). The total amount of all payments over the **6-month term** will be **\$ 362,500**. The mortgage will be amortized over **n/a** years.

#### Interest:

The date on which interest begins to accrue is the first day of the month following the date of the first advance of funds under the Loan, if any grace period is given, the details are:

The annual interest rate is **greater of Prime Rate plus 7.80% per annum, or 14.50% per annum**. Interest on the Loan shall be calculated daily, and compounded and payable monthly not in advance based on the number of days that the Loan is outstanding.

Where the annual interest rate may change, the method of determining the annual interest rate is: N/A

#### Fees and Costs Payable by Borrower:

	Comments	Value	Included in APR
Commitment Fee		\$48,000	Yes
Placement Fee			
Legal Fees and Other Transactions			
<b>Total Costs:</b>		\$48,000	

#### Total Cost of Borrowing:

Total Cost of Borrowing (including interest) to be paid over the term of the mortgage: **\$ 410,500** APR: **16.42%** %  
*The APR is not the contract rate of the mortgage. It is the interest costs, plus the non-interest costs required to obtain the mortgage, expressed as a percentage of the average mortgage balance over the term of the mortgage.*

#### Terms and Conditions:

Prepayment Privileges: [See commitment for detail](#)

Transferability: [See commitment for details](#)

Method of Payment: [See commitment for details](#)

Special Conditions: [See commitment for details](#)

Particulars / Penalties: [See commitment for details](#)

772060 Highway 10, Dundalk, ON  
File # 22080

**Mortgage Brokerages, Lenders and Administrators Act**

This document must be provided to the borrower 2 business days prior to signing of any mortgage instruments, unless waived below.

**Disclosure to Borrower**

**Conflict of Interest Disclosure:**

**Referral Fees to Brokerage and/or Broker/Agent:**

Describe any direct or indirect interest that the Brokerage has or, as currently contemplated, may acquire in the transaction for which this disclosure statement is provided.

**Mortgage – Commissions**

The brokerage will receive a commission and receive a contingent commission from the Lender. Commissions are generally a fixed percentage of principle amounts of the mortgage being placed. Contingent commissions may be based on factors such as the volume of business placed with the Lender, or a certain percentage growth in the placement of business over a previous period, and may be paid in cash or some other form of compensation.

**Other Compensation**

The Lender involved in this transaction may provide the brokerage fees or incentives dependent on the interest rate and the term(s) accepted by the Borrower. The brokerage may retain the fees and incentives or may use them for the benefit of another of the brokerage's clients.

**Information on Brokerage:**


The Brokerage is representing the Lender in this transaction.

The Brokerage has acted for 30 lenders during the previous fiscal year.

Name and Address of Brokerage: Dorr Capital Licence #: 12099

Name of Authorized Person on behalf of Brokerage: Brian Dorr Licence #: M09002014

Date: September 2, 2025

Authorized Signature: 

**Disclosure of Material Risks:**

The brokerage has reviewed with the borrower the general risks associated with a mortgage commitment. These risks include: risk of falling into arrears, default and foreclosure, prepayment penalties, etc.

**Acknowledgement**

I / we acknowledge a receipt of a copy of this form, and corresponding Amortization Schedule and that I / we have reviewed the information.

Date: Sept. 3rd 2025 Borrower: 

Date: S Borrower: \_\_\_\_\_

I / we waive the 2 business days requirement for this disclosure:

Date: \_\_\_\_\_ Borrower: 

Date: Sept. 3rd 2025 Borrower: \_\_\_\_\_

This is Exhibit “22” referred to in the Affidavit of Brian Dorr sworn by Brian Dorr at the City of Toronto, in the Province of Ontario, before me on June 5, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to be 'SK', with a long horizontal line extending to the right.

---

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

**STEVEN KELLY (LSO #87293B)**

LRO # 16 Charge/Mortgage

Received as GY244473 on 2023 06 21 at 15:43

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

yyyy mm dd Page 1 of 9

**Properties**

*PIN* 37268 - 0506 LT *Interest/Estate* Fee Simple  *Affects Part of Prop*  
*Description* PART OF LOTS 238, 239 AND 240 CONCESSION 1 SWTSR PROTON, DESIGNATED AS PARTS 15, 16, 17, 18, 19 AND 20, PLAN 16R11871, TOWNSHIP OF SOUTHGATE, COUNTY OF GREY  
*Address* 772060 HIGHWAY 10  
 DUNDALK

**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* FLATO GREENS INC.  
*Address for Service* 3621 Highway 7 East, Suite 503  
 Markham, Ontario  
 L3R 0G6

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* DORR CAPITAL CORPORATION  
*Address for Service* 41 Scarsdale Road, Unit 6  
 Toronto, Ontario  
 M3B 2R2

**Statements**

Schedule: See Schedules

**Provisions**

*Principal* \$5,000,000.00 *Currency* CDN  
*Calculation Period* Monthly, not in advance  
*Balance Due Date* On Demand  
*Interest Rate* See Schedule  
*Payments*  
*Interest Adjustment Date* 2023 06 01  
*Payment Date* first day of each month  
*First Payment Date* 2023 07 01  
*Last Payment Date*  
*Standard Charge Terms* 201117  
*Insurance Amount* See standard charge terms  
*Guarantor*

**Signed By**

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 06 21  
 Toronto Chargor(s)  
 M5C 2V9

Tel 416-869-1234  
 Fax 416-869-0547

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

**Submitted By**

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2023 06 21  
 Toronto  
 M5C 2V9

Tel 416-869-1234  
 Fax 416-869-0547

LRO # 16 Charge/Mortgage

Received as GY244473 on 2023 06 21 at 15:43

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

yyyy mm dd Page 2 of 9

**Fees/Taxes/Payment**

Statutory Registration Fee	\$69.00
Total Paid	\$69.00

**File Number**

Chargor Client File Number :	9339-036
Chargee Client File Number :	22080

## ADDITIONAL PROVISIONS

### 1. Letter of Commitment

Any reference in this Charge to the Commitment, Commitment Letter or Letter of Commitment shall mean the Commitment Letter referable to this transaction dated January 24, 2023, and amendments made thereto from time to time, if and as applicable.

This Charge shall secure any and all amounts owing by the Chargor to the Chargee pursuant to the Letter of Commitment.

All provisions of the Letter of Commitment are hereby incorporated into this Charge.

Unless otherwise explicitly stated otherwise herein, all capitalized terms used throughout this schedule shall have the same meanings and definitions as stated in the Letter of Commitment.

Any default by the Borrower with regard to any provision of the Letter of Commitment shall constitute a default under this Charge.

### 2. Due on Demand

All amounts owing under this Charge and the Loan as defined in the Letter of Commitment shall be repayable upon the earlier of: (i) on demand by the Chargee for any reason whatsoever; or (ii) EIGHTEEN (18) months from the Interest Adjustment Date as expressed on page one of this Charge (the earlier of such dates being the "Maturity Date").

In the event interest is not paid as and when due, the Chargee may in its sole discretion advance monies on account of principal to the Chargor to be applied to interest owing, or capitalize the amount of interest owing (which capitalization shall not be an advance of funds) but in no event shall any such advance or capitalization by the Chargee obligate the Chargee to make any further advances or capitalizations to be applied to interest or otherwise.

### 3. Interest Rate and Payments

(a) Commencing as of the date funds are advanced to the Interest Adjustment Date and during the first EIGHTEEN (18) months of the Term (the "Initial Term"), the Charge shall bear interest at the greater of: (i) TWELVE HUNDRED AND FIFTY BASIS POINTS (1250 b.p. or 12.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus FIVE HUNDRED AND EIGHTY BASIS POINTS (580 b.p. or 5.80%) per annum, adjusted daily and compounded and payable monthly, not in advance;

(b) Should the Loan be extended past the Initial Term, the following Interest Rates shall be applicable:

I. during the SIX (6) months following the Initial Term (i.e. months NINETEEN (19) to TWENTY-FOUR (24) of the extended Term), the Charge shall bear interest at the greater of: (i) THIRTEEN HUNDRED AND FIFTY BASIS POINTS (1350 b.p. or 13.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus SIX HUNDRED AND EIGHTY BASIS POINTS (680 b.p. or 6.80%) per annum, adjusted daily and compounded and payable monthly, not in advance; and

II. during the next SIX (6) months subsequent to the first extension as in (I) above (i.e. months TWENTY-FIVE (25) to THIRTY (30) of the extended Term)), the Charge shall bear interest at the greater of: (i) FOURTEEN HUNDRED AND FIFTY BASIS POINTS (1450 b.p. or 14.50%) per annum, adjusted daily, compounded and payable monthly, not in advance, and (ii) RBC Prime Rate plus SEVEN HUNDRED AND EIGHTY BASIS POINTS (780 b.p. or 7.80%) per annum, adjusted daily and compounded and payable monthly, not in advance.

"RBC Prime Rate" means, for any day, the rate of interest per annum established and published from time to time by Royal Bank of Canada at the reference rate of interest for the determination of interest rates that Royal Bank of Canada will charge its customers of varying degrees of creditworthiness in Canada for Canadian Dollar demand loans made by the Royal Bank of Canada in Toronto, Ontario.

Interest only payments, at the aforesaid rates on the amount advanced from time to time, shall

be payable on the first day of each and every month and shall be paid by way of pre-authorized debits to Borrower's Project account.

The total outstanding amount of the Loan together with all accrued and unpaid interest and all other amounts owing by the Borrower hereunder shall be repayable in full on the Maturity Date (as same may be extended).

4. Default

In addition to any other Default Clauses set out in this Charge, or in the Standard Charge Terms referred to herein, the monies hereby secured, together with interest thereon as aforesaid, shall become payable and the security hereby constituted shall become enforceable immediately upon demand by the Chargee or the occurrence or happening of any of the following events ("Event(s) of Default"):

- (a) the Chargor makes default in the payment of the principal, interest or other monies hereby secured or any principal or interest payment and other monies owed by it to the Chargee whether secured by this Charge or not;
- (b) the Chargor makes material default in the observance or performance of any written covenant or undertaking heretofore or hereafter given by it to the Chargee, whether contained herein or not and pertaining to the assets or the financial condition of the Chargor and such default has not been cured within fifteen (15) days of written notice thereof being delivered to the Chargor;
- (c) if any statement, information (oral or written) or representation heretofore or hereafter made or given by or on behalf of the Chargor to the Chargee and pertaining to the assets or the financial condition of the Chargor, and whether contained herein or not is false, inaccurate and/or misleading in any material respect;
- (d) an order is made or an effective resolution passed for the winding-up, liquidation, amalgamation or reorganization of the Chargor, or a petition is filed for the winding up of the Chargor;
- (e) the Chargor becomes insolvent or makes a general assignment for the benefit of its creditors or otherwise acknowledges its insolvency; or the Chargor makes a bulk sale of its assets; or a bankruptcy petition or receiving order is filed or presented against the Chargor;
- (f) any proceedings with respect to the Chargor are commenced under the Companies' Creditors Arrangement Act;
- (g) any execution, sequestration, extent or any other process of any Court becomes enforceable against the Chargor or a distress or analogous process is levied upon the property and assets of the Chargor or any part thereof, which in the opinion of the Chargee is a substantial part, and remains unsatisfied for such period as would permit such property to be sold thereunder, less two (2) business days, provided that such process is not in good faith disputed and, in that event, if the Chargor shall desire to contest such process it shall give security to the Chargee which, in the absolute discretion of the Chargee, shall be deemed sufficient to pay in full the amount claimed in the event it shall be held to be a valid claim;
- (h) the Chargor ceases or threatens to cease to carry on its business or the Chargor commits or threatens to commit any act of bankruptcy or insolvency;
- (i) the property hereby mortgaged and charged or any part thereof, other than sales of lots or units containing fully completed single family dwellings to bona fide purchasers for value, prior approved in writing by the Chargee, are sold by the Chargor or if there is a change in the present effective voting control of the Chargor or a change in the beneficial ownership of the Chargor or the assets or any one of them;
- (j) the monies secured hereby, together with interest thereon shall not be repaid to the Chargee on demand; and
- (k) the Chargor makes any default with regard to any provision of the Commitment Letter.

5. Chargee May Remedy Default

If the Chargor should fail to perform any covenant or agreement of the Chargor hereunder, the Chargee may itself perform or cause to be performed such covenant or agreement and all expenses incurred or payments made by the Chargee in so doing, together with interest thereon at the rate set forth herein, shall be added to the indebtedness secured herein and shall be paid by the Chargor and be secured by this Charge together with all other indebtedness secured thereby, provided however that the foregoing shall not in any way be interpreted as an obligation of the Chargee.

6. Construction Liens

Provided also that upon the registration of any construction lien against title to the charged property which is not discharged within a period of ten (10) days from the registration thereof, all monies hereby secured shall, at the option of the Chargee, forthwith become due and payable.

The Chargee may at its option, withhold from any advances for which the Chargor may have qualified, such holdbacks as the Chargee in its sole discretion, considers advisable to protect its position under the provisions of the Construction Act (Ontario), so as to secure its priority over any construction liens, until the Chargee is fully satisfied that all construction lien periods have expired and that there are no preserved or perfected liens outstanding. Nothing in this clause shall be construed to make the Chargee an "owner" or "payer" as defined under the Construction Lien Act, 1990, nor shall there be, or be deemed to be, any obligation by the Chargee to retain any holdback which may be required by the said legislation. Any holdback which may be required to be made by the owner or payer shall remain solely the Chargor's obligation. The Chargor hereby covenants and agrees to comply in all respects with the provisions of the Construction Act (Ontario).

7. Construction Loan

Provided that the Chargor and Chargee agree that if this is a construction loan, the following conditions shall apply:

- (a) the Chargor further covenants that all installation of services and construction on the lands hereby secured shall be carried out by reputable contractors with sufficient experience in a project of this nature and size, which contractors must be approved by the Chargee and which approval shall not be unreasonably withheld.
- (b) that the installation of services and the construction of dwellings on the said lands, once having been commenced, shall be continued in a good and workmanlike manner, with all due diligence and in substantial accordance with the plans and specifications delivered to the Chargee and to the satisfaction of the Municipality and all governmental and regulatory authorities having jurisdiction.
- (c) provided that should the servicing and construction on the said lands cease for any reason whatsoever (strike, material shortages, weather and conditions or circumstances beyond the control of the Chargor excepted), for a period of fifteen (15) consecutive days unless explained to the satisfaction of the Chargee acting reasonably (Saturdays, Sundays and Statutory holidays excepted), then the monies hereby secured, at the option of the Chargee shall immediately become due and payable. In the event that construction does cease, then the Chargee shall have the right, at its sole option, to assume complete control of the servicing and construction of the project on the said lands in such manner and on such terms as it deems advisable. The cost of completion of servicing and construction of the project by the Chargee and all expenses incidental thereto shall be added to the principal amount of the Charge, together with a management fee of fifteen percent (15%) of the costs of the construction completed by the Chargee. All costs and expenses, as well as the said management fee shall bear interest at the rate as herein provided for and shall form part of the principal 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 principal and interest hereunder or at law.
- (d) at the option of the Chargee, at all times there shall be a holdback of ten percent (10%) with respect to work already completed.
- (e) all advances which are made from time to time hereunder shall be based on Certificate of the Chargee's agents prepared at the expense of the Chargor, which Certificates shall without limitation certify the value of the work completed and the estimated costs of any uncompleted work and such Certificates shall further certify that such completed construction and/or servicing to the date of such Certificate shall be in accordance with the approved plans and specifications for the said construction and further, in a good and workmanlike manner and in

accordance with the permits issued for such servicing and construction and in accordance with all municipal and other governmental requirements of any authority having jurisdiction pertaining to such servicing and construction and there shall be no outstanding work orders or other requirements pertaining to servicing and construction on the said lands. Such Certificates with respect to any values shall not include materials on the site which are not incorporated into the buildings or the services.

8. Environmental

- (a) The following terms have the following meanings in this Section:
- (i) "Applicable Environmental Laws" means all federal, provincial, municipal and other laws, statutes, regulations, by-laws and codes and all international treaties and agreements, now or hereafter in existence, intended to protect the environment or relating to Hazardous Material (as hereinafter defined), including without limitation the *Environmental Protection Act (Ontario)*, as amended from time to time (the "EPA"), and the *Canadian Environmental Protection Act*, as amended from time to time (the "CEPA"); and
  - (ii) "Hazardous Material" means, collectively, any contaminant (as defined in the EPA), toxic substance (as defined in the CEPA), dangerous goods (as defined in the *Transportation of Dangerous Goods Act (Canada)*, as amended from time to time) or pollutant or any other substance which when released to 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.
- (b) The Chargor hereby represents and warrants that:
- (i) neither the Chargor nor, to its knowledge, after due enquiry, any other person, firm or corporation (including without limitation any tenant or previous tenant or occupant of the Lands or any part thereof) has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the lands;
  - (ii) the business and assets of the Chargor are in compliance with all Applicable Environmental Laws;
  - (iii) no control order, stop order, minister's order, preventative order or other enforcement action has been threatened or issued or is pending by any governmental agency in respect of the Lands and Applicable Environmental Laws; and
  - (iv) the Chargor has not received notice nor has any knowledge of any action or proceeding, threatened or pending, relating to the existence in, or under the Lands or on the property adjoining the Lands of, or the spilling, discharge or emission on or from the Lands or any such adjoining property of, any Hazardous Material.
- (c) The Chargor covenants that:
- (i) the Chargor will not cause or knowingly permit to occur, a discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Material at, upon, under, into or within the Lands or any contiguous real estate or any body or water on or flowing through or contiguous to the Lands;
  - (ii) the Chargor shall, and shall cause any person permitted by the Chargor to use or occupy the Lands or any part thereof, to continue to operate its business and assets located on the Lands in compliance with the Applicable Environmental Laws and shall permit the Chargee to review and copy any records of the Chargor insofar as they relate to the Lands at any time and from time to time to ensure such compliance;
  - (iii) the Chargor will not be involved in operations at or in the Lands which could lead to the imposition on the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any of the

## Applicable Environmental Laws;

- (iv) the Chargor will not knowingly permit any tenant or occupant of the Lands to engage in any activity that could lead to the imposition of liability on such tenant or occupant or the Chargor of liability under the Applicable Environmental Laws or the issuance of any order under the Applicable Environmental Laws to stop discharging, shut down, clean-up or decommission or the creation of a lien on the Lands under any Applicable Environmental Laws;
  - (v) the Chargor shall strictly comply with the requirements of the Applicable Environmental Laws (including, but not limited to obtaining any permits, licenses or similar authorizations to construct, occupy, operate or use the Lands or any fixtures or equipment located thereon by reason of the Applicable Environmental Laws) and shall notify the Chargee promptly in the event of any spill or location of Hazardous Material upon the Lands, and shall promptly forward to the Chargee copies of all orders, notices, permits, applications or other communications and reports in connection with any spill or other matters relating to the Applicable Environmental Laws, as they may affect the Lands;
  - (vi) the Chargor shall remove any Hazardous Material (or if removal is prohibited by law, to take whichever action is required by law) promptly upon discovery at its sole expense;
  - (vii) the Chargor will not install on the Lands, nor knowingly permit to be installed on the Lands, asbestos or any substance containing asbestos deemed hazardous by any Applicable Environmental Law; and
  - (viii) the Chargor will at its own expense carry out such investigations and tests as the Chargee may reasonably require from time to time in connection with environmental matters.
- (d) The Chargor hereby indemnifies and holds harmless the Chargee, its officers, directors, employees, agents, shareholders and any receiver or receiver and manager appointed by or on the application of the Chargee (the "Indemnified Persons") from and against and shall reimburse the Chargee for any and all losses, liabilities, claims, damages, costs and expenses, including legal fees and disbursements, suffered, incurred by or assessed against any of the Indemnified Persons whether as holder of the within Charge, as mortgagee in possession, as successor in interest to the Chargor as owner of the Lands by virtue of foreclosure or acceptance of a deed in lieu of foreclosure or otherwise:
- (i) under or on account of the Applicable Environmental Laws, including the assertion of any lien thereunder;
  - (ii) for, with respect to, or as a result of, the presence on or under, or the discharge, emission, spill or disposal from, the Lands or into or upon any land, the atmosphere, or any watercourse, body or water or wetland, of any Hazardous Material where a source of the Hazardous Material is the Lands including, without limitation:
    - a. the costs of defending and/or counterclaiming or claiming over against third parties in respect of any action or matter; and
    - b. any costs, liability or damage arising out of a settlement of any action entered into by the Chargee;
  - (iii) in complying with or otherwise in connection with any order, consent, decree, settlement, judgment or verdict arising from the deposit, storage, disposal, burial, dumping, injecting, spilling, leaking, or other placement or release in, on or from the Lands of any Hazardous Material (including without limitation any order under the Applicable Environmental Laws to clean-up, decommission or pay for any clean-up or decommissioning), whether or not such deposit, storage, disposal, burial, dumping, injecting, spilling, leaking or other placement or release in, on or from the Lands of any Hazardous Material:

- 6 -

- a. resulted by, through or under the Chargor; or
- b. occurred with the Chargor's knowledge and consent; or
- c. occurred before or after the date of this Charge, whether with or without the Chargor's knowledge.

The provisions of this paragraph shall survive foreclosure of this Charge and satisfaction and release of this Charge and repayment of the amount secured hereunder. Any amounts for which the Chargor shall become liable to the Chargee under this paragraph shall, if paid by the Indemnified Person, bear interest from the date of payment at the interest rate stipulated herein and together with such interest shall be secured hereunder.

- (e) In the event of any spill of Hazardous Material affecting the Lands, whether or not the same originated or emanates from the Lands, or if the Chargor fails to comply with any of the requirements of the Applicable Environmental Laws, the Chargee may at its election, but without the obligation so to do, give such notices and cause such work to be performed at the Lands and take any and all other actions as the Chargee shall deem necessary or advisable in order to remedy said spill or Hazardous Material or cure said failure of compliance and any amounts paid as a result thereof, together with interest thereon at the interest rate stipulated herein from the date of payment by the Chargee shall be immediately due and payable by the Chargor to the Chargee and until paid shall be added to and become a part of the amount secured hereunder.

#### 9. Miscellaneous

The Chargor agrees as follows:

- (a) to maintain the project in good repair and in a state of good operating efficiency;
- (b) to pay taxes, utilities and other operating and maintenance costs and provide evidence thereof to the Chargee;
- (c) to perform all governmental requirements and obligations as required;
- (d) to deliver to the Chargee all reasonable financial information deemed necessary by the Chargee, when requested;
- (e) to comply with all covenants and reporting requirements set out in the Commitment Letter;
- (f) to provide or comply with such other covenants and terms as the Chargee may reasonably require.

#### 10. Amendments to Standard Charge Terms

The Standard Charge Terms No. 201117 referred to in this document were filed by Terra Firma Capital Corporation, and for purposes of this document, any reference in the said Standard Charge Terms to Terra Firma Capital Corporation should be deemed to be replaced by the name of the Chargee.

#### 11. No Prepayment Provision

The Chargor shall have no right or privilege to prepay any amount of the loan secured hereunder.

#### 12. Restriction on Transfer

In the event of the Chargor selling, transferring or conveying title or its rights to a purchaser, transferee or grantee not approved by the Chargee or in the event of a change in the legal or beneficial ownership of the Property, the Borrower or the Chargor, not approved in writing by the Chargee, then, at the sole option of the Chargee, all monies secured, together with all accrued and unpaid interest thereon and any other amounts due under this Charge shall become due and payable. This restriction shall not prevent the sale of dwelling units to bona fide home Purchasers.

#### 13. Subsequent Financing

No financing subsequent to the Chargee's facilities shall be permitted, without the prior written consent of the Chargee.

14. Voting Control

The Chargor agrees that voting control of the Chargor or of any beneficial owner shall not change during the currency of this loan without the prior written consent of the Chargee.

15. Joint & Several Obligations

If more than one person executes this Charge as Chargor, or as Chargor and Covenantor, such persons are jointly and severally liable to observe and perform all of the Chargor's obligations herein.

16. Survival of Commitment The terms, conditions, representations and warranties expressed herein and in the Letter of Commitment shall continue in effect as long as any part of the indebtedness secured hereunder remains outstanding and shall bind the personal representatives, heirs, successors and assigns of the Chargor and each Covenantor, if any, and shall enure to the benefit of the successors and assigns of the Chargee. Any default by the Chargor with regard to any provision of the Letter of Commitment shall constitute a default under this Charge. In the event of any inconsistency between the terms of this Charge and the Letter of Commitment, the Letter of Commitment shall prevail.

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

yyyy mm dd Page 1 of 11

**Properties**

**PIN** 37268 - 0506 LT  Affects Part of Prop

**Description** PART OF LOTS 238, 239 AND 240 CONCESSION 1 SWTSR PROTON, DESIGNATED AS PARTS 15, 16, 17, 18, 19 AND 20, PLAN 16R11871, TOWNSHIP OF SOUTHGATE, COUNTY OF GREY

**Address** 772060 HIGHWAY 10  
DUNDALK

**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** FLATO GREENS INC.

**Address for Service** 3621 Highway 7 East, Suite 503  
Markham, Ontario  
L3R 0G6

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** DORR CAPITAL CORPORATION

**Address for Service** 41 Scarsdale Road, Unit 6  
Toronto, Ontario  
M3B 2R2

**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, GY244473 registered on 2023/06/21 to which this notice relates is deleted

Schedule: See Schedules

**Signed By**

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 06 21  
Toronto Applicant(s)  
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

Lindsay Mitchell Kazdan 1 Adelaide Street E., Suite 801 acting for Signed 2023 06 21  
Toronto Party To(s)  
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

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

**Submitted By**

GARFINKLE, BIDERMAN LLP 1 Adelaide Street E., Suite 801 2023 06 21  
Toronto  
M5C 2V9

Tel 416-869-1234

Fax 416-869-0547

**Fees/Taxes/Payment**

**Statutory Registration Fee** \$69.00

**Total Paid** \$69.00

**File Number**

**Applicant Client File Number :** 9339-036

**Party To Client File Number :** 22080

**GENERAL ASSIGNMENT**

THIS AGREEMENT made as of the 26th day of May, 2023.

B E T W E E N:

**FLATO GREENS INC.**

(hereinafter called the "Assignor"),

OF THE FIRST PART,

- and -

**DORR CAPITAL CORPORATION**

(hereinafter called the "Assignee"),

OF THE SECOND PART.

**WHEREAS:**

- A. FLATO GREENS INC. will be the registered and beneficial owner of the lands (as of the date this General Assignment is registered on title thereto) described as PART OF LOTS 238, 239 AND 240 CONCESSION 1 SWTSR PROTON, DESIGNATED AS PARTS 15, 16, 17, 18, 19 AND 20, PLAN 16R11871, Township of Southgate, County of Grey, and municipally known as: 772060 Highway 10, Dundalk, Ontario (the "Lands");
- B. Pursuant to the Mortgage, the Assignor mortgaged and charged in favour of the Assignee all of its right, title and interest in and to the Project as security, inter alia, for the due payment of all principal, interest and other monies payable under the Mortgage;
- C. As additional security for the Assignor's covenants and obligations as set out in the Mortgage and set out in all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee, made by the Assignor in favour of the Assignee or assigned by the Assignor to the Assignee pursuant to the Mortgage, the Assignor agreed to assign to the Assignee the Rents and the Leases, together with all benefits, powers and advantages of the Assignor to be derived therefrom.

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

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



- (d) **Dispute** has the meaning ascribed thereto in Sub-section 8(b) hereof;
  - (e) **Indebtedness** has the meaning ascribed thereto in Section 3 hereof;
  - (f) **Lands** means the lands so defined in the recitals contained herein;
  - (g) **Leases** means any and all present and future leases or subleases, offers to lease or sublease, letters of intent to lease or sublease and all other agreements to lease or sublease including, without limitation, all other occupancy agreements relating to the whole or any part of parts of the Project made by the Assignor or any predecessor in title of the Assignor, as landlord, and all present and future licences or concessions whereby the Assignor gives any person the right (other than an easement or a right in the nature of an easement) to use or occupy the whole or any part or parts of the Project, in each case for the time being in effect, and all revisions, alterations, modifications, amendments, changes, extensions, renewals, replacements or substitutions thereof or therefor which may hereafter be effected or entered into and **Lease** means any of the Leases;
  - (h) **Mortgage** means that certain mortgage or charge of land made by the Assignor wherein the Assignor did grant and mortgage unto the Assignee the Lands and which mortgage or charge was registered on title to the Lands on the same (or nearly the same) date as this General Assignment, as same may be supplemented, amended or modified from time to time;
  - (i) **Interest Rate** means the rate of interest specified in the Mortgage;
  - (j) **Project** means the Lands and the Building;
  - (k) **Rents** means all present and future income, rents, issues, profits and any other monies including rental insurance proceeds and expropriation awards to be derived from, reserved or payable under the Leases; and
  - (l) **Tenant** means any person who is hereafter a party to a Lease or has any right of use or occupancy to all or any part of the Project, whether as a tenant, licensee or concessionaire under a Lease, and **Tenants** means all such persons.
3. **Assignment:** As continuing and additional security for:
- (a) the repayment to the Assignee of all amounts (the Indebtedness) owing from time to time by the Assignor to the Assignee under, in connection with or arising out of or from any agreement entered into by the Assignor with the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee including, without limitation, the Mortgage; and
  - (b) the due performance by the Assignor of the terms, agreements, provisions, conditions, obligations, and covenants on the part of the Assignor to be performed under the Mortgage and all other agreements, documents, instruments, undertakings and commitments entered into between the Assignor and the Assignee with respect to the Project, made by the Assignor in favour of the Assignee with respect to the Project or assigned by the Assignor to the Assignee;

the Assignor, upon and subject to the terms of this Agreement, assigns, sets over and transfers to the Assignee all its rights, benefits, title and interest under, in and to, and all claims of whatsoever nature or kind which the Assignor now has or may hereafter have under or pursuant to:

- (a) the Leases;
- (b) the Rents;

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

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

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

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

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

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



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

- (iv) any action or other proceeding instituted by the Assignor, the Assignee or any other person, firm or corporation in connection with or in any way relating to:
  - (1) this Agreement or any part hereof;
  - (2) the preservation, protection, enforcement or realization of the Premises Hereby Assigned; or
  - (3) the recovery of the Indebtedness; and
- (v) all amounts incurred or paid by the Assignor pursuant to paragraph 8 hereof;

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

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

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

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

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

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

- (a) each of the Premises Hereby Assigned including, without limitation, each of the Leases in effect as of the date hereof, is valid and subsisting, is in full force and effect, unamended, in good standing and there are no defaults thereunder;



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

- (c) collect any Rents, proceeds, receipts or income arising from or out of the Premises Hereby Assigned including, without limitation, the institution of proceedings, whether in the name of the Assignor or the Assignee or both, for the collection of same.

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

9. **Assignee Not Liable:** The Assignee shall not be bound to exercise any of the rights afforded to it hereunder nor to collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned. The Assignee shall not be liable or responsible to the Assignor or any other person for the fulfillment or non-fulfillment of this Agreement or the terms, obligations, covenants or agreements set out in this Agreement or for any loss or damage incurred or suffered by the Assignor or any other person, firm or corporation as a result of:
- (a) any delay by, or any failure of, the Assignee to:
- (i) exercise any of the rights afforded to it under this Agreement; or
- (ii) collect, dispose of, realize, preserve or enforce any of the Premises Hereby Assigned; or
- (b) the negligence (but not the wilful misconduct) of any officer, servant, agent, counsel or other attorney or substitute employed by the Assignee in the exercise of the rights afforded to the Assignee hereunder, or in the collection disposition, realization, preservation or enforcement of the Premises Hereby Assigned.
10. **Application of Funds:** Any amount received by the Assignee arising out of or from the collection, disposition, realization or enforcement of any of the Premises Hereby Assigned, after all costs, charges and expenses incurred by the Assignee in connection therewith have been deducted therefrom, shall be applied in reduction of the Indebtedness. Notwithstanding the generality of the foregoing, the Assignee shall be entitled to apply all or any part of such amounts received by it on account of such part or parts of the Indebtedness, in such manner and at such times or from time to time, as the Assignee deems best and the Assignee may at any time and from time to time change any such application.
11. **Further Assurances:** The Assignor covenants and agrees to execute all such further assignments and other documents and to do all such further acts and things including, without limitation, obtaining any consent which are required by the Assignee, from time to time, to more effectively assign, set over and transfer the Premises Hereby Assigned to the Assignee including, without limitation, execute and deliver one or more specific assignments of the Assignor's rights, benefits, title and interest in any of the agreements, documents, commitments and other writings that constitute the Premises Hereby Assigned in form, substance and execution satisfactory to the Assignee, to perfect and keep perfected the security interest constituted hereby and to assist in the collection, disposition, realization or enforcement thereof, and the Assignee is hereby irrevocably constituted the true and lawful attorney of the Assignor, with full power of substitution, to execute in the name of the Assignor any assignment or other document for such purposes.
12. **Information:** The Assignor covenants and agrees that from time to time forthwith upon the request of the Assignee it shall furnish to the Assignee in writing all information requested by the Assignee relating to the Premises Hereby Assigned.
13. **Payment of Rent Under Leases:** Until a Default occurs the Assignor shall have the authority:
- (a) to collect any Rents and other moneys properly payable or arising out of or from the Premises Hereby Assigned; and

- (b) subject to Section 6 hereof, to exercise in good faith all of the benefits, advantages and powers as landlord under the Premises Hereby Assigned;

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

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

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

15. **Re-assignment:** Upon the Indebtedness being paid in full, the Assignee shall, within a reasonable time following its receipt of a written request from the Assignor and at the sole cost and expense of the Assignor, reassign the Premises Hereby Assigned to the Assignor including, without limitation, all of the Assignee's rights, benefits, title and interest in and to the Premises Hereby Assigned.

16. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.



17. **Notices:** Any notice, demand, request, consent, agreement or approval which may or is required to be given pursuant to this Agreement shall be in writing and shall be sufficiently given or made if served personally upon the party for whom it is intended, or (except in the case of an actual or pending disruption of postal service) mailed by registered mail:

(a) if to the Assignor, addressed to it at:

Flato Greens Inc.  
3621 Highway 7 East, Suite 503  
Markham, Ontario L3R 0G6

Attention: Shakir Rehmatullah

(b) if to the Assignee, addressed to it at:

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario M3B 2R2

Attention: Mortgage Administration Department

Any of the parties hereto may, from time to time, change its address or stipulate another address from the address described above in the manner provided in this paragraph. The date of receipt of any such notice, demand, request, consent, agreement or approval, if served personally, shall be deemed to be the date of delivery thereof, or if mailed as aforesaid, the fourth business day following the date of mailing. For the purposes hereof, personal service on the Assignor shall be effectively given by delivery to an officer, director or employee of the Assignor.

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

19. **Amendments:** This Agreement may not be modified or amended except with the written consent of the Assignee and the Assignor.

20. **Entire Agreement:** This Agreement constitutes the entire agreement between the Assignee and the Assignor pertaining to the assignment of the Premises Hereby Assigned and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, relating thereto.

21. **Assignment:** The Assignee may assign, transfer, negotiate, pledge or otherwise hypothecate this Agreement, any of the Premises Hereby Assigned, any of its rights hereunder or any part thereof and all rights and remedies of the Assignee in connection with the interest so assigned shall be enforceable against the Assignor as the same would have been by the Assignee but for such assignment.

22. **No Agency, Joint Venture or Partnership:** The Assignee is not the agent, representative, partner of or joint-venturer with the Assignor, and the Assignor is not the agent, representative, partner of or joint-venturer with the Assignee, and this Agreement shall not be construed to make the Assignee liable to any person or persons for goods or services furnished to, on behalf of or for the benefit of the Assignor nor for debts, liability or claims accruing therefrom against the Assignor.

23. **Rights, Powers and Remedies:** Each right, power and remedy of the Assignee provided for herein or available at law or in equity or in any other agreement shall be separate and in addition to every other such right, power and remedy. Any one or more and/or any



combination of such rights, remedies and powers may be exercised by the Assignee from time to time and no such exercise shall exhaust the rights, remedies or powers of the Assignee or preclude the Assignee from exercising any one or more of such rights, remedies and powers or any combination thereof from time to time thereafter or simultaneously.

24. **Survival:** All covenants, undertakings, agreements, representations and warranties made by the Assignor in this Agreement and any instruments delivered pursuant to or in connection herewith, shall survive the execution and delivery of this Agreement and any advances made by the Assignee to the Assignor, and shall continue in full force and effect until the Indebtedness is paid in full. All representations and warranties made by the Assignor shall be deemed to have been relied upon by the Assignee.
25. **Severability:** Any term, condition or provision of this Agreement which is or is deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom, be ineffective to the extent of such avoidance, prohibition or unenforceability without invalidating the remaining terms, conditions, and provisions hereof and any such avoidance, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such term, condition or provision in any other jurisdiction.
26. **Governing Law:** This Agreement, and the interpretation, construction, application and enforcement of this Agreement, shall be governed by and construed, in all respects, exclusively in accordance with the laws of the Province of Ontario.
27. **Headings:** The insertion in this Agreement of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Agreement.
28. **Number and Gender:** All nouns and personal pronouns relating thereto shall be read and construed as the number and gender may require and the verb shall be read and construed as agreeing with the noun and pronoun.
29. **Registrations:** Neither the preparation, execution nor any registrations or filings with respect hereto, shall bind the Assignee to make an advance under the Mortgage.
30. **Receipt of Copy:** The Assignor acknowledges receipt of a copy of this Agreement.

IN WITNESS WHEREOF the Assignor has executed this Agreement as of the date and year first above-written.

**FLATO GREENS INC.**

Per:  \_\_\_\_\_  
 Name: Shakir Rehmatullah  
 Title: President

I have authority to bind the corporation.

## GENERAL SECURITY AGREEMENT

### 1. SECURITY INTEREST

- (a) For value received, **Flato Greens Inc.** (the "Debtor"), hereby grants to **Dorr Capital Corporation** (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 therefor (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 inventory of whatever kind and wherever situate ("Inventory");
  - ii. all equipment (other than Inventory) of whatever kind including, without limitation, all machinery, tools, apparatus, plant, furniture, fixtures and vehicles;
  - iii. all book accounts and book debts, rents and leases, all Agreements of Purchase and Sale entered into or to be entered into (including any deposits payable to the Debtor pursuant thereto) and generally all accounts, debts, dues, claims, choses 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");
  - iv. 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;
  - v. all contractual rights and insurance claims and all goodwill, patents, trademarks, copyrights, and other industrial property, licenses and permits;
  - vi. all contractual rights for the provision of materials, equipment and services to the lands described in Schedule "A" in connection with the construction and/or servicing upon the lands, including any applicable working drawings, plans, specifications, development and/or building approvals and permits in connection with the lands;
  - vii. all monies other than trust monies lawfully belonging to others, Certificates and Interest Bearing Accounts;
  - viii. all real property described in Schedule "A" attached hereto and all property described in any schedule now or hereafter annexed hereto.
- (b) The Security Interest created by this Agreement affects all present and after-acquired Collateral of the Debtor wheresoever situate, including, but not limited to, the Debtor's business and assets situate in the Township of Southgate and more particularly described in Schedule "A" attached hereto (hereinafter called the "Premises").
- (c) The Security Interest granted hereby shall not extend or apply to and Collateral shall not include the last day of the term of any lease or agreement therefor but upon the enforcement of the Security Interest the Debtor shall stand possessed of such term.
- (d) 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 terms "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 arising out of a Letter of Commitment dated January 24, 2023, and any amendments thereto, and pursuant thereto a first mortgage between the Debtor as Mortgagor and the Lender as Mortgagee charging the lands described in Schedule "A" hereto and securing for principal the sum of \$5,000,000.00 (the "Charge") which indebtedness shall be fully satisfied upon payment in full of the said mortgage (hereinafter collectively called the "Indebtedness").

3. **REPRESENTATIONS AND WARRANTIES OF DEBTOR**

The Debtor represents and warrants and so long as this 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 and those Encumbrances shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption;
- (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 "A" as to business operations and records is accurate and complete and with respect to Goods constituting Collateral.

4. **COVENANTS OF THE DEBTOR**

So long as this 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 those shown on Schedule "B" or hereafter approved in writing by the Lender, prior to their creation or assumption and not to sell, exchange, transfer, assign, lease, 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 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 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;
- (j) To have the premises professionally managed at all times.

#### 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 acts 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 and to the premises described in Schedule "A".

#### 6. ASSIGNMENT OF RIGHTS UNDER AGREEMENTS OF PURCHASE AND SALE

- (a) Although it is the intention of the parties that the assignment of all Agreements of Purchase and Sale or rights arising therefrom shall be a present assignment, it is expressly understood and agreed, notwithstanding anything herein contained to the contrary, that the Lender shall not exercise any of the rights or powers herein conferred upon it except for the Lender's right to receive all sale proceeds (including deposits) received or to be received by the Debtor, pursuant to the Agreements, or any one of them, until default shall occur under the terms and provisions of this assignment or under the Charge, but upon the occurrence of any such default, this assignment shall constitute a direction and full authority to any purchaser under the Agreements, or any one of them, to deal with respect to all matters of the Agreements, or any one of them, exclusively with the Lender as if the Lender was the vendor thereunder, and such purchaser is hereby irrevocably authorized and directed by the Debtor to rely upon any notice from the Lender as to the authority to act as the vendor in all respects pursuant to the Agreements, or any one of them, without requiring any further proof of such

authority.

- (b) In the exercise of the powers herein granted to the Lender no liability shall be asserted or enforced against the Lender, all such liability being expressly waived and released by the Debtor. The Lender shall not be obligated to perform or discharge any obligation, duty or liability under the Agreements, or any one of them, unless and until the Lender expressly and specifically agrees to do so in writing by separate instrument and until such time all parties shall look strictly to the Debtor for the performance and discharge of any and all obligations under the Agreements, or any one of them. The Debtor shall and does hereby agree to indemnify the Lender for and to save and hold it harmless of and from any and all liabilities, losses, expenses, costs or damages which it may or might incur by reason of this assignment.
- (c) This Assignment of Rights under Agreements of Purchase and Sale is given as further security for the performance of the Debtor's obligations under the Charge and in the event of the exercise of the Lender's rights hereunder the Lender shall have the right to apply any sale proceeds or deposits received by it hereunder at its discretion as against principal, interest or costs owing pursuant to the Charge provided always that upon satisfaction in full of the indebtedness owing to the Lender under the Charge, all rights, benefits, and privileges under the Agreements shall be deemed to be reassigned and the Lender shall account for any excess monies held by it pursuant hereto (if any) to the Debtor.

#### 7. COLLECTION OF DEBTS

Before or after default under this 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 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.

#### 8. DISPOSITION OF MONIES

Subject to any application 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.

#### 9. EVENTS OF DEFAULT

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

- (a) The nonpayment 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 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.

#### 10. 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 in 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 reasonably 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 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.
- (h) Upon failure of the Debtor to have the Premises professionally managed in accordance with clause 4(j) hereof, the Lender may, but shall not be obligated to appoint such professional manager or managers, as it may deem necessary in its sole discretion, to manage the Premises at the sole expense of the Debtor.

11. 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 the 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 therefor, 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 notice of any other action taken by the Lender.
- (f) This 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 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 any provisions of this Agreement to the contrary, 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 whom 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.

The address of each party is as follows:

Debtor:

Flato Greens Inc.  
3621 Highway 7 East, Suite 503  
Markham, Ontario L3R 0G6

Attention: Shakir Rehmatullah

Lender:

Dorr Capital Corporation  
41 Scarsdale Road, Unit 6  
Toronto, Ontario M3B 2R2

Attention: Mortgage Administration Department


- (i) This 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 Security Agreement are for convenience only and are not to be considered a part of this Security Agreement and do not in any way limit or amplify the terms and provisions of this 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 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 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.

13. COPY OF AGREEMENT

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

**IN WITNESS WHEREOF** the Debtor has executed this Security Agreement under the hand of its authorized signing officers as of this 26th day of May, 2023.

**FLATO GREENS INC.**

DocuSigned by:  
  
 Per: \_\_\_\_\_  
 Name: Shakir Rehmatullah  
 Title: President

I have authority to bind the corporation.

**SCHEDULE "A"**

PART OF LOTS 238, 239 AND 240 CONCESSION 1 SWTSR PROTON, DESIGNATED AS PARTS 15, 16, 17, 18, 19 AND 20, PLAN 16R11871, TOWNSHIP OF SOUTHGATE, COUNTY OF GREY, BEING PART OF PIN 37268-0506 (LT), municipally known as: 772060 Highway 10, Dundalk.

Grey Land Registry Office (No. 16)

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**SCHEDULE "B"**

- NIL -

**DORR CAPITAL CORPORATION et al.**  
Plaintiffs

and

Court File No. CL-26-00000262-0000  
**FLATO GREENS INC. et al.**  
Defendants

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

Proceeding commenced at TORONTO

**MOTION RECORD OF THE PLAINTIFFS  
VOLUME II OF III**

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