

Supreme Court of Nova Scotia

**IN THE MATTER OF THE RECEIVERSHIP OF ANNAPOLIS MANAGEMENT, INC.
RUBY, LLP, BSL HOLDINGS LIMITED, 3337151 NOVA SCOTIA LIMITED and 4551650
NOVA SCOTIA LIMITED**

Between:

**DUORO CAPITAL LIMITED, GRAYSBOOK CAPITAL LIMITED,
LEAGUE SAVINGS AND MORTGAGE COMPANY, ATLANTIC
CREDIT, ASSUMPTION MUTUAL LIFE INSURANCE COMPANY, and
3046475 NOVA SCOTIA LIMITED**

Applicants

-and-

**ANNAPOLIS MANAGEMENT, INC., RUBY, LLP, BSL HOLDINGS
LIMITED, 3337151 NOVA SCOTIA LIMITED and 4551650 NOVA
SCOTIA LIMITED**

Respondents

**Affidavit of Joanne Caryi
Volume 1 of 2**

I make oath and give evidence as follows:

1. I am the sister of the deceased Steven Caryi ("**Mr. Caryi**"), and the executor of his Canadian estate. I have about thirty plus years as a federal government employee and have worked in accounting and business valuations for most of my career. My Brother had consulted me over the years, and I provided my assistance whenever possible. I have Bachelor of Commerce degree with major in accounting.
2. I have personal knowledge of the evidence sworn to in this affidavit except where otherwise stated to be based on information and belief.
3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.

A. Parties

4. Mr. Caryi had a vision to revitalize heritage properties by combining both the modern and historic elements of each, resulting in a new purpose and life for the older buildings Mr. Caryi purchased over the years and specific to this proceeding.

5. Annapolis Management, Inc., (“**Annapolis**”) is an extra-provincial corporation incorporated pursuant to the laws of the State of Florida in the United States of America on or about May 5, 2008.
6. Laurie Caryi is the sole officer and director following the death of her husband, Mr. Caryi. Attached hereto as **Exhibit “A”** is a true copy of the Registry of Joint Stocks snapshot for Annapolis.
7. Ruby, LLP, (“**Ruby**”) is an extra-provincial partnership created pursuant to the laws of the State of Florida in the United States of America on or about May 5, 2008. Attached hereto as **Exhibit “B”** is a true copy of the Registry of Joint Stocks snapshot for Ruby.
8. Annapolis is the general partner and the limited partner of Ruby with a partnership interest of .001%. Mr. Caryi has a 99.999% ownership interest in Ruby which has devolved to his estate. Mrs. Caryi is the executor of his estate in the United States of America.
9. BSL Holdings Limited (“**BSL**”) is a corporation incorporated pursuant to the laws of Nova Scotia on or about October 28, 1992. I am now the sole officer and director of BSL. Attached hereto as **Exhibit “C”** is a true Registry of Joint Stocks snapshot for BSL.
10. Comvest Commercial Real Estate Inc. (“**Comvest**”) is a corporation incorporated pursuant to the laws of Nova Scotia on or about July 4, 2006. Mrs. Caryi is the sole officer and director of Comvest. Attached hereto as **Exhibit “D”** is a true Registry of Joint Stocks snapshot for Comvest.
11. 3337151 Nova Scotia Limited (“**333 NSL**”) is a corporation incorporated pursuant to the laws of Nova Scotia on or about May 22, 2020. I am now the sole officer and director of 331 NSL. Attached hereto as **Exhibit “E”** is a true Registry of Joint Stocks snapshot for 331 NSL.
12. 4551650 Nova Scotia Limited (“**455 NSL**”) is a corporation incorporated pursuant to the laws of Nova Scotia on or about October 13, 2023. I am now the sole officer and director of 455 NSL. Attached hereto as **Exhibit “F”** is a true Registry of Joint Stocks snapshot for 445 NSL.

B. Properties and Mortgages

13. On or about January 7, 2013, Annapolis acquired the property located at 1572, 1574 and 1576 Barrington Street, Halifax, Nova Scotia, more particularly described as PID No. 41353202 which is known as the National Film Board Building, and it has been designated Canadian National Historic Place (“**National Film Board Building**”).
14. On or about January 1, 2022, Annapolis leased the National Film Board Building to 329844 Nova Scotia Limited to operate the Cameo Hotel and Suites (“**Cameo**”), a true copy of which is attached hereto as **Exhibit “G”**.

15. The Cameo has twenty-one (21) rooms that are rented on as needed basis. The Cameo occupies 80% of the leased premises. The remaining 20% was developed as a shared workspace and café. As a result of the COVID-19 Pandemic, the shared workspace and café is empty and not leased out.
16. Because the units have kitchenettes, they can be converted into residential units.
17. League Savings and Mortgage Company (“**League**”) extended a loan to Annapolis on or about August 6, 2020, May 18, 2022, and October 31, 2024. The loans are each respectively secured by a mortgage and the first two by an assignment of leases and rent too, which are recorded with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “H”, “H1” and “H2”**.
18. On or about July 29, 2015, Annapolis acquired the property located at 1673, 1675, 1677 Granville Street and 1680, 1682 and 1684 Hollis Street, Halifax, Nova Scotia, more particularly described as PID No. 00003228, which is known as the Halifax Club, and is a Halifax Regional Municipality Registered Heritage Property (“**Halifax Club**”).
19. The Halifax Club is a private social club which offers fine dining options and social events for members daily. It also has a retail cigar store, private cigar club and hosts weddings and other functions.
20. Ruby as the general partner of Annapolis leased the operations of the Halifax Club on July 1, 2017, retail cigar shop on October 1, 2017, and private cigar club on January 1, 2016 to Comvest on or about, a true copies of which are attached hereto as **Exhibit “I”, “I1” and “I2”**
21. Assumption Mutual Life Insurance Company (“**Assumption**”) extended a loan to Annapolis on or about August 4, 2020. The loan was secured by a mortgage and an assignment of leases and rents over the Halifax Club which are registered with the Halifax County Land Registration Office, a true copy of which is attached hereto as **Exhibit “J”**.
22. Graysbrook Capital Ltd. (“**Graysbrook**”) also extended a loan to Annapolis on or about June 15, 2023. The loan was secured by a mortgage and an assignment of leases and rents which are registered with the Halifax County Land Registration Office, true copies of which is attached hereto as **Exhibit “K”**.
23. On or about May 9, 2008, Annapolis acquired the property located at 1532 and 1536, Granville Street, 1533 Barrington Street and 5187 Salter Street, Halifax, Nova Scotia, more particularly described as PID No. 00444141, which is known as the Free Mason’s Building, and is a Halifax Regional Municipality Registered Heritage Property (“**Free Mason’s Building**”).
24. The Free Mason’s Building has five (5) commercial units leased to four (4) commercial tenants. Currently, it has eleven (11) residential units, three of which are rented, and once completed the Free Mason’s Building will have fifty-four (54) residential units. Currently, no construction is on-going but, if it began, the units may be brought to market in late 2026 early 2027.

25. Atlantic Central extended a loan to Annapolis on or about December 11, 2020. The loan was secured by a mortgage and assignment of leases and rents which were registered with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “L”**.
26. Graysbrook also extended a loan to Annapolis on or about October 1, 2023. The loan was secured by a mortgage and an assignment of leases and rents which are registered with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “M”**.
27. On or about October 1, 2012, Annapolis acquired 545 Young Avenue, Halifax, Nova Scotia, more particularly described as PID No. 00047183 (“**Young Property**”). It also contains two apartments which are leased to four tenants.
28. On or about January 16, 2016, CIBC extended a loan to Annapolis which was secured against the Young Property by a mortgage which is registered with the Halifax County Land Registration Office, a true copy of which is attached hereto as **Exhibit “N”**.
29. Graysbrook also extended a loan to Annapolis on or about August 2, 2023. The loan was secured by a mortgage and an assignment of leases and rents which are registered with the Halifax County Land Registration Office, a true copy of which is attached hereto as **Exhibit “O”**.
30. On or about April 13, 2007, BSL acquired the property located at 1665 Granville Street, Halifax, Nova Scotia, more particularly described as PID No. 40042087 and 1669 Granville Street, Halifax, Nova Scotia, more particularly described as PID No. 00003251, which is known is the Granville Hall Student Residences (“**Granville Hall**”).
31. On or about September 1, 2016, Granville Hall was leased to and operated by 3298944 Nova Scotia Limited, a true copy of which is attached hereto as **Exhibit “P”**.
32. It is the premier student residence in Halifax, Nova Scotia. It has thirty-three (33) dormitory style rooms (both single and double rooms) that can be rented for one day or for a term. It almost never has vacancies.
33. Atlantic Central extended a loan to BSL on or about June 21, 2022. The loan was secured by a mortgage and assignment of leases and rents which are registered with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “Q”**.
34. Graysbrook also extended a loan to Annapolis on or about June 13, 2023. The loan was secured by a mortgage and an assignment of leases and rents which were registered with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “R”**.
35. On or about August 23, 2019, BSL acquired the property located at 165 Prince Street, Charlottetown, Prince Edward Island. The building has mixed-use residential offices and commercial spaces. Currently, it has three commercial tenants and a tenant renting office space on a month-to-month lease.

36. Saltwire Network Inc. extended a loan to BSL on or about August 2, 2019. The loan was secured by a mortgage which is registered with the Prince Edward Island Registry of Deeds a true copy of which is attached hereto as **Exhibit “S”**.
37. Assumption extended a loan to BSL on or about June 22, 2022. The loan was secured by a mortgage and assignment of leases and rents which are registered with the Prince Edward Island Registry of Deeds a true copy of which is attached hereto as **Exhibit “S1”**.
38. On or about June 1, 2020, 333 acquired the property located at 1598 Barrington Street, Halifax, Nova Scotia, more particularly described as PID No. 00076455, which is known as the Tramway Building, and is a Halifax Regional Municipality Registered Heritage Property (**“Tramway”**).
39. The Tramway has one (1) commercial unit leased. Currently, it is in mid-build and when completed it will have thirty-five (35) residential units.
40. League extended a loan to Annapolis on or about May 28, 2020. The loan is secured by a mortgage and assignment of leases and rent, which have been recorded with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “T”**.
41. On or about October 25, 2023, 455 acquired the property located at 1674 Hollis Street, Halifax, Nova Scotia, more particularly described as PID No. 00003236, which is known as the Sonic Building, and is a Halifax Regional Municipality Registered Heritage Property (**“Sonic Building”**).
42. The Sonic Building is empty. It was acquired to form part of the Halifax Club development.
43. 4518276 Nova Scotia Limited extended a loan to 455 NSL on or about October 16, 2023. The loan is secured by a mortgage and assignment of leases and rent, which are recorded with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “U”**.
44. 3046475 Nova Scotia Limited extended a loan to 455 NSL on or about October 16, 2023. The loan is secured by a mortgage, which has been recorded with the Halifax County Land Registration Office, true copies of which are attached hereto as **Exhibit “V”**.
45. The Halifax Club, Granville Residence and Sonic Building represent the entire block between the Centennial Building and the Joseph Howe Building extending from Hollis Street to Granville Street, Halifax, Nova Scotia. A true copy of a survey plan is attached hereto as **Exhibit “W”** which is registered with the Halifax County Land Registration Office.
46. Pursuant to the Halifax Regional Municipality Centre Plan, the entire block referenced above is an as-of-right development to a maximum height of 16 stories, which would allow construction of at least 143 residential and various commercial units based on a preliminary drawing.

C. Mortgage Amounts

47. Below is a table demonstrating the outstanding amounts on the various credit facilities on or about December 27, 2024, which are owed by the Respondents:

Mortgagee	Balance
Atlantic Central Credit Union	\$16,102,160
League Savings	\$13,933,831
Assumption Life	\$6,570,838
CIBC	\$1,631,000
Graysbrook Capital	\$7,102,618
4518276 Nova Scotia Limited	\$1,800,000
3046475 Nova Scotia Limited	\$275,000
Saltwire	\$210,000
Total	\$47,625,447

48. Mr. Caryi guaranteed approximately \$29,000,000.00 of the outstanding amount in the table above.

D. Demands and Meetings

49. Because of the COVID-19 Pandemic, Mr. Caryi began an ambitious plan to rehabilitate and build rental units in the Free Mason's Building and Tramway. However, due to the rising interest rates, costs to complete and lack of skilled trades Mr. Caryi began to experience liquidity issues across the Caryi Group of Companies in March 2020 and 2021.
50. As a result of these liquidity issues, the Caryi Group of Companies had to cease all construction across its portfolio following his death.
51. The Caryi Group of Companies recognizes the significant financial challenges it faces and has attempted to sell its properties, but no acceptable offers have been received as of the date of this affidavit. Since Mr. Caryi's death, the offers received have been extremely low and well below market value.
52. Following the death of Mr. Caryi, Mrs. Caryi and I reached out to counsel for the Applicants at that time, Marc Beaubien, to advise the secured creditors that Mr. Caryi died.
53. I have been operating the Caryi Group of Companies since his death.
54. In or about January 2024, Mrs. Caryi, Mr. Beaubien and I met separately with each secured creditor to advise them that we intended to maximize the value the portfolio of properties by assessing the buildings and strategically divesting of properties in order to satisfy the amount outstanding in order to sell them and satisfy the amount outstanding to each creditor.
55. Mrs. Caryi believed that given the values of the portfolio of buildings that the strategic sale would allow her to maintain the Free Mason's Building.

56. From our initial meeting, Mrs. Caryi and I had various conversations and/or correspondence with secured creditors to provide them updates on the progress of the sales process and our efforts to maximize the value of the buildings, in addition to obtaining feedback from the lender(s). The frequency of these updates varied dependent on the lender and were as frequent as bi-weekly in some cases.
57. Mrs. Caryi has invested in excess of \$150,000.00 of personal capital to the Caryi Group of Companies.
58. Mrs. Caryi and I executed a Forbearance Agreement in favour of League and Atlantic Central on April 11, 2024. A further Forbearance Agreement was provided in June 2024, but it was not signed.
59. After the maturity date in October of the Duro Capital debt, Laurie and I entered into discussions to extend the loan, which was to include a forbearance agreement. This process was not completed as a result of the onerous terms proposed of \$18,000.00 plus 16% interest for a 2.5-month extension.
60. During this time, the Applicants had the support of the secured creditors for the plan to maximize the value of each building and continued to have their support until January 13, 2025, as set out below.
61. We did accept an offer for the Halifax Club and Tramway but eventually the intended purchaser chose not to clear conditions and sale fell through. All of this information was communicated to the secured creditors except CIBC and Douro.
62. On or about December 12, 2024, the Applicants have an informative meeting with the various secured creditors and counsel. The Applicants answered questions posed and provided informative information to the secured creditors regarding the various buildings and its plan of filing for protection under the *Companies' Creditors Arrangements Act*.
63. On or about December 17, 2024, the Applicants forwarded correspondence to the secured creditors that contained the details regarding the CCAA and the process regarding the various properties together a corporate organizational chart and cash flow forecast, a true copy of which is attached hereto as Exhibit "X".
64. On or about December 19, 2024, the Applicants have another informative meeting with the secured creditors and their counsel. They also answered thereafter via email any questions the secured creditors or their counsel had regarding the CCAA.
65. At no time at either meeting or during the exchange of correspondence did the secured creditors advise the Applicants that they intended to oppose the CCAA or that they would proceed with a motion for an interim receivership.
66. Nonetheless, on January 11, 2025, Douro sent via email its demand letter and notice to enforce security pursuant to section 244 of the BIA to 455 NSL. The Applicants acknowledged receipt on January 12, 2025.

67. And on January 13, 2025, Douro forwarded an email at 2:55 p.m. which contained, among other things, an interim receivership application.
68. Following receipt of that email on January 13, 2025, I was informed by Joshua J. Santimaw, which I verily believe to be true that League and Atlantic Central would seek the appointment of a receiver as well.
69. The Caryi Group of Companies withdrew its CCAA Application on the return date of The CCAA application was withdrawn for, among other things, the concerns raised by the lenders about delays, tenant issues and costs of CCAA.
70. On January 14, 2025, Assumption forwarded an email which contained its demand letters and notices pursuant to section 244 of the BIA to Annapolis and BSL.
71. On January 15, 2025, League and Atlantic Central forwarded an email which contained its demand letters and notices pursuant to section 244 of the BIA to Annapolis, Ruby, BSL and 333 NSL.
72. On January 17, 2025, Graysbrook forwarded an email which contained its demand letters and notices pursuant to section 244 of the BIA to Annapolis, Ruby, and BSL.
73. On January 17, 2025, 3046475 Nova Scotia Limited forwarded an email which contained its demand letter and notice pursuant to section 244 of the BIA to 455 NSL.
74. On January 17, 2025, Liam Murphy at Doane Grant Thornton Limited forwarded an email to Mr. Santimaw requesting, among other things, various information regarding the various buildings and the name and contact number for the property manager, a true copy of which is attached hereto as **Exhibit “Y”**. This request demonstrates an overall lack of knowledge and understanding of the buildings and the operations of the Caryi Group of Companies.
75. The Caryi Group of Companies have each filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to its statutory right under the BIA , which are attached hereto as **Exhibit “Z”**.
76. During the stay, I will continue to: (a) pay insurance as it becomes due which is February 1, 2025, for all of the buildings save the Tramway which is due June 2025; (b) collect rents; (c) collect receivables; maintain the properties; deal with tenants and concerns; (d) pay utilities and (d) do all those other jobs a landlord undertakes which has been done for the past eleven months.
77. The Caryi Group of Companies, in consultation with Deloitte, in its capacity as the Proposal Trustee is refining its proposed sales and investment solicitation process (“**SISP**”) to address the concerns of the secured creditors which were never formally brought to the Caryi Group until the CCAA Application was scheduled and two meetings were held with them.
78. The Caryi Group of Companies proposes to commence its SISP under a similar or shorter time frame than that which is proposed by Doane Grant Thornton, the proposed receiver.

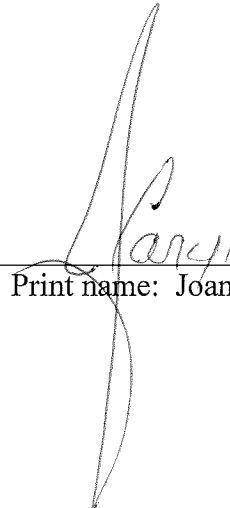
79. The Caryi Group of Companies own various properties with heritage designations and that are mid build and the timeline of 130 days proposed by Doane Grant Thornton as the proposed receiver to sell these properties seems optimistic at best. The Tramway for example had an offer but the due diligence period was 120 days. Eventually, the offer fell through.
80. I make this affidavit in opposition to the application of the Applicants and for no other purpose.

Sworn to before me
on January 23 2025
at Dartmouth, NS



Signature of authority

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia



Print name: Joanne Caryi

A

Exhibit Stamp

Hfx No. 539955

This is Exhibit "A" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

ANNAPOLIS MANAGEMENT, INC.

Profile Relationships Events (19)

Reg. Number

3228040

Reg. Name

ANNAPOLIS MANAGEMENT, INC.

Type

Extra-provincial Corporation International (UNITED STATES)

Status

Active

Effective Date

21-Mar-2024

Registered on

05-May-2008

Next Annual Return

31-Jan-2025

Addresses

Reg. Address

1500-1625 GRAFTON STREET, HALIFAX, NOVA SCOTIA, B3J 0E8, CANADA

Mailing Address

127 WEST FAIRBANKS AVE, #433, WINTER PARK, FLORIDA, 32789, UNITED STATES

Home Jurisdiction

127 WEST FAIRBANKS AVE, #433, WINTER PARK, FLORIDA, 32789, UNITED STATES

Documents (12) Reports (4)

Type to filter

Extra-provincial Reinstatement (SR535619)

Registered on: 21-Mar-2024, Effective from: 21-Mar-2024

Standard \$12.45

Certified \$12.45

Extra-provincial Renew My Registration - International (SR332826)

Registered on: 02-Feb-2023, Effective from: 02-Feb-2023

Standard \$12.45

Certified \$12.45

Extra-provincial Renew My Registration - International (SR182292)

Registered on: 18-Feb-2022, Effective from: 18-Feb-2022

Standard \$12.45

Certified \$12.45

Extra-provincial Renew My Registration - International (SR10113)

Registered on: 08-Feb-2021, Effective from: 08-Feb-2021

Standard \$12.45

Certified \$12.45

Reinstated: Annual Statement (ML5673650)

Registered on: 09-Mar-2020, Effective from: 09-Mar-2020

Standard \$12.45

Certified \$12.45

Reinstated: Annual Statement (ML5464411)

Registered on: 15-Mar-2019, Effective from: 15-Mar-2019

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3669017)

Registered on: 28-Mar-2011, Effective from: 28-Mar-2011

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3473561)

Registered on: 22-Mar-2010, Effective from: 22-Mar-2010

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3173779)

Registered on: 02-Mar-2009, Effective from: 02-Mar-2009

Standard \$12.45

Certified \$12.45

Registered: Appointment Agent for an Extra-Provincial Registration (ML3021080)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Items per page 10 1 - 10 of 12 < >

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ANNAPOLIS MANAGEMENT, INC.

Profile Relationships Events (19)

Name: LAURIE CARYI

Relationship: Director

Effective From: 21-Mar-2024

Name: LAURIE CARYI

Relationship: Officer(President)

Effective From: 21-Mar-2024

Name: PATRICK G.E. FITZGERALD (1500-1625 GRAFTON STREET, HALIFAX, NOVA SCOTIA, B3J 0E8, CANADA)

Relationship: Recognized Agent

Effective From: 11-Mar-2020

Name: 3228041 - RUBY, LLP

Relationship: General Partner-Corporation

Effective From: 07-May-2008

Name: 3337988 - RUBY, LLP

Relationship: General Partner-Corporation

Effective From: 19-Jun-2020

Items per page 5 1 - 5 of 5 < >

Documents (12) Reports (4)

Type to filter

Extra-provincial Reinstatement (SR535619)

Registered on: 21-Mar-2024, Effective from: 21-Mar-2024

Standard \$12.45

Certified \$12.45

Extra-provincial Renew My Registration - International (SR332826)

Registered on: 02-Feb-2023, Effective from: 02-Feb-2023

Standard \$12.45

Certified \$12.45

Extra-provincial Renew My Registration - International (SR182292)

Registered on: 18-Feb-2022, Effective from: 18-Feb-2022

Standard \$12.45

Certified \$12.45

Extra-provincial Renew My Registration - International (SR10113)

Registered on: 08-Feb-2021, Effective from: 08-Feb-2021

Standard \$12.45

Certified \$12.45

Reinstated: Annual Statement (ML5673650)

Registered on: 09-Mar-2020, Effective from: 09-Mar-2020

Standard \$12.45

Certified \$12.45

Reinstated: Annual Statement (ML5464411)

Registered on: 15-Mar-2019, Effective from: 15-Mar-2019

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3669017)

Registered on: 28-Mar-2011, Effective from: 28-Mar-2011

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3473561)

Registered on: 22-Mar-2010, Effective from: 22-Mar-2010

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3173779)

Registered on: 02-Mar-2009, Effective from: 02-Mar-2009

Standard \$12.45

Certified \$12.45

Registered: Appointment Agent for an Extra-Provincial Registration (ML3021080)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Items per page 10 1 - 10 of 12



Entity Snapshot

Entity details

Information as of	22 January 2025
Registry ID	3228040
Business/Organization Name	ANNAPOLIS MANAGEMENT, INC.
Incorporation Date	05 May 2008
Annual Return due Date	31 January 2025
Type	Extra-provincial Corporation International
Status	Active
Jurisdiction	United States
Registered Office	1500-1625 GRAFTON STREET, HALIFAX, NOVA SCOTIA, B3J 0E8, CANADA
Mailing Address	127 WEST FAIRBANKS AVE, #433, WINTER PARK, FLORIDA, 32789, UNITED STATES

Directors and Officers

Name	Position
LAURIE CARYI	Director, President

Recognized Agent

Name	Position	Civic Address	Mailing Address
PATRICK G.E. FITZGERALD	Recognized Agent	1500-1625 GRAFTON STREET HALIFAX NOVA SCOTIA B3J 0E8 CANADA	PO BOX 2380 HALIFAX NOVA SCOTIA B3J 3E5 CANADA

Related Registrations

Relationship	Registry ID	Name	Status
Is General Partner of	3228041	RUBY, LLP	Revoked (> 1 year)
Is General Partner of	3337988	RUBY, LLP	Active

B

Exhibit Stamp

Hfx No. 539955

This is Exhibit "B" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

RUBY, LLP

Profile Relationships Events (14)

Reg. Number

3228041

Reg. Name

RUBY, LLP

Type

Extra-provincial Limited Partnership (UNITED STATES)

Status

Revoked (> 1 year)

Effective Date

23-Jan-2023

Registered on

05-May-2008

Next Annual Return

31-May-2020

Addresses

Mailing Address

127 W, FAIRBANKS AVE, #433, WINTER PARK, FLORIDA, 32789, UNITED STATES

Home Jurisdiction

127 W, FAIRBANKS AVE, #433, WINTER PARK, FLORIDA, 32789, UNITED STATES

Documents (7) Reports (4)

Type to filter

Revoked on Request: Request for Revocation (ML5717098)

Registered on: 11-Jun-2020, Effective from: 11-Jun-2020

Standard \$12.45

Certified \$12.45

Reinstated: Reinstate Limited Partnership Document (ML3996915)

Registered on: 22-Aug-2012, Effective from: 22-Aug-2012

Standard \$12.45

Certified \$12.45

Reinstated: Reinstate Limited Partnership Document (ML3888675)

Registered on: 07-Mar-2012, Effective from: 07-Mar-2012

Standard \$12.45

Certified \$12.45

Reinstated: Reinstatement Limited Partnership Document (ML3288797)

Registered on: 21-Aug-2009, Effective from: 21-Aug-2009

Standard \$12.45

Certified \$12.45

Registered: Extra-Provincial Limited Partnership Agreement (ML3021086)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Registered: Extra-Provincial Limited Partnership Certificate (ML3021086)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Registered: Extra-Provincial Limited Partnership Declaration (ML3021086)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Profile Relationships Events (14)

Name: PATRICK FITZGERALD (1100-1959 UPPER WATER ST., HALIFAX, NOVA SCOTIA, B3J 1Z4, CANADA.)

Relationship: Recognized Agent

Effective From: 07-May-2008

Name: 3228040 - ANNAPOLIS MANAGEMENT INC.

Relationship: General Partner-Corporation

Effective From: 07-May-2008

Documents (7) Reports (4)

Type to filter

Revoked on Request: Request for Revocation (ML5717098)

Registered on: 11-Jun-2020, Effective from: 11-Jun-2020

Standard \$12.45

Certified \$12.45

Reinstated: Reinstatement Limited Partnership Document (ML3996915)

Registered on: 22-Aug-2012, Effective from: 22-Aug-2012

Standard \$12.45

Certified \$12.45

Reinstated: Reinstatement Limited Partnership Document (ML3888675)

Registered on: 07-Mar-2012, Effective from: 07-Mar-2012

Standard \$12.45

Certified \$12.45

Reinstated: Reinstatement Limited Partnership Document (ML3288797)

Registered on: 21-Aug-2009, Effective from: 21-Aug-2009

Standard \$12.45

Certified \$12.45

Registered: Extra-Provincial Limited Partnership Agreement (ML3021086)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Registered: Extra-Provincial Limited Partnership Certificate (ML3021086)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Registered: Extra-Provincial Limited Partnership Declaration (ML3021086)

Registered on: 05-May-2008, Effective from: 05-May-2008

Standard \$12.45

Certified \$12.45

Entity Snapshot

Entity details

Information as of	22 January 2025
Registry ID	3228041
Business/Organization Name	RUBY, LLP
Incorporation Date	05 May 2008
Annual Return due Date	31 May 2020
Type	Extra-provincial Limited Partnership
Status	Revoked (> 1 year)
Jurisdiction	United States
Mailing Address	127 W. FAIRBANKS AVE, #433, WINTER PARK, FL, 32789, UNITED STATES

Directors and Officers

Name	Position
ANNAPOLIS MANAGEMENT, INC.	General Partner-Corporation

Recognized Agent

Name	Position	Civic Address	Mailing Address
PATRICK FITZGERALD	Recognized Agent	1100-1959 UPPER WATER ST. HALIFAX NOVA SCOTIA B3J 1Z4 CANADA	PO BOX 2380 HALIFAX NS B3J 3E5 CANADA

C

Exhibit Stamp

Hfx No. 539955

This is Exhibit "C" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

BSL HOLDINGS LIMITED

Profile Relationships Events (33)

Reg. Number

2218218

Reg. Name

BSL HOLDINGS LIMITED

Type

Limited Company

Status

Active

Effective Date

08-Jan-2025

Registered on

28-Oct-1992

Next Annual Return

31-Oct-2025

Addresses

Reg. Address

99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA

Mailing Address

P.O. BOX 876, DARTMOUTH MAIN, DARTMOUTH, NOVA SCOTIA, B2Y 3Z5, CANADA

Documents (36) Reports (4)

Type to filter

Company Change of Directors and Officers (SR680494)

Registered on: 17-Jan-2025, Effective from: 17-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678087)

Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678086)

Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Recognized Agent (SR674561)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR674465)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR466645)

Registered on: 17-Nov-2023, Effective from: 17-Nov-2023

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR319482)

Registered on: 09-Jan-2023, Effective from: 09-Jan-2023

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML5825516)

Registered on: 02-Dec-2020, Effective from: 02-Dec-2020

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML5355809)

Registered on: 30-Oct-2018, Effective from: 30-Oct-2018

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML4929614)

Registered on: 02-Dec-2016, Effective from: 02-Dec-2016

Standard \$12.45

Certified \$12.45

BSL HOLDINGS LIMITED

Profile Relationships Events (33)

Name: JOANNE CARYI

Relationship: Director

Effective From: 17-Jan-2025

Name: JOANNE CARYI

Relationship: Officer(President, Secretary)

Effective From: 17-Jan-2025

Name: KELLY J. POWELL (99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA)

Relationship: Recognized Agent

Effective From: 08-Jan-2025

Name: 2472181 - BEACON TRAVEL SERVICES

Relationship: Business Name

Effective From: 04-Jul-1995

Documents (36) Reports (4)

Type to filter

Company Change of Directors and Officers (SR680494)
Registered on: 17-Jan-2025, Effective from: 17-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678087)
Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678086)
Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Recognized Agent (SR674561)
Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR674465)
Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR466645)
Registered on: 17-Nov-2023, Effective from: 17-Nov-2023

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR319482)
Registered on: 09-Jan-2023, Effective from: 09-Jan-2023

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML5825516)
Registered on: 02-Dec-2020, Effective from: 02-Dec-2020

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML5355809)
Registered on: 30-Oct-2018, Effective from: 30-Oct-2018

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML4929614)

Registered on: 02-Dec-2016, Effective from: 02-Dec-2016

Standard \$12.45

Certified \$12.45

Items per page 10 1 - 10 of 36



Entity Snapshot

Entity details

Information as of	22 January 2025
Registry ID	2218218
Business/Organization Name	BSL HOLDINGS LIMITED
Incorporation Date	28 October 1992
Annual Return due Date	31 October 2025
Type	Limited Company
Status	Active
Registered Office	99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA
Mailing Address	P.O. BOX 876, DARTMOUTH MAIN, DARTMOUTH, NOVA SCOTIA, B2Y 3Z5, CANADA

Directors and Officers

Name	Position
JOANNE CARYI	Director, President, Secretary

Recognized Agent

Name	Position	Civic Address	Mailing Address
KELLY J. POWELL	Recognized Agent	99 WYSE ROAD SUITE 600 DARTMOUTH NOVA SCOTIA B3A 4S5 CANADA	P.O. BOX 876, DARTMOUTH MAIN DARTMOUTH NOVA SCOTIA B2Y 3Z5 CANADA

Related Registrations

Relationship	Registry ID	Name	Status
Business Name	2472181	BEACON TRAVEL SERVICES	Revoked (> 1 year)

D

Exhibit Stamp

Hfx No. 539955

This is Exhibit "D" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

COMVEST COMMERCIAL REAL ESTATE INC.

Profile Previous Names Relationships Events (23)

Reg. Number

3156397

Reg. Name

COMVEST COMMERCIAL REAL ESTATE INC.

Type

Limited Company

Status

Active

Effective Date

24-Sep-2018

Registered on

04-Jul-2006

Next Annual Return

31-Jul-2025

Addresses

Reg. Address

1533 BARRINGTON STREET, SUITE 300, HALIFAX, NOVA SCOTIA, B3J 1Z4, CANADA

Mailing Address

71 HALLMARK AVENUE, LOWER SACKVILLE, NOVA SCOTIA, B4C 3P7, CANADA

Documents (22) Reports (4).

Type to filter

Company Annual Renewal Statement (SR584736)

Registered on: 25-Jun-2024, Effective from: 25-Jun-2024

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR412430)

Registered on: 27-Jul-2023, Effective from: 27-Jul-2023

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR249736)

Registered on: 19-Jul-2022, Effective from: 19-Jul-2022

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR79693)

Registered on: 06-Jul-2021, Effective from: 06-Jul-2021

Standard \$12.45

Certified \$12.45

Reinstated: Appointment of Agent (ML5326136)

Registered on: 21-Sep-2018, Effective from: 21-Sep-2018

Standard \$12.45

Certified \$12.45

Reinstated: Notice of Officers and Directors (ML5326136)

Registered on: 21-Sep-2018, Effective from: 21-Sep-2018

Standard \$12.45

Certified \$12.45

Reinstated: Notice of Registered Office (ML5326136)

Registered on: 21-Sep-2018, Effective from: 21-Sep-2018

Standard \$12.45

Certified \$12.45

Change of Directors: Notice of Officers and Directors (ML4903654)

Registered on: 14-Oct-2016, Effective from: 14-Oct-2016

Standard \$12.45

Certified \$12.45

Filed Name Change: Special Resolution - Change Name of Corporation (ML4448542)

Registered on: 17-Jul-2014, Effective from: 17-Jul-2014

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3761650)

Registered on: 27-Sep-2011, Effective from: 27-Sep-2011

Standard \$12.45

Certified \$12.45

COMVEST COMMERCIAL REAL ESTATE INC.

[Profile](#) [Previous Names](#) [Relationships](#) [Events \(23\)](#)

Name: [STEVEN CARYI](#)

Relationship: Director

Effective From: 24-Sep-2018

Name: [LAURIE CARYI](#)

Relationship: Director

Effective From: 24-Sep-2018

Name: [AFFAF EL-JAKL \(71 HALLMARK AVENUE, LOWER SACKVILLE, NOVA SCOTIA, B4C 3P7, CANADA\)](#)

Relationship: Recognized Agent

Effective From: 24-Sep-2018

Name: [3318348 - HALIFAX CLUB CIGAR SHOP](#)

Relationship: Business Name

Effective From: 20-Jun-2018

Name: [3305886 - RUBY'S RHINESTONE RECEPTION & LOUNGE](#)

Relationship: Business Name

Effective From: 14-Mar-2017

Items per page 5 1 - 5 of 9 < >

[Documents \(22\)](#) [Reports \(4\)](#)

Type to filter

Company Annual Renewal Statement (SR584736)

Registered on: 25-Jun-2024, Effective from: 25-Jun-2024

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR412430)

Registered on: 27-Jul-2023, Effective from: 27-Jul-2023

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR249736)

Registered on: 19-Jul-2022, Effective from: 19-Jul-2022

Standard \$12.45

Certified \$12.45

Company Annual Renewal Statement (SR79693)

Registered on: 06-Jul-2021, Effective from: 06-Jul-2021

Standard \$12.45

Certified \$12.45

Reinstated: Appointment of Agent (ML5326136)

Registered on: 21-Sep-2018, Effective from: 21-Sep-2018

Standard \$12.45

Certified \$12.45

Reinstated: Notice of Officers and Directors (ML5326136)

Registered on: 21-Sep-2018, Effective from: 21-Sep-2018

Standard \$12.45

Certified \$12.45

Reinstated: Notice of Registered Office (ML5326136)

Registered on: 21-Sep-2018, Effective from: 21-Sep-2018

Standard \$12.45

Certified \$12.45

Change of Directors: Notice of Officers and Directors (ML4903654)

Registered on: 14-Oct-2016, Effective from: 14-Oct-2016

Standard \$12.45

Certified \$12.45

Filed Name Change: Special Resolution - Change Name of Corporation (ML4448542)

Registered on: 17-Jul-2014, Effective from: 17-Jul-2014

Standard \$12.45

Certified \$12.45

Annual Statement Filed: Annual Statement (ML3761650)

Registered on: 27-Sep-2011, Effective from: 27-Sep-2011

Standard \$12.45

Certified \$12.45

Items per page 10 1 - 10 of 22



Entity Snapshot

Entity details

Information as of	22 January 2025		
Registry ID	3156397		
Business/Organization Name	COMVEST COMMERCIAL REAL ESTATE INC.		
Incorporation Date	04 July 2006		
Annual Return due Date	31 July 2025		
Type	Limited Company		
Status	Active		
Registered Office	1533 BARRINGTON STREET, SUITE 300, HALIFAX, NOVA SCOTIA, B3J 1Z4, CANADA		
Mailing Address	71 HALLMARK AVENUE, LOWER SACKVILLE, NOVA SCOTIA, B4C 3P7, CANADA		
Name History	AVISON YOUNG (NOVA SCOTIA) INC.	25 August 2006	22 July 2014
	3156397 NOVA SCOTIA LIMITED	04 July 2006	25 August 2006

Directors and Officers

Name	Position
LAURIE CARYI	Director
STEVEN CARYI	Director

Recognized Agent

Name	Position	Civic Address	Mailing Address
AFFAF EL-JAKL	Recognized Agent	71 HALLMARK AVENUE LOWER SACKVILLE NOVA SCOTIA B4C 3P7 CANADA	71 HALLMARK AVENUE LOWER SACKVILLE NOVA SCOTIA B4C 3P7 CANADA

Related Registrations

Relationship	Registry ID	Name	Status
Business Name	3305886	RUBY'S RHINESTONE RECEPTION & LOUNGE	Revoked (> 1 year)
Business Name	3317287	CATCH SEAFOOD & ASIAN FARE	Revoked (> 1 year)
Business Name	3318348	HALIFAX CLUB CIGAR SHOP	Revoked (> 1 year)
Business Name	3326803	EMBER RESTAURANT	Revoked (> 1 year)
Business Name	3326804	1862 TEPPANYAKI AND STEAKHOUSE	Revoked (< 1 year)
Business Name	3326806	HALIFAX HOSPITALITY CATERING	Revoked (< 1 year)

E

Form 39.09

Exhibit Stamp

Hfx No. 39955

This is Exhibit "E" referred to in the
affidavit of Joanne Caryi, sworn to
before me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

3337151 NOVA SCOTIA LIMITED

Profile Relationships Events (7)

Reg. Number

3337151

Reg. Name

3337151 NOVA SCOTIA LIMITED

Type

Limited Company

Status

Active

Effective Date

08-Jan-2025

Registered on

22-May-2020

Next Annual Return

31-May-2025

Addresses

Reg. Address

99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA

Mailing Address

P.O. BOX 876, DARTMOUTH MAIN, DARTMOUTH, NOVA SCOTIA, B2Y 3Z5, CANADA

Documents (12) Reports (4)

Type to filter

Company Change of Directors and Officers (SR680492)

Registered on: 17-Jan-2025, Effective from: 17-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678083)

Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Recognized Agent (SR674544)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR674476)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR398420)

Registered on: 27-Jun-2023, Effective from: 27-Jun-2023

Standard \$12.45

Certified \$12.45

Special Resolution: Special Resolutions - Acquire Own Shares, Normal Powers, Borrowing (ML5705192)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Change of Directors: Notice of Officers and Directors (ML5705192)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Appoint an Agent: Appointment of Agent (ML5705191)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Address Change: Notice of Registered Office (ML5705190)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Incorporated and Registered: Articles of Association (ML5704245)

Registered on: 22-May-2020, Effective from: 22-May-2020

Standard \$24.95

Certified \$24.95

3337151 NOVA SCOTIA LIMITED

[Profile](#) [Relationships](#) [Events \(7\)](#)

Name: [JOANNE CARYI](#)

Relationship: Director

Effective From: 17-Jan-2025

Name: [JOANNE CARYI](#)

Relationship: Officer(President, Secretary)

Effective From: 17-Jan-2025

Name: [KELLY J. POWELL \(99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA \)](#)

Relationship: Recognized Agent

Effective From: 08-Jan-2025

[Documents \(12\)](#) [Reports \(4\)](#)

Type to filter

Company Change of Directors and Officers (SR680492)

Registered on: 17-Jan-2025, Effective from: 17-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678083)

Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Recognized Agent (SR674544)

Registered on: 03-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR674476)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR398420)

Registered on: 27-Jun-2023, Effective from: 27-Jun-2023

Standard \$12.45

Certified \$12.45

Special Resolution: Special Resolutions - Acquire Own Shares, Normal Powers, Borrowing (ML5705195)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Change of Directors: Notice of Officers and Directors (ML5705192)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Appoint an Agent: Appointment of Agent (ML5705191)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Address Change: Notice of Registered Office (ML5705190)

Registered on: 26-May-2020, Effective from: 26-May-2020

Standard \$12.45

Certified \$12.45

Incorporated and Registered: Articles of Association (ML5704245)

Registered on: 22-May-2020, Effective from: 22-May-2020

Standard \$24.95

Certified \$24.95

Entity Snapshot

Entity details

Information as of	22 January 2025
Registry ID	3337151
Business/Organization Name	3337151 NOVA SCOTIA LIMITED
Incorporation Date	22 May 2020
Annual Return due Date	31 May 2025
Type	Limited Company
Status	Active
Registered Office	99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA
Mailing Address	P.O. BOX 876, DARTMOUTH MAIN, DARTMOUTH, NOVA SCOTIA, B2Y 3Z5, CANADA

Directors and Officers

Name	Position
JOANNE CARYI	Director, President, Secretary

Recognized Agent

Name	Position	Civic Address	Mailing Address
KELLY J. POWELL	Recognized Agent	99 WYSE ROAD SUITE 600 DARTMOUTH NOVA SCOTIA B3A 4S5 CANADA	P.O. BOX 876, DARTMOUTH MAIN DARTMOUTH NOVA SCOTIA B2Y 3Z5 CANADA

F

Exhibit Stamp

Hfx No. 539955

This is Exhibit "F" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

4551650 NOVA SCOTIA LIMITED

Profile Relationships Events (11)

Reg. Number

4551650

Reg. Name

4551650 NOVA SCOTIA LIMITED

Type

Limited Company

Status

Active

Effective Date

08-Jan-2025

Registered on

13-Oct-2023

Next Annual Return

31-Oct-2025

Addresses

Reg. Address

99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA

Mailing Address

P.O. BOX 876, DARTMOUTH MAIN, DARTMOUTH, NOVA SCOTIA, B2Y 3Z5, CANADA

Documents (14) Reports (4)

Type to filter

Company Change of Directors and Officers (SR680495)

Registered on: 17-Jan-2025, Effective from: 17-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678088)

Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Recognized Agent (SR674565)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR674436)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR448458)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR448454)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Special Resolution - Normal Powers (SR448447)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Special Resolution - General Borrowing (SR448445)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Special Resolution - Acquire Own Shares (SR448442)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Application to Incorporate a Company (Address, Director/Officer, Agent Update Forms) (SR445258)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

4551650 NOVA SCOTIA LIMITED

Profile Relationships Events (11)

Name: JOANNE CARYI

Relationship: Director

Effective From: 17-Jan-2025

Name: JOANNE CARYI

Relationship: Officer(President, Secretary)

Effective From: 17-Jan-2025

Name: KELLY J. POWELL (99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA)

Relationship: Recognized Agent

Effective From: 08-Jan-2025

Documents (14) Reports (4)

Type to filter

Company Change of Directors and Officers (SR680495)

Registered on: 17-Jan-2025, Effective from: 17-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR678088)

Registered on: 14-Jan-2025, Effective from: 14-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Recognized Agent (SR674565)

Registered on: 09-Jan-2025, Effective from: 09-Jan-2025

Standard \$12.45

Certified \$12.45

Company Reinstatement (SR674436)

Registered on: 08-Jan-2025, Effective from: 08-Jan-2025

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR448458)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Change of Directors and Officers (SR448454)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Special Resolution - Normal Powers (SR448447)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Special Resolution - General Borrowing (SR448445)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Company Special Resolution - Acquire Own Shares (SR448442)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Application to Incorporate a Company (Address, Director/Officer, Agent Update Forms) (SR445258)

Registered on: 13-Oct-2023, Effective from: 13-Oct-2023

Standard \$12.45

Certified \$12.45

Entity Snapshot

Entity details

Information as of	22 January 2025
Registry ID	4551650
Business/Organization Name	4551650 NOVA SCOTIA LIMITED
Incorporation Date	13 October 2023
Annual Return due Date	31 October 2025
Type	Limited Company
Status	Active
Registered Office	99 WYSE ROAD SUITE 600, DARTMOUTH, NOVA SCOTIA, B3A 4S5, CANADA
Mailing Address	P.O. BOX 876, DARTMOUTH MAIN, DARTMOUTH, NOVA SCOTIA, B2Y 3Z5, CANADA

Directors and Officers

Name	Position
JOANNE CARYI	Director, President, Secretary

Recognized Agent

Name	Position	Civic Address	Mailing Address
KELLY J. POWELL	Recognized Agent	99 WYSE ROAD SUITE 600 DARTMOUTH NOVA SCOTIA B3A 4S5 CANADA	P.O. BOX 876, DARTMOUTH MAIN DARTMOUTH NOVA SCOTIA B2Y 3Z5 CANADA

G

Exhibit Stamp

Hfx No. 539955

This is Exhibit "G" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

THIS AGREEMENT is made as of the 1st day of January, 2022 between **ANNAPOLIS MANAGEMENT INC.** in its capacity as general partner of **RUBY LLP** (the "Landlord") and **3298944 NOVA SCOTIA LIMITED** (the "Tenant") and **ISSMAT AL-AKHALI** ("Issmat").

WHEREAS the Landlord and the Tenant have agreed to enter into a lease (the "Lease") bearing even date herewith for certain premises located at 1572 Barrington Street, Halifax, Nova Scotia;

THEREFORE in consideration of the respective covenants and agreements herein, the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the Landlord and the Tenant agree as follows:

The Landlord agrees to co-sign or guarantee a loan (the "FF&E Loan") to be entered into by the Tenant with respect to the purchase of furniture, fixtures and equipment (the "FF&E") for the Premises (as defined in the Lease), which FF&E Loan is anticipated to be approximately \$150,000.

Notwithstanding anything contained in the Lease, Issmat may, at any time, and at his sole and absolute discretion, terminate the Lease and all obligations and liabilities of the Tenant to the Landlord thereunder shall terminate and be irrevocably released by the Landlord.

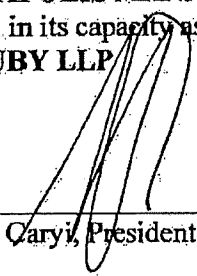
In the event that the Lease is terminated as permitted by this Agreement, the Landlord shall indemnify and hold harmless the Tenant, its officer(s) and directors, and Issmat from any liabilities relating to the termination.

The Landlord shall, upon the request of Issmat, indemnify (the "FF&E Indemnity") the Tenant and any other guarantors under the FF&E Loan for any claims relating to the FF&E Loan.

Upon exercising its right to receive the FF&E Indemnity, the Tenant shall quit claim to all of its right and interest in the FF&E to the Landlord.

IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first above written.

**ANNAPOLIS MANAGEMENT
INC.**, in its capacity as general partner
of **RUBY LLP**

Per: 
Steve Cary, President

3298944 NOVA SCOTIA LIMITED

Per: 
Issmat Al-Akhal, CEO

THIS LEASE is made as of the 1st day of January, 2022.

BETWEEN:

**ANNAPOLIS MANAGEMENT INC. in its capacity as general
partner of RUBY LLP.**

(the "Landlord")

OF THE FIRST PART

-and-

3298944 NOVA SCOTIA LIMITED

(the "Tenant")

OF THE SECOND PART

WHEREAS the Landlord and the Tenant have agreed to enter into a lease for certain premises as more fully described herein;

THEREFORE in consideration of the respective covenants and agreements herein, the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the Landlord and the Tenant agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) **"Additional Rent"** means payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease;
- (b) **"Basic Rent"** means the rent payable by the Tenant pursuant to Section 3.7;
- (c) **"Capital Taxes"** means any tax or taxes levied against the Landlord and any owner of the Property by any governmental authority having jurisdiction (including, without limitation, the Large Corporations Tax imposed under the *Income Tax Act* (Canada) and the tax imposed under any applicable provincial corporate tax legislation) based on or computed by reference to the paid-up capital or place of business of the Landlord or any owner of the Property or the taxable capital employed in Canada by the Landlord or any owner of the Property as determined for the purposes of such tax or taxes;

- (d) **"Commencement Date"** means the day after the expiry of the Fixturing Period;
- (e) **"Common Areas"** means those areas, facilities, utilities, improvements, equipment and installations within, adjacent to or outside the Property which serve or are for the benefit of the Property, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord's exclusive use, and are not designated or intended by the Landlord to be leased to the Tenant or any other tenants of the Property, and which include all corridors, hallways, lobbies and stairwells, all walkways and sidewalks, all landscaped and planted areas, the roof and exterior walls of the Property, exterior and interior structural elements and walls of the Property, common washrooms, all parking and loading areas and all entrances and exits thereto and all structural elements thereof, all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, fire prevention, security and communication systems, and generally all areas forming part of the Property which do not constitute rented or rentable premises;
- (f) **"Deposit"** means the deposit in the amount of \$42,550.00, inclusive of HST, paid by the Tenant to the Landlord to be held by the Landlord as follows:
- (i) as a Rent Deposit, the sum of \$42,550.00 which shall be applied to the first months rent as due in accordance with Section 3.4.
- (g) **"Event of Default"** has the meaning set out in Section 13.1;
- (h) **"Extension Rights and Options"** the rights to extend and renew the Term of this Lease, if any;
- (i) **"Fixturing Period"** means the period of sixty (60) days, commencing on the date the Landlord has delivered vacant possession of the Premises to the Tenant with the Landlord's Work substantially completed (the **"Possession Date"**).
- (j) **"HVAC Equipment"** means heating, ventilating and air-conditioning equipment, facilities and installations;
- (k) **"Lands"** means the lands described in Schedule "A" attached hereto, and all rights and easements which are or may hereafter be appurtenant thereto;
- (l) **"Leasehold Improvements"** means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;

- (m) **"Mortgage"** means any mortgage or other security against the Property and/or the Landlord's interest in this Lease, from time to time;
- (n) **"Mortgagee"** means the holder of any Mortgage from time to time;
- (o) **"Normal Business Hours"** means, with respect to the Tenant, 24 hours a day, 7 days a week;
- (p) **"Operating Costs"** means, for any period, the total of all costs and expenses attributable to the following:

- (i) Unless the Premises is separately metered, all charges for utilities and similar services to the Property including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Property;

provided that Operating Costs shall exclude:

- (ii) all such costs determined by separate metering or assessment, or otherwise incurred for the exclusive benefit of the premises leased by the Tenant or any other tenant of the Property and billed to and paid for directly by the Tenant or such other tenant, including charges to tenants for above-normal utilization of utilities;
 - (iii) the cost to the Landlord of debt service in connection with any Mortgage;
 - (iv) taxes on the income of the Landlord; and
 - (v) the cost of improvements to particular premises intended for leasing and real estate, or other commissions relating to leasing premises within the Property;
- (q) **"Permitted Use"** means the use of the Premises for the purpose of operating as residential rentals of varying terms and durations;
- (r) **"Premises"** +/- 17,000 sq ft (including 21 apartments, entrances, hallways and service rooms) and all rights and easements appurtenant thereto; more specifically, 1572 Barrington Street, Halifax NS;
- (s) **"Property"** means the project which is comprised of the Lands together with the improvements, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;

- (f) **"Proportionate Share"** means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total Rentable Area of the Property, whether rented or not;
- (u) **"Realty Taxes"** means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Property or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
- (v) **"Rent"** means all Basic Rent and Additional Rent;
- (w) **"Rentable Area of the Premises"** means the Premises measured to the outside surface of the outer building wall and to the center line of any interior walls separating the Premises from adjoining premises intended for leasing or separating the Premises from corridors or other parts of the Common Areas in accordance with BOMA standards;
- (x) **"Rentable Area of the Property"** means the aggregate of the rentable area of all premises in the Property that are rented, or designated or intended by the Landlord to be rented (whether actually rented or not), calculated in the same manner as the Rentable Area of the Premises;
- (y) **"Rental Taxes"** means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (z) **"Rules and Regulations"** means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (aa) **"Term"** has the meaning provided in Section 2.3 hereof;
- (bb) **"Transfer"** means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with

or conferred on any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, and any transaction or occurrence whatsoever which has changed or will change the identity of the person having lawful use or occupancy of any part of the Premises; and

(cc) "Transferee" means any person or entity to whom a Transfer is or is to be made.

1.2 Schedules. The following Schedules form part of this Lease:

Schedule "A" – Lands

Schedule "B" – Landlord's Work

Schedule "C" – Additional Provisions

ARTICLE 2 DEMISE AND TERM

2.1 Demise. In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises.

2.2 Construction of the Leased Premises. The Landlord will complete the work designated as the "Landlord's Work" in accordance with Schedule "B". The Tenant shall commence the Tenant's Work in the Premises no later than five (5) Business Days after receipt of the Landlord's notice of substantial completion of the Landlord's Work and will thereafter continuously and diligently proceed to complete the Tenant's Work.

2.3 Term. The Term shall be the period commencing on the Commencement Date and expiring 10 years after (i) the Commencement Date, if the Commencement Date is the first day of a calendar month, or (ii) the last day of the month in which the Term commenced if the Commencement Date is other than the first day of a calendar month, where the context requires, any renewal, extension or overholding thereof, unless terminated earlier pursuant to the provisions of this Lease.

2.4 Delay in Possession. Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Fixturing Period or on the Commencement Date (if there is no Fixturing Period), then and only then shall the start of the Fixturing Period (if any), the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises.

2.5 Overholding. If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (6) month's

notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred percent (150%) of the monthly instalment of Basic Rent payable during the last year of the Term, determined in the same manner as if the Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

2.6 Fixturing Period. During any Fixturing Period provided for herein all terms and conditions of this Lease shall apply, except the Tenant shall not be responsible for the payment of Basic Rent or Additional Rent (except for utilities, if applicable). The Tenant shall have access to the Premises at all reasonable times immediately following execution of the Lease for the purpose of constructing its Leasehold improvements.

ARTICLE 3 RENT

3.1 Covenant to Pay Rent and Acknowledgement of Net Lease. The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Basic Rent provided to be paid shall be net to the Landlord and does not include costs and charges arising from or relating to the Premises; property tax, building insurance, management fees, snow removal, oil fired heat, water and other common area building expenses. And that the Tenant shall pay occupancy taxes, utilities used on Premises and insurance as set out in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly.

3.2 Rental Taxes. The Tenant will pay to the Landlord the Rental Taxes assessed on: (a) the Rent (HST); (b) the Landlord (Property Taxes); and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof.

3.3 Payment Method. The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts.

3.4 Deposit. The portion of such Deposit that is referred to as a "Rent Deposit" in Section 1.1(f) shall be applied to Rent during the first month of the Term of this Lease.

3.5 Rent Past Due. If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at an annual rate 5 percentage points above the minimum lending rate to prime commercial borrowers current at that time charged by the Landlord's chartered bank, and such interest shall be calculated from the time such Rent becomes due until paid by the Tenant.

3.6 Partial Periods. If the Term commences on any day other than the first day of the month or ends on any day other than the last day of the month, Rent for the fractions of a month at the

commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

3.7 Basic Rent. The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Rent, the amounts set out in this Section 3.7 payable in equal monthly instalments in advance in the amounts set out in this Section 3.7, plus goods and services tax (GST), harmonized sales tax (HST) and any other applicable federal, provincial or municipal taxes, on the first day of each and every month during the Term:

Period	Annual Rent	Monthly Instalment
Years 0 through 10	\$444,000.00	\$37,000.00

Basic Rent to be adjusted for the annual CPI percentage change on each anniversary of the Commencement Date, to a maximum of 2%.

ARTICLE 4 ADDITIONAL RENT

4.1 Payments Constitute Rent. All of the payments set out in this Lease (other than Rental Taxes) which are required to be made by the Tenant shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not paid and whether or not any such payments are payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

4.2 Realty Taxes. The Tenant will pay to the Landlord, or to the taxing authorities if the Landlord directs, all Taxes for the Leased Premises together with the Tenant's Proportionate Share of Realty Taxes for the Common Areas and Facilities. The Landlord shall furnish the Tenant with a copy of the original tax assessment used to calculate the Tenant's proportional payment.

4.3 Operating Costs. In each rental Year, the Tenant will pay to the Landlord, in accordance with Article 4.4, as Additional Rent, its Proportionate Share of Operating Costs incurred by the Landlord during such rental Year.

4.4 Payment of Taxes and Operating Costs

- a) The amounts payable by the Tenant under Article 4.2 and 4.3 may be estimated (and estimates may be revised) by the Landlord, and the Tenant agrees to pay the Landlord the Tenant's Proportionate Share of Operating Costs and Tenant's share of taxes determined pursuant to Article 4.2, as estimated, in monthly instalments in advance. If bills for Taxes

or Operating Costs are received during the course of a rental year and the costs incurred by the Landlord according to the bills exceed the estimated payments received to that date, then the Landlord can immediately bill the Tenant for its share of the deficiency.

- b) Within one hundred and eighty (180) days after the end of the period for which the estimated payments have been made, the Landlord will determine and advise the Tenant by statement of the exact amount of the Taxes and Operating Costs payable by the Tenant, and if necessary, an adjustment will be made (equal to the difference between the exact amount payable and the estimated payments received by the Landlord) between the parties within thirty (30) days after the Tenant has been advised of the actual amounts, provided, however, that in the event the Landlord owes the Tenant any amount on account of the aforesaid adjustment, the Landlord may, at its sole option, retain such amount to be applied to the next succeeding instalment or instalments of Additional Rent due. The Landlord's failure to furnish any statements within the time period set out herein does not limit, constitute a waiver of, or otherwise affect the Landlord's rights or the Tenant's obligations to re-adjust on account of the Tenant's Taxes and Operating Costs.

4.5 Business and Other Taxes. In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, of the following:

- a) Every tax, license fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by and subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed on the income of the Landlord); and
- b) All Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason to the Tenant.

ARTICLE 5 UTILITIES AND HVAC

5.1 Payment for Utilities and Services. The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises including, without limiting the generality of the foregoing, gas, electricity, telephone, premises upkeep and maintenance. The Tenant at its option may, and on request of the Landlord shall, install a separate meter to measure consumption of any utilities and services. If separate meters have been or shall be installed, the Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other

utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

5.2 Above-Normal Utilization. If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, on such determination and delivery of a copy of the engineer's or consultant's report to the Tenant, the Landlord may, if such report so indicates, increase the Tenant's payments on account of such Additional Rent by an amount equal to such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount determined by the Landlord, in its sole opinion and in accordance with the engineer's or consultant's report, to be attributable to such above-normal utilization. The Tenant shall also pay to the Landlord, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

5.3 Additional Utilities. The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, license or other authorization required, and shall comply with the provisions of Article 8 of this Lease pertaining to any work required in respect of such additional utilities and services.

5.4 No Overloading. The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Property, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

5.5 No Liability. In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any utility or service to the Premises.

5.6 HVAC. The Tenant shall, throughout the Term, operate, maintain, and regulate the HVAC Equipment within and exclusively serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment in a good and working order.

ARTICLE 6
CONTROL AND OPERATION BY LANDLORD

6.1 Property Operation and Repair. The Landlord shall supply, operate, maintain and repair the Property, any HVAC Equipment serving the entire building containing the Premises that is not the Tenant's responsibility under Section 5.6 and any other service facilities not within or exclusively serving the Premises, to the extent required to keep the Property, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and
- (b) the Landlord shall promptly make all repairs to the structural components of the Property including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

6.2 Common Areas and Property. The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes of those portions of the Common Areas intended for common use by tenants of the Property, provided that such use by the Tenant shall always be subject to such reasonable Rules and Regulations as the Landlord may from time to time determine. At times other than during Normal Business Hours, the Tenant and the employees of the Tenant and persons lawfully requiring communication with the Tenant shall have access to the Property only in accordance with the Rules and Regulations and other security requirements of the Landlord. The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. The Landlord reserves the right to lease parts of the Common Areas from time to time, to alter the layout or configuration of and/or reduce or enlarge the size of the Common Areas and/or the Rentable Area of the Property, to cease to treat as part of the Property any buildings or lands now forming part of the Property and/or to add additional lands or buildings to the Property, and to make other changes to the Property as the Landlord shall from time to time reasonably determine.

In the exercise of its rights under this Section 6.2, the Landlord will use its best efforts to ensure that ingress and egress to and from the Premises is not unreasonably interfered with and the Landlord agrees that it will proceed as expeditiously as possible to complete its work and other activities so as to minimize interference with the Tenant's business and the Tenant's use and enjoyment of the Premises.

6.3 Rules and Regulations. The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe any reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant, which are of general application to all tenants of the Property, and which do not disproportionately impact the Tenant's operations. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

ARTICLE 7 USE OF PREMISES

7.1 Use of the Premises. The Tenant acknowledges that the Premises will be used solely for the Permitted Use as set out in Section 1.1(q), and for no other purpose.

7.2 Observance of Law. The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of any public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a contaminant at, from or to the Premises, the Tenant shall immediately clean up such contaminant from the Premises, and any affected areas, at the Tenant's expense; and
- (b) on the termination of the Lease for any reason, the Tenant shall remove, at its expense, any contaminant or contamination which, through the Tenant's use or occupancy of the Premises, it has brought to or created at the Property.

7.3 General Indemnity by Tenant. The Tenant shall be liable for and shall indemnify and save harmless the Landlord and its officers, employees and agents from all liabilities, fines, suits, claims, demands and actions, of any kind and nature for which the Landlord or its officers, employees or agents shall or may become liable or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any death or injury of any person or any damage or destruction of any property resulting from any act, neglect or default on the part of the Tenant or any of its servants, employees, agents, invitees or licensees whatsoever. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death, occurring during the Term of this Lease shall survive the termination of this Lease, anything in this Lease to the contrary notwithstanding.

7.4 Environmental Indemnity. Without limiting the generality of the obligations of the Tenant as set out elsewhere in this Lease, the Landlord and Tenant agree that the Tenant is subject to the obligations of the Tenant set out in this Article (the "Environmental Obligations"). In this Article:

- (a) "Hazardous Substance" means any product of waste, contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive, or radioactive material, chlorofluorocarbons (CFC's), radon gas, urea formaldehyde foam insulation, asbestos, PCBs, gasoline, fuel oil, and any other substances or materials, and includes any Container (as hereinafter defined), declared or defined, at any time and from time to time, to be or to potentially be hazardous, toxic, contaminants or

pollutants in or pursuant to any applicable federal, provincial, municipal or quasi-governmental law, statute, regulation, order, by-law or requirement in force from time to time (collectively, in this Article, "Legislation") including, without limitation, environmental, land use, building, occupational, or health and safety Legislation, Legislation in respect to demolition of buildings, excavation of soil, building materials and component fixtures and fittings, and storage and disposal of waste or effluent, and Legislation with respect to the maintenance, conversion and replacement of Containers; and

- (b) "Container" means any equipment, plant, pump, tank, container, receptacle, and any manner, method or procedure, which generates, manufactures, refines, treats, transports, stores, contains, uses, handles, disposes of, transfers, produces or processes Hazardous Substances; and
- (c) "Remove" means to remove any Hazardous Substance from all or part of the Premises and includes, without limitation, the removal, cleanup, treatment, transportation, storing, containment, handling, disposal, transfer and/or processing thereof, and "Removed" and "Removals" have similar meanings.

The Tenant shall not use or permit or suffer the use, directly or indirectly, of all or part of the Premises for any acts or omissions ("Activities") that are not in compliance with all Legislation and permits granted thereunder. It shall be the responsibility of the Tenant to obtain all permits necessary for the use of Hazardous Substances on the Premises.

The Tenant shall:

- (i) ensure that all construction work which is the responsibility of the Tenant under this Lease will comply with all Legislation and without limiting the generality thereof will ensure that anyone working with Hazardous Substances is, where necessary, duly qualified, accredited and registered with all bodies having jurisdiction thereover; and
- (ii) ensure that all construction work which is the responsibility of the Tenant under this Lease, will comply with all Legislation; and
- (iii) remove at its sole cost and risk any Hazardous Substances not stored in a Container kept in accordance with all Legislation. If any such Hazardous Substance is not Removed forthwith by the Tenant the Landlord shall be entitled but shall not be obligated, to Remove same on the Tenant's behalf and the Tenant shall reimburse the Landlord for the cost thereof together with administrative costs equal to fifteen (15%) percent of such costs to the Landlord. The Tenant shall also notify the Landlord if the Tenant receives notice of any violation or alleged violation of any Legislation or that any administrative order is made or is

proposed to be made against the Tenant or the Landlord or in respect of any part of the Premises or the building in which the Premises are located with respect to any Hazardous Substance and otherwise ensure that the entire premises comply with all Legislation with respect to Hazardous Substances.

In the event of a violation of Legislation or a release of a Hazardous Substance on or from the Premises, or of the discovery of an environmental condition requiring response which violation, release, or condition is in any way attributable to the negligence, wilful misconduct, or illegal action of the Tenant, its agents, employees, or invitees, the Landlord shall have the right to enter the Premises, to supervise and approve any actions taken by the Tenant to address the violation, release, or environmental condition; and in the event the Tenant fails to fully and properly address such violation, release, or environmental condition, the Landlord may perform, at the Tenant's expense and without unreasonable interference with the Tenant's business activity, any lawful actions necessary to address the violation, release, or environmental condition.

The Tenant shall indemnify the Landlord and its officers, directors, employees and agents and save it and them harmless from and against any and all claims, demands and losses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever (collectively, the "Losses"), arising from or out of any occurrence in, on, or over the Premises (including the occupancy and use by the Tenant of the Premises, or any part thereof, except as hereinafter provided) caused or arising, directly or indirectly, in whole or in part, by any acts or omissions permitted or done by the Tenant or by anyone permitted to be on the Premises by the Tenant, (and without limiting the generality thereof any contractors retained, either expressly or impliedly by Tenant or on behalf of the Tenant) including, without limitation, Losses related to Hazardous Substances. If the Landlord shall be made a party to any proceeding commenced by or against the Tenant, the Tenant shall protect, indemnify and hold harmless the Landlord and shall pay all costs, expenses and professional fees (on a solicitor and client basis) incurred or paid by the Landlord in connection with such proceeding. The Tenant shall also pay all such costs, expenses and professional fees that may be incurred or paid by the Landlord in interpreting, amending or enforcing the terms, covenants and conditions in this Article, unless a court shall decide otherwise.

The provisions set out in this Section shall survive the expiration or earlier termination of the Term of this Lease.

7.5 Representations and Warranties of Landlord. The Landlord represents, warrants and covenants to the Tenant as follows:

- (a) the Premises are in compliance with all laws, by-laws, orders, ordinances, rulings, regulations, certificates, approvals, consents and directives of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction relating to: (i) pollution or the protection of human health or the environment; (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance (collectively "**Environmental Laws**") and does not contain any hazardous waste, asbestos, PCBs or underground storage tanks or any other Hazardous Substances, other than in compliance with all Environmental Laws;
- (b) there are no outstanding governmental orders, notices of violation, deficiencies notices or outstanding files with respect to Environmental Laws affecting the Premises;
- (c) the Premises are not located on land that is a former waste disposal site or landfill site;
- (d) the Landlord has delivered to the Tenant copies of all existing environmental reports, studies, tests and assessments relating to the Premises that are in the Landlord's possession or control;
- (e) the Landlord will comply with all applicable Environmental Laws in respect of its ownership, operation and management of the Premises;
- (f) the Landlord has not given, nor does it have any obligation to give, nor has it received, any notice or claim or communication regarding any past, present or planned storage, disposal, presence, release or spill of any contaminant that, in the Landlord's judgment, did or will affect the Premises; and
- (g) the Landlord will give notice to the Tenant of any spills or illegal discharges of a contaminant if, in the Landlord's judgment, the Tenant is or will be affected.

7.6 Waste, Nuisance, Overloading. The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Property, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

ARTICLE 8
MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES

8.1 Maintenance, Repair and Cleaning of Premises. Except as set out in this Article 8, the Tenant shall, at its own expense and cost, operate, maintain and keep in good and substantial repair, order and condition the Premises and all parts thereof (including, without limitation, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises), save and except repairs required to be made by the Landlord pursuant to Section 6.1. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and shall meet the requirements of all authorities having jurisdiction and the insurance underwriters. Additionally, and subject to the requirement that the Landlord shall be responsible for any structural repairs to the Building, including without limitation to the Leased Premises and Common Areas, the building envelope, roof, and all exterior doors, all of which the Landlord agrees to be responsible for, the Tenant shall be responsible for the following:

- (1) Providing garbage removal and maintenance services;
- (2) Providing security, supervision, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Premises, and amounts paid to independent contractors for any services in connection with such maintenance or operation;

8.2 Inspection and Repair on Notice. The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Property, or for the purpose of having access to the under floor ducts, or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

8.3 Repair where Tenant at Fault. If the Property, including the Premises, or any furnaces, boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents,

employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand.

8.4 Alterations. The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural, mechanical or electrical work. Any changes to the lighting undertaken by the Tenant as part of an approved alteration must result in energy efficient lighting compatible with the Property standard. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labor union affiliations are not incompatible with those of any workers who may be employed in the Property by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labor and services involved therein and of all decoration and all changes to the Property, its equipment or services, necessitated thereby.

8.5 Signs. The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Property or that is visible from the outside of the Property without the prior consent of the Landlord, not to be unreasonably withheld. The Landlord may prescribe a uniform pattern of identification signs for tenants.

8.6 Construction Liens. If any construction or other lien or order for the payment of money shall be filed against the Property by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within ten (10) business days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens, or orders, against the Tenant, at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

8.7 Removal of Improvements and Fixtures. All Leasehold Improvements shall immediately on their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or on the expiry or earlier termination of the Term except that the Tenant may, during the Term, in the usual course

of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease, and at the end of the Term, the Tenant may remove its trade fixtures;

8.8 Repair of Damage. The Tenant shall, at its own expense, repair any damage caused to the Property by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any HVAC Equipment serving the Premises or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

8.9 Surrender of Premises. At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up to the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 8.8.

ARTICLE 9 INSURANCE AND INDEMNITY

9.1 Tenant's Insurance:

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;

- (d) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (e) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be on such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 9.1(a) and 9.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), payable on the first day of the next month following payment by the Landlord.

9.2 Landlord's Insurance. The Landlord shall provide and maintain insurance on the whole of the Property against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Property. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Property and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

9.3 Increase of Landlord Premiums. If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Property or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the

Landlord with respect to the Property, the Tenant shall pay any such increase in premiums forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Property showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

9.4 Tenant Indemnity. The Tenant will indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provision of this Lease.

9.5 Mutual Release. Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts shall be deemed to be proceeds of insurance received (subject to the right of the Landlord to include such deductible amounts in Operating Costs); and
- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the willful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for:

- (c) damage to property of the Tenant or others located on the Premises;
- (d) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Property or from the water, steam or drainage pipes or plumbing works of the Property or from any other place or quarter;

- (e) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring;
- (f) any damage caused by anything done or omitted to be done by any other tenant of the Property; or
- (g) any indirect or consequential damages suffered by the Tenant.

ARTICLE 10

ASSIGNMENT AND SUBLETTING

10.1 Assignment, Subletting. The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

10.2 Landlord's Consent. If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 10.3 of this Lease, and the Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 10.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

10.3 Requests for Consent. Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease; and
- (e) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer.

10.4 Change of Control. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 10 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

10.5 No Advertising. The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

10.6 Assignment by Landlord. In the event of the sale or lease by the Landlord of its interest in the Property or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

10.7 Status Certificate. The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and other charges have been paid; (d) whether or not there is any existing

default on the part of the Landlord of which the Tenant has notice ; and (e) any other information and particulars as the Landlord may reasonably request.

10.8 Subordination and Non-Disturbance. This Lease and all of the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all Mortgages and any renewals or extensions thereof, now or hereinafter in force against the Premises. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee. Upon the request of the Tenant, the Landlord will use its reasonable efforts to obtain a non-disturbance agreement from all mortgagees holding encumbrances registered in priority to this Lease.

ARTICLE 11 QUIET ENJOYMENT

11.1 Quiet Enjoyment. The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

ARTICLE 12 DAMAGE AND DESTRUCTION

12.1 Damage or Destruction to Premises. If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

12.2 Rights to Termination. Notwithstanding Section 12.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this

Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and

- (b) if the Property shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Property has become unfit for use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the date of termination (unless it has abated under Section 12.1).

12.3 Certificate Conclusivè. Any decisions regarding the extent to which the Premises or any portion of the Property has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

12.4 Insurance Proceeds. Notwithstanding Sections 12.1 and 12.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property or the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Property or the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

12.5 Reconstruction or Repair Following Damage or Destruction to Premises. In performing any reconstruction or repair, the Landlord may effect changes to the Property and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

ARTICLE 13 DEFAULT

13.1 Default and Right to Re-enter. Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid on the date when it is due;

- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 13.1, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises or the Premises become vacant or substantially unoccupied for a period of five (5) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Property is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

13.2 Default and Remedies. If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 13.2(a) or proceeding under Section 13.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 13.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination

and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and

- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated rent.

13.3 Distress. Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

13.4 Costs. The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

13.5 Remedies Cumulative. Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

ARTICLE 14 GENERAL

14.1 Entry. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, at any time during the last nine (9) months of the Term:

- (a) without notice to or consent by the Tenant, to place on the exterior of the Premises, the Landlord's usual notice(s) that the Premises are for rent; and
- (b) on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

The Landlord may enter the Premises at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

14.2 Force Majeure. Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 14.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

14.3 Effect of Waiver or Forbearance. No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

14.4 Notices. Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out below, as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received on delivery of the same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

To the Landlord at the following address:

Suite 300, 1533 Barrington, Halifax, Nova Scotia

To the Tenant at the address of the Premises

Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

14.5 Registration. Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Property. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Property. Upon the

expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Property which, in the opinion of Landlord, is surplus is transferred, the Tenant shall forthwith, at the request of the Landlord, discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Property is made subject to any easement, right-of-way or similar right, the Tenant shall immediately, at the request of the Landlord, postpone its registered interest to such easement, right-of-way or similar right.

14.6 Number, Gender, Effect of Headings. Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

14.7 Severability, Subdivision Control. If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to cooperate with the Tenant in bringing such application.

14.8 Successors and Assigns. The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

14.9 Confidentiality. The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any other tenants in the Property, prospective tenants, real estate agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.

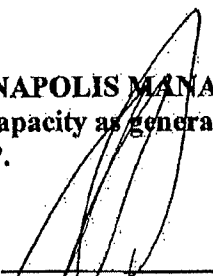
14.10 Personal Information. Any Tenant that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

14.11 Option to Renew. Provided the Tenant is not in default of this Lease and the Tenant gives the Landlord written notice to renew not less than 6 months prior to the expiry of this Lease the Tenant shall have the right to renew for a further 10 year Term provided. Renewal shall be on the same Terms and conditions save for Rent, which shall be determined by the market.

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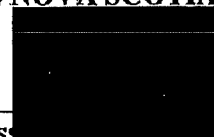
IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first above written.

**ANNAPOLIS MANAGEMENT INC., in
its capacity as general partner of RUBY
LLP.**

Per: 
Name: Steve Caryi
Title: President

I have the authority to bind
the Corporation

3298944 NOVA SCOTIA LIMITED

Per: 
Name: Issa
Title: CEO

I have the authority to bind
the Corporation

SCHEDULE "A"
LANDS

PID 41353202

Registration County: HALIFAX COUNTY
Street/Place Name: BARRINGTON STREET /HALIFAX
Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS
CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT
CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED
Designation of Parcel on Plan: LOT CPR-E1A
Registration Number of Plan: 105491279
Registration Date of Plan: 2014-07-25 15:46:20

*** Municipal Government Act, Part IX Compliance ***

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act
or registered under the Land Registration Act
Registration District: HALIFAX COUNTY
Registration Year: 2014
Plan or Document Number: 105491279

SCHEDULE "B"
LANDLORD'S WORK

Landlord's Obligation

The Landlord shall at its cost and expense construct the Leased Premises for the Tenant's use and occupancy incorporating in such construction all items of work described as Landlord's Work herein and in accordance with the plans agreed to between the Landlord and Tenant. Landlord's Work shall include the following:

1. Ventless washers/dryers purchased and installed by the landlord in all assigned floors/units.
2. Central cooling and AC heads/controls for each unit
3. Carpet tiles in all common hallways
4. Management office in the building's lobby of approximately 100 square feet, as per tenant's specs, including heat, power and internet connections.
5. Power outlets in the lobby area for a vending machine, hotel check-in kiosk, apartment buzzer/intercom, and other equipment.
6. Individual utility metering for individual apartments.

SCHEDULE "C"
ADDITIONAL PROVISIONS

1. Provided the Tenant is in possession of the Premises, has executed this Lease in a form satisfactory to the Landlord and is not in default thereunder, the Tenant shall not be responsible for any Realty Taxes for the first twelve (12) months of the Term commencing on the Commencement Date, provided the Tenant shall pay all Minimum Rent and other Additional Rent provided for in this Lease throughout such period.

H

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "H" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

COLLATERAL MORTGAGE

This MORTGAGE made this 22 day of July, 2020

BETWEEN: ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP

(hereinafter called the "Mortgagor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(hereinafter called the "Mortgagee")

1. **Definitions.** In this Mortgage, unless something in the subject matter or context is inconsistent therewith:

- (a) **Applicable Laws** means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, all notices, proceedings, judgments, orders, ordinances, directives, permits, authorizations, licenses or requirements of every governmental authority.
- (b) **Interest** means the interest payable at the Interest Rate under this Mortgage.
- (c) **Interest Rate** means the interest rate payable by the Mortgagor to the Mortgagee on the Obligations pursuant to any agreement, contract or term in relation to the Obligations.
- (d) **Mortgage** means this Mortgage of real property and any amendments thereto, to which the Mortgagor and the Mortgagee are parties.
- (e) **Obligations** means any and all present and future indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (including interest thereon), of whatsoever nature or kind, including without limitation, pursuant to any promissory note, loan agreement, line of credit agreement or guarantee, whether incurred prior to or at the time of or after the signing of this Mortgage, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, as principal or as surety, liquidated or unliquidated, alone or with others, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances and for all obligations of the Mortgagor to the Mortgagee whether or not contained in this Mortgage.
- (f) **Property** means the real property described in Schedule "A" to this Mortgage, and includes all buildings, fixtures, equipment, machinery, furniture, furnishings and chattels and improvements now or hereafter brought or erected thereon.

2. GRANT OF MORTGAGE

For consideration and as security for the payment and performance of the Obligations, the Mortgagor hereby mortgages, charges, assigns, pledges, grants and transfers to the Mortgagee all the Mortgagor's right, title and interest in and to the Property.

3. INTEREST

The Mortgagor agrees to pay the Mortgagee Interest on the Obligations from time to time.

4. SECURITY

This Mortgage is in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by the Mortgagee from the Mortgagor or from any other person whomsoever and shall be general and continuing security for the payment and performance of the Obligations.

5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:

- (a) if it is a corporation, the Mortgagor is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Mortgage are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound;
- (b) if it is a corporation, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Mortgagor has provided a written memorandum to the Mortgagee accurately setting forth all prior names under which the Mortgagor has operated;
- (c) if it is a partnership, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name and where required or voluntarily registered its registered name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership have been delivered to the Mortgagee;
- (d) if the Mortgagor is an individual, the Mortgagor's full name as set out on the first page of this Mortgage is the Mortgagor's full and correct name as described on the individual's birth certificate a true copy of which has been provided to the Mortgagee or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to the Mortgagee; the Mortgagor's address as set out on the first page of this Mortgage is the Mortgagor's full and correct address;

- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Property or the Mortgagor, in which a decision adverse to the Mortgagor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Mortgagor; and the Mortgagor agrees to promptly notify the Mortgagee of any such future litigation or governmental proceeding;
- (f) the Mortgagor does not have any information or knowledge of any facts relating to the Mortgagor's business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to the Mortgagee in writing and which, if known to the Mortgagee, might reasonably be expected to deter the Mortgagee from extending credit or advancing funds to the Mortgagor;
- (g) the Mortgagor has good title and lawfully owns and possesses the Property, free from all security interests, charges, encumbrances, liens and claims except as disclosed to and approved by the Mortgagee;
- (h) this Mortgage is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Mortgagor, if the Mortgagor is a corporation, or, if the Mortgagor is a partnership, of the partners of the Mortgagor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Mortgage, and the performance of the Mortgagor's obligations valid and there is no restriction contained in the constating documents of the Mortgagor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Mortgagor to borrow money or give security;
- (i) there are no restrictions affecting title to the Mortgagor's interest in the Property except any the Mortgagor has reported to the Mortgagee in writing and except for building and zoning by-laws which have been and will continue to be complied with or with respect to which the Property is a legal non-conforming use;
- (j) no part of the Property is, has ever been or will in the future be insulated with urea formaldehyde foam insulation.

6. COVENANTS OF THE MORTGAGOR

- (a) The Mortgagor covenants that at all times while this Mortgage remains in effect the Mortgagor will:
 - (i) promptly pay and satisfy the Obligations as they become due or are demanded and shall observe all conditions and covenants herein contained;
 - (ii) defend the title to the Property for the benefit of the Mortgagee against the claims and demands of all persons;
 - (iii) maintain insurance on the Property with an insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require;
 - (iv) maintain the Property in good condition, order and repair and not permit the value of the Property to be impaired and not to demolish any part of the buildings now or at any time located on the Property without the prior written consent of the Mortgagee and not to proceed with any substantial alterations, remodeling or rebuilding of or any addition to the buildings on the Property without the prior written consent of the Mortgagee;

- (v) forthwith pay and satisfy;
 - A. all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon the Mortgagor or the Property when due, unless the Mortgagor shall in good faith contest its obligations so to pay and shall furnish such security as the Mortgagee may require; and
 - B. all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to the Mortgage, other than the charges or security interests, if any, consented to in writing by the Mortgagee;
- (vi) if required by the Mortgagee make installment payments to the Mortgagee on account of taxes, rates, levies and assessments upon the lands and premises, such payments to be an estimate by the Mortgagee of the sum required to accumulate a fund sufficient to pay such taxes, rates, levies and assessments when they become due; the Mortgagee may apply any such payment against the indebtedness secured or any money payable hereunder;
- (vii) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Mortgagee in:
 - A. inspecting the Property;
 - B. negotiating, preparing, perfecting and registering this Mortgage and other documents, whether or not relating to this Mortgage;
 - C. maintaining the intended priority of the Mortgage;
 - D. investigating title to the Property;
 - E. taking, recovering, keeping possession of and insuring the Property;
 - F. maintaining the Property in good repair and preparing the Property for disposition; any inspection, appraisal, investigation or environmental audit of the Property and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Property including any fine or penalty the Mortgagee becomes obligated to pay by reason of any statute, order or direction of competent authority;
 - G. any sums the Mortgagee pays as fines, or as clean up costs because of contamination of or from the Property; and
 - H. all other actions and proceedings taken in connection with the preservation of the Property and the Mortgage and the enforcement of this Mortgage and of any other security interest held by the Mortgagee as security for the Obligations;
- (viii) at the Mortgagee's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Mortgagee in its absolute discretion requires in order to better and more perfectly and absolutely

convey and assure the Property with the appurtenances, unto the Mortgagee as the Mortgagee or his counsel may reasonably require;

- (ix) notify the Mortgagee promptly of:
 - A. any change in the information contained herein relating to the Mortgagor, its address, its business or the Property;
 - B. any material loss or damage to the Property;
 - C. any claims against the Mortgagor relating to the Property or any part thereof;
- (x) deliver to the Mortgagee from time to time promptly upon request:
 - A. any documents of title or instruments relating to the Property;
 - B. all financial statements prepared by or for the Mortgagor regarding the Mortgagor's business;
 - C. all policies and certificates of insurance relating to the Property; and
 - D. such information concerning the Property, the Mortgagor and the Mortgagor's business and affairs as the Mortgagee may require;
- (xi) observe and conform to all valid requirements of any governmental authority relative to any of the Property and all covenants, terms and conditions upon or under which the Property is held;
- (xii) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Property and the earnings, income, rents, issues and profits of the Property, including maintenance of proper and accurate books of account and records;
- (xiii) observe and perform all its obligations under:
 - A. leases, licenses, undertakings, and any other agreements to which it is a party;
 - B. any statute or regulation, federal, provincial, territorial or municipal to which the Mortgagor is subject;
- (xiv) without the consent of the Mortgagee, not create or permit to exist any mortgage, charge, assignment or security interest in, charge, encumbrance or lien over, or claim against the Property or any part thereof which ranks or could rank in priority to or *pari passu* with this Mortgage;
- (xv) if the Mortgagor is an individual, advise the Mortgagee of any change in marital status;
- (xvi) not at any time, directly or indirectly, sell, transfer, convey or dispose of the Property or parts thereof or interest therein or enter into any agreement to do so or change or permit a change in the legal or beneficial ownership of the Property without the prior written consent of the Mortgagee;

- (xvii) not apply for or attempt to amend or change the zoning by-law applicable to the Property without prior written approval of the Mortgagee and satisfaction of any conditions imposed by the Mortgagee;
- (xviii) not allow the Property to be used for a use other than the uses disclosed to the Mortgagee;
- (xix) not lease or rent the Property without the consent of the Mortgagee.
- (b) The Mortgagor, if a corporation, covenants that at all times while this Mortgage remains in effect, without the prior written consent of the Mortgagee:
 - (xx) it will not declare or pay any dividends;
 - (xxi) it will not purchase or redeem any of its shares or otherwise reduce its share capital;
 - (xxii) it will not become guarantor of any obligation;
 - (xxiii) it will not become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Mortgagor;
 - (xxiv) it will maintain its corporate existence; and
 - (xxv) it will not change its name, merge or amalgamate with any other entity.

7. ENVIRONMENT

The Mortgagor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licenses, permits and other governmental approvals as may be necessary to conduct its business and maintain the Property;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Mortgagor's business or assets including without limitation the Property;
- (e) it will advise the Mortgagee immediately upon becoming aware of any environmental problems relating to its business or the Property;
- (f) it will provide the Mortgagee with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Mortgagor and it consents to the Mortgagee contacting and making enquiries of environmental officials or assessors; and

- (g) it will from time to time when requested by the Mortgagee provide to the Mortgagee evidence of its full compliance with the Mortgagor's obligations in this section.

8. INSURANCE

- (a) The Mortgagor covenants that while this Mortgage is in effect the Mortgagor shall:
- (i) maintain or cause to be maintained insurance on the Property with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require, and in particular maintain insurance on the Property to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement;
 - (ii) cause the insurance policy or policies required by this Mortgage to be assigned to the Mortgagee, including a standard mortgage clause or a mortgage endorsement, as the Mortgagee may require;
 - (iii) pay all premiums respecting such insurance, and deliver all policies to the Mortgagee, if it so requires.
- (b) If proceeds of any required insurance becomes payable, the Mortgagee may, in its absolute discretion, apply these proceeds to the Obligations as the Mortgagee sees fit or release any insurance proceeds to the Mortgagor to repair, replace or rebuild, but any release of insurance proceeds to the Mortgagor shall not operate as a payment on account of the Obligations or in any way affect this Mortgage.
- (c) The Mortgagor will forthwith, on the happening of loss or damage to the Property, notify the Mortgagee and furnish to the Mortgagee at the Mortgagor's expense any necessary proof and do any necessary act to enable the Mortgagee to obtain payment of the insurance proceeds, but nothing shall limit the Mortgagee's right to submit to the insurer a proof of loss on its own behalf.
- (d) The Mortgagor hereby authorizes and directs the insurer under any required policy of insurance to include the name of the Mortgagee as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by the Mortgagee to any insurer of a notarial or certified copy of this Mortgage (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- (e) If the Mortgagor fails to maintain insurance as required, the Mortgagee may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Mortgagee may wish to maintain.

9. PERFORMANCE OF OBLIGATIONS

If the Mortgagor fails to perform its Obligations hereunder, the Mortgagee may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Mortgagee hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Mortgagor to the

Mortgagee forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon the Property in favour of the Mortgagee prior to all claims subsequent to this Mortgage.

10. QUIET POSSESSION

Until default in payment of some part of the money payable hereunder or on breach of any covenant, agreement or proviso herein contained, the Mortgagor shall have quiet possession of the land and premises.

11. SUMS OWING

The Mortgagor covenants with the Mortgagee that any sum owing or required by this Mortgage to be paid by the Mortgagor to the Mortgagee shall be added to the indebtedness secured and shall form a charge upon the lands and premises and shall bear interest at the highest rate borne by any of the Obligations until paid.

12. FEES

The Mortgagor further agrees and it is expressly understood that prepayment in whole or in part of this Mortgage may be subject to the provisions of the Prepayment Privileges as set forth in Schedule "C1". The attached Schedule "C2" outlines fees currently in effect for this mortgage. If you do not pay any of these fees when due, we may add them to the balance owing on your mortgage and additional interest will accrue on such unpaid fees at the rate set herein.

13. SCHEDULES

All schedules to this mortgage shall form part of this mortgage.

14. APPROPRIATION OF PAYMENTS

Any and all payments made respecting the Obligations and monies realized on any enforcement of this Mortgage may be applied to such part or parts of the Obligations as the Mortgagee sees fit, and the Mortgagee may at any time change any appropriation as the Mortgagee sees fit.

15. EXTENSION OF TIME

No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under him or any other person, or any other dealing by the Mortgagee with the owner of the equity of redemption shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for performance of the Obligations.

16. CONDOMINIUMS

If this Mortgage is of a unit within a plan of condominium the following provisions shall apply:

- (a) The Mortgagor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Mortgagor by Applicable Laws applying to condominiums and by the condominium declaration, the by laws and the rules, as amended from time to time, of the condominium corporation that governs the Property (the "Condominium Corporation"), by virtue of the Mortgagors ownership of the Property. Any breach of such duties and obligations shall constitute a breach of covenant under this Mortgage.

- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that the Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Property and in the event of the Mortgagor's default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the amounts secured by this Mortgage and bear interest at the Interest Rate from the time of such payments and the amounts so paid shall be a charge on the Property and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the amounts secured hereby.
- (c) The Mortgagor by this Mortgage irrevocably authorizes and empowers the Mortgagee to exercise the Mortgagor's right as owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the said Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
 - (ii) the Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Mortgagor; and
 - (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

17. DEFAULT

The Mortgagor shall be in default under this Mortgage and shall be deemed to be in default under all other agreements between the Mortgagor and the Mortgagee, unless waived by the Mortgagee, in any of the following events:

- (a) the Mortgagor defaults, or threatens to default, in payment when due of any of the Obligations of the Mortgagor to the Mortgagee; or
- (b) the Mortgagor is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to the Mortgagee, whether or not contained in this Mortgage; or
- (c) the Mortgagor or a guarantor of the Mortgagor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment or any order of judgment is issued by a court granting any of the foregoing; or
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Property is appointed; or

- (e) the Mortgagor or a guarantor of the Mortgagor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (f) distress or execution is levied or issued against the Property or any part thereof; or
- (g) without the prior written consent of the Mortgagee, the Mortgagor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in the Property which ranks or could in any event rank in priority to or *pari passu* with any security interest created by this Mortgage; or
- (h) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Property does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest; or
- (i) any representation or warranty made by the Mortgagor to the Mortgagee, whether or not contained in this Mortgage is untrue; or
- (j) a default occurs under any agreement, promissory note, debt obligation, guarantee or other document now or hereafter granted to any other bank or financial institution by the Mortgagor; or
- (k) if the Mortgagor or a guarantor of the Mortgagor is a company or a partnership, an order is made or an effective resolution is passed for the dissolution, liquidation or winding up of the Mortgagor or the guarantor of the Mortgagor; or
- (l) the Mortgagor, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person, without the Mortgagee's prior written consent; or
- (m) the Mortgagor, if an individual, dies or is declared incompetent by a court of competent jurisdiction; or
- (n) if the Mortgagor or a guarantor of the Mortgagor is a corporation and its voting control changes without the Mortgagee's written consent; or
- (o) the Mortgagor uses any monies advanced by the Mortgagee to the Mortgagor for any purpose other than as agreed upon by the Mortgagee; or
- (p) the Mortgagor cause or allows hazardous materials to be brought upon any lands or premises occupied by the Mortgagor or to be incorporated into any of its assets, or the Mortgagor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) if any encumbrance or construction lien is registered upon the Property and is not discharged within 10 days of being registered; or
- (r) if any part of the Property is condemned or expropriated, provided that in respect of any expropriation, only if such expropriation gives rise to proceeds of expropriation in excess of

20% of the appraised value of the Property established as of the date of this Mortgage or if such expropriation materially impairs (i) the value of the Property or any other security delivered to the Mortgagee in connection with the Mortgage or (ii) the ability of the Mortgagor to fulfill its obligations under this Mortgage; or

- (s) the Mortgagee in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Property or any part thereof is or is about to be placed in jeopardy.

18. ENFORCEMENT

- (a) Upon any default under this Mortgage, the Mortgagee may withhold any future advances and may declare the full amount of any or all of the Obligations, whether or not payable on demand, to become immediately due and payable. To enforce and realize on the Mortgage, the Mortgagee may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Mortgagee may do any of the following:
 - (i) appoint by instrument a receiver, a receiver and manager or a receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Property, with or without bond as the Mortgagee may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
 - (ii) enter upon any premises of the Mortgagor and take possession of the Property with power to exclude the Mortgagor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
 - (iii) hold, preserve, protect and maintain the Property and make such replacements thereof and repairs and additions thereto as the Mortgagee may deem advisable;
 - (iv) if the Mortgagee enters into and takes possession of the Property, it shall be entitled to have, hold, use, occupy, possess and enjoy the Property without let, suit, hindrance, interruption or denial of the Mortgagor or any other person and without charge. The Mortgagee may maintain, repair and complete the construction of any improvements thereon, inspect, manage, take care of, collect rents and lease the Property for such terms and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Mortgagee may determine in its sole discretion, which lease shall have the same effect as if made by the Mortgagor, and all costs, charges and expenses incurred by the Mortgagee in the exercise of such rights (including allowances for the time, service or effort of any person appointed by the Mortgagee for the above purposes, and all reasonable legal fees and disbursements incurred as between a solicitor and his own client), together with interest thereon at the highest rate applicable to the Obligations shall be payable forthwith by the Mortgagor to the Mortgagee, and until paid shall be added to the Obligations and shall be secured by this Mortgage. Each lease or renewal of lease made by the Mortgagee while in possession of the Property shall continue for its full term notwithstanding the termination of the Mortgagee's possession;
 - (v) whether or not the Mortgagee has entered into possession the Mortgagee may in its discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of the Mortgagor relating to the Property;

- (vi) raise money on the security of the Property or any part thereof in priority to this Mortgage or otherwise, as reasonably required for the purpose of the maintenance, preservation or protection of the Property or any part thereof or to carry on all or any part of the business of the Mortgagor relating to the Property;
 - (vii) sell, lease or otherwise dispose of all or any part of the Property, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Mortgagee may seem reasonable, provided that if any sale, lease or other disposition is on credit the Mortgagor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received;
 - (viii) the Mortgagee may sell the Property or any part thereof, subject to any notice periods under any Applicable Laws, by foreclosure, public auction, public tender, power of sale or private sale approved by the court in accordance with Applicable Laws.
- (b) A Receiver appointed pursuant to this Mortgage shall be the agent of the Mortgagor and not of the Mortgagee and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Mortgagee hereunder, and in addition shall have power to:
- (i) carry on the business of the Mortgagor and for such purpose from time to time to borrow money on any of the Property; such security interest may rank before or *pari passu* with or behind the Mortgage, and if it does not so specify such security interest shall rank before the Mortgage;
 - (ii) make an assignment for the benefit of the Mortgagor's creditors or a proposal on behalf of the Mortgagor under the *Bankruptcy and Insolvency Act* (Canada);
 - (iii) commence, continue or defend proceedings in the name of the Receiver or in the name of the Mortgagor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Property; and
 - (iv) make any arrangement or compromise that the Receiver deems expedient.
- (c) Subject to the claims, if any, of the creditors of the Mortgagor ranking in priority to this Mortgage, all amounts realized from the disposition of Property pursuant to this Mortgage will be applied as the Mortgagee, in its absolute discretion, may direct as follows:
- (i) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Mortgagee in connection with or incidental to:
 - A. the exercise by the Mortgagee of all or any of the powers granted to it pursuant to this Mortgage; and
 - B. the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Mortgage, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;

- (ii) in or toward payment to the Mortgagee of all principal and other monies (except interest) due in respect of the Obligations; and
- (iii) in or toward payment to the Mortgagee of all interest remaining unpaid in respect of the Obligations.

Subject to Applicable Laws and the claims, if any, of other creditors of the Mortgagor, any surplus will be paid to the Mortgagor.

19. SET OFF

Without limiting any other right the Mortgagee may have, the Mortgagee may, in its sole discretion at any time and without notice, set off any and all amounts owed to the Mortgagor by the Mortgagee in any capacity and, whether or not due, against the Obligations.

20. DEFICIENCY

If the amounts realized from the disposition of the Property are not sufficient to pay the Obligations in full the Mortgagor will immediately pay to the Mortgagee the amount of such deficiency.

21. RIGHTS CUMULATIVE

All rights and remedies of the Mortgagee set out in this Mortgage, and in any other agreement or document held by the Mortgagee from the Mortgagor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future Mortgage now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Mortgagor and the Mortgagee that may be in effect from time to time.

22. APPOINTMENT OF ATTORNEY

The Mortgagor hereby irrevocably appoints the Mortgagee or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Mortgagor for and in the name of the Mortgagor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Mortgagor is obliged to sign, endorse or execute and generally to use the name of the Mortgagor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Mortgagee or the Receiver, as the case may be, pursuant to this Mortgage.

23. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Mortgage or the advance of any monies shall bind the Mortgagee to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Mortgagor to the Mortgagee.

24. RENEWAL

The Mortgagor covenants with the Mortgagee that any agreement in writing between the Mortgagor and the Mortgagee for renewal or extension of the term for payment of the Obligations or any money payable hereunder, or any part thereof, or for any change in the terms herein, prior to the execution by the Mortgagee of a discharge or release of this Mortgage, need not be registered, but shall be effectual and binding to all intents and

purposes on the lands and on the Mortgagor, and on any mortgagee, assignee or transferee who acquires an interest in the lands or any part thereof subsequent to the date of this Mortgage and shall take priority as against such mortgagee, assignee or transferee when deposited with or held at the office of the Mortgagee and shall not release or affect any covenant or agreement herein or collateral hereto.

25. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

- (a) Every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of, the Obligations hereby secured and no person shall have any right to require the Obligations to be apportioned upon or in respect of any such part or lot.
- (b) The rights of the Mortgagee hereunder shall not be prejudiced nor shall the liability of the Mortgagor or any other person liable hereunder be reduced in any way or discharged by the taking of any other security, evidence of indebtedness or covenant for payment of any nature or kind whatsoever either at the time of execution of this Mortgage or at any time hereafter.
- (c) The Mortgagee may from time to time release or discharge the whole or any part or parts of the Property or any other security or any surety for the Obligations payable hereunder for such consideration as the Mortgagee shall think proper or without any or any sufficient consideration without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and may at any time and from time to time without notice to or any consent or concurrence by any person make any settlement, extension or variation in terms of any obligation hereunder and no such release, discharge, settlement, extension or variation in terms nor any carelessness or neglect by the Mortgagee in asserting its rights nor any other thing whatsoever, including, without in any way limiting the generality of the foregoing, the loss by operation of law of any right of the Mortgagee against the Mortgagor or any other person or the loss or destruction of any security shall in any way release, diminish or prejudice the security of this Mortgage as against any Property remaining undischarged or release or prejudice any covenants herein contained or release or diminish the liability of the Mortgagor or any other person liable hereunder so long as any Obligations expressed by this Mortgage to be payable remains unpaid, and no security or surety shall be deemed to be released or discharged save by a formal release or discharge executed by the Mortgagee.

26. WAIVER

The Mortgagee may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Mortgage but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be. No waiver shall be effective unless it is in writing and signed by the Mortgagee. No delay or omission on the part of the Mortgagee shall operate as a waiver of such right or any other right.

27. NOTICE

Notice may be given to either party by delivering the same to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other.

28. EXTENSIONS

The Mortgagee may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Mortgagor, sureties and others and with the Property as the Mortgagee may see fit without prejudice to the liability of the Mortgagor or the Mortgagee's right to hold and realize on the security constituted by this Mortgage.

29. NO MERGER

This Mortgage shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Mortgagee from the Mortgagor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Mortgage.

30. ASSIGNMENT

The Mortgagee may, without further notice to the Mortgagor, at any time assign, transfer or grant a security interest in any of the Obligations or this Mortgage. The Mortgagor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Mortgagee's rights and remedies under this Mortgage and the Mortgagor will not assert any defense, counterclaim, right of set-off or otherwise against any party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Mortgagor to be indebted to the Mortgagee from time to time, shall be deemed not to be a redemption or discharge of this Mortgage. The Mortgagee may in its sole discretion grant partial discharges or releases in respect of any of the Property on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the Mortgage on the remainder of the Property or alter the Obligations of the Mortgagor. The Mortgagor shall be entitled to a release and discharge of this Mortgage upon full payment and satisfaction of all Obligations and upon written request by the Mortgagor and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Mortgagee in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Mortgage shall enure to the benefit of the Mortgagee and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Mortgagor.

33. INTERPRETATION

In this Mortgage:

- (a) "Mortgagor" and the personal pronouns "he", "his", "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Mortgagor is one or more individuals, corporations or partnerships;

- (b) each of the provisions contained in this Mortgage is distinct and severable and the invalidity or unenforceability of the whole or any part of any clause of this Mortgage shall not affect the validity or enforceability of any other clause or the remainder of such clause;
- (c) the headings of the clauses of this Mortgage have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage;
- (d) words in the singular shall include the plural, and vice versa, and the masculine, feminine and neuter genders are used interchangeably and shall be deemed to include the other genders;
- (e) this Mortgage shall be governed by the laws of the jurisdiction in which the Property is situated.

34. TIME

Time shall in all respects be of the essence.

35. JOINT AND SEVERAL

If more than one Mortgagor executes this Mortgage, the obligations of such Mortgagors shall be joint and several.

36. WHO IS BOUND BY YOUR MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in this mortgage. This mortgage will also be binding on your legal or personal representatives, our legal representatives and anyone else to whom your interest is transferred. As well, it will be binding on anyone to whom it is transferred from us. All Borrowers signing this mortgage are collectively and individually (that is jointly and severally) bound to comply with all obligations under this mortgage.

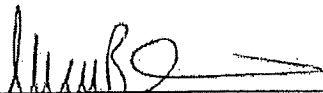
37. SIGNING THIS MORTGAGE

If you have read this mortgage and you agree to its terms, sign in the spaces provided for your signatures. Witnesses must sign in the space provided for the witnesses' signatures. Necessary legal seals should be added next to your signatures.

You acknowledge receiving a copy of this mortgage.

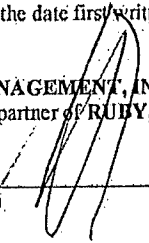
[signature page follows]

IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above.


Witnessed by videoconference


ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:


Name: Steven Can
Title: President

PROVINCE OF NOVA SCOTIA


I HEREBY CERTIFY that on this 20 day of July, 2020, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing mortgage executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

AFFIDAVIT

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova Scotia
this 20 day of July, 2020
before me:



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia

Steven Caryi

Schedule "A" - Property

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

***** Municipal Government Act, Part IX Compliance *****

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

SCHEDULE "C1"

PREPAYMENT OPTIONS FOR COMMERCIAL MORTGAGES As at the execution date of this mortgage and/or mortgage renewal

1. Prepayment Privileges

"Please refer to your Offer of Financing for the prepayment privileges associated with this commercial mortgage."

2. Prepayment Charges

"If the terms of your mortgage permit you to payout all or a portion of your mortgage balance before the end of your mortgage term subject to the payment of a prepayment penalty, as set out in the Mortgage Commitment, the penalty will be the greater of: three (3) months interest at your contracted interest rate OR an interest rate differential on the amount of prepayment. The interest rate differential is calculated on the date the payout statement is prepared by multiplying the following: a) the difference between your contracted interest rate and the current posted interest rate** of a mortgage with a similar term to maturity (i.e. a term equal to the time remaining on your mortgage - as shown in Table 1 below); b) the amount you want to prepay; and c) the number of months remaining on your mortgage term until maturity. For a detailed example of a comparison between the three (3) months interest calculation and the interest rate differential calculation see Table 2 below.

** For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-668-2879 or visit our web site at www.lsm.ca

Table 1 - Similar Term to Maturity

Time Remaining on Your Mortgage	Mortgage with Similar Term to Maturity
Greater than 6 months and less than or equal to 18 months (i.e. 0.5 to 1.5 years)	1 year
Greater than 18 months and less than or equal to 30 months (i.e. < 1.5 to 2.5 years)	2 years
Greater than 30 months and less than or equal to 42 months (i.e. < 2.5 to 3.5 years)	3 years
Greater than 42 months and less than or equal to 54 months (i.e. < 3.5 to 4.5 years)	4 years
Greater than 54 months and less than or equal to 60 months (i.e. < 4.5 to 5.0 years)	5 years

Table 2 - Prepayment Charge Calculation

In this example, a member has a mortgage of \$100,000 that he/she wants to pay off 40 months and 15 days early. The member's contracted annual interest rate is 6%, and the current 3 year interest rate (mortgage with a similar term to maturity) is 5.50%.

- The 3 month interest penalty would be calculated using the member's contracted annual interest rate of 6%.
- The interest rate differential penalty would be calculated using the difference between the member's contracted annual interest rate and the current posted interest rate on a mortgage with a similar term to maturity. In this example, as the term remaining on the member's mortgage is 40 months and 15 days (or 3.375 years) it has a similar term to maturity as a 3 year mortgage (see Table 1). The interest differential is therefore equal to the difference between the member's interest rate of 6% and the current 3 year interest rate of 5.50% (i.e. 0.50%).

Examples of the calculations for the 3 month interest penalty and the interest rate differential penalty are shown below.

3 Months Interest:	OR	Interest Rate Differential (IRD)
Amount you want to prepay	\$100,000 (A)	Your interest rate
Your interest rate	6.000% (B)	Similar term to maturity rate (3 yrs)
(A) x (B) = Annual Interest	\$6,000 (C)	(A) - (B) = Rate Differential
(C) Annual Interest / 12 x 3 Mos	\$1,500 (3 mos interest penalty)	Amount you want to prepay
		Your term to maturity
		((C) x (D)) x ((E) / 12)
		\$1,887.50 (IRD penalty)

In the above example, the greater of the 3 months interest penalty (\$1,500) or the interest rate differential penalty (\$1,887.50) would be the interest rate differential penalty. Therefore, the mortgage prepayment penalty that would be charged in the above example would be the interest rate differential penalty of \$1,887.50.

SCHEDULE "C2" FEES AS AT THE EXECUTION DATE OF THIS MORTGAGE AND/OR MORTGAGE RENEWAL

1. Fire Insurance Administration Fee - \$100.00 plus cost of insurance premium
2. Maximum Renewal Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of renewal
3. Release Fees - \$150.00 if refinancing with League Savings
- \$300.00 if loan paid out prior to being fully amortized
- \$150.00 if loan fully amortized
4. NSF Cheque Fees - \$50.00 per occurrence
5. Audit Confirmation Fee - \$25.00 per statement
6. Max Mortgage Amendment Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment
7. General Security Agreement (PPSA) (if required) - The document will be registered for the amortized period of the loan and a fee charged to the mortgage account in accordance with Provincial legislation.
8. Maximum Annual Review Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of review.
9. Property Tax Administration Fee, where applicable - As billed by your municipality

NOTE: League Savings and Mortgage Company reserves the right to make changes to the above fees from time to time. In the event of fee changes, we will provide you with 30 days notice



LEAGUE SAVINGS AND MORTGAGE

A Credit Union Company

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 10 day of July, 2020

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP

(the "Assignor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(the "Assignee")

WHEREAS the Assignor is the registered owner of the Property (hereinafter defined), subject to the Mortgage (hereinafter defined) and has agreed to enter into this Agreement with the Assignee as collateral security for the due payment of the Mortgage (hereinafter defined).

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Mortgage (hereinafter defined), the sum of Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), it is hereby covenanted and agreed and declared by the Assignor as follows:

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
 - (a) "Agreement" shall mean this agreement.
 - (b) "Leases" shall mean:
 - (i) each and every existing and future lease of, and agreement to lease of, the whole or any portion of the Property (hereinafter defined);
 - (ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the Property (hereinafter defined), whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;
 - (iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Property (hereinafter defined); and
 - (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (hereinafter defined).
 - (c) "Mortgage" shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee and registered against the Property

(hereinafter defined) at the Land Registration Office for Halifax County on or about the date hereof.

- (d) **"Property"** shall mean the lands and premises described in Schedule "A" attached hereto, together with any buildings or structures now or hereafter erected thereon.
 - (e) **"Rents"** shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.
2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Mortgage and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Mortgage having been fully paid and satisfied) all of the Assignor's right, title and interest in the Leases and the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Property, and their respective heirs, executors, administrators, successors or assigns.
 3. The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Mortgage and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Mortgage or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.
 4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a charge in possession of the Property or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
 5. In the event, however, that the Assignor shall reinstate the Mortgage completely in good standing, having complied with all the terms, covenants and conditions of the Mortgage, then the Assignee shall within one month after demand re-deliver possession

of the Property to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Property under authority of this Agreement.

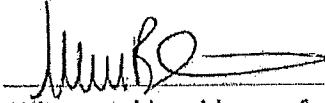
6. If the Assignee shall have exercised its rights under Section 3 and shall have received any of the Rents and if the Assignor shall cure the default under the Mortgage which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
7. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
8. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.
9. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Mortgage, to enter upon the Property and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
10. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Property, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
11. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Property by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Mortgage, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.
12. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Mortgage and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the

whole of the Mortgage, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the land registrar is hereby authorized to delete reference to this Agreement from the title to the Property. Following registration of a cessation of the Mortgage, this Agreement shall be of no further force or effect only in respect of that part or parts of the Property in respect of which the Mortgage has been discharged.

13. The provisions of this Agreement shall be construed according to the laws of the province in which the Property is situated.
14. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

[signature page follows]

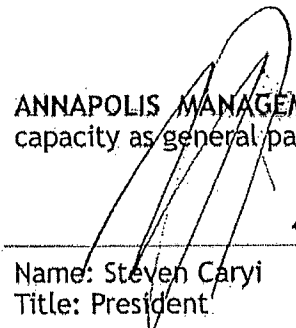
SIGNED and DELIVERED in the
presence of:

A handwritten signature in black ink, appearing to be "M. B.", written over a horizontal line.

Witnessed by videoconference

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:

A large, stylized handwritten signature in black ink, written over a horizontal line.

Name: Steven Caryi
Title: President



**LEAGUE SAVINGS
AND MORTGAGE**

A Credit Union Company

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 20 day of July, 2020, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing indenture executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.

Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

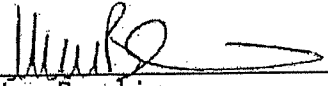
CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

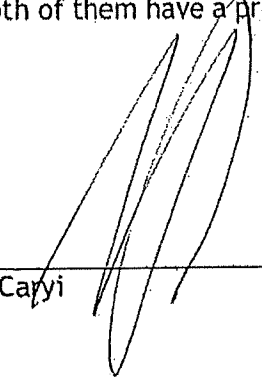
I, Steven Caryi, of Winter Park, Florida, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within assignment has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova Scotia)
this 20 day of July, 2020)
before me:)



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia)



Steven Caryi

SCHEDULE "A"

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

***** Municipal Government Act, Part IX Compliance *****

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279



LEAGUE SAVINGS AND MORTGAGE

A Credit Union Company

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 10 day of July, 2020

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of **RUBY, LLP**

(the "Assignor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(the "Assignee")

WHEREAS the Assignor is the registered owner of the Property (hereinafter defined), subject to the Mortgage (hereinafter defined) and has agreed to enter into this Agreement with the Assignee as collateral security for the due payment of the Mortgage (hereinafter defined).

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Mortgage (hereinafter defined), the sum of Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), it is hereby covenanted and agreed and declared by the Assignor as follows:

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

(a) "Agreement" shall mean this agreement.

(b) "Leases" shall mean:

(i) each and every existing and future lease of, and agreement to lease of, the whole or any portion of the Property (hereinafter defined);

(ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the Property (hereinafter defined), whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;

(iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Property (hereinafter defined); and

(iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (hereinafter defined).

(c) "Mortgage" shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee and registered against the Property

(hereinafter defined) at the Land Registration Office for Halifax County on or about the date hereof.

- (d) **"Property"** shall mean the lands and premises described in Schedule "A" attached hereto, together with any buildings or structures now or hereafter erected thereon.
 - (e) **"Rents"** shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.
2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Mortgage and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Mortgage having been fully paid and satisfied) all of the Assignor's right, title and interest in the Leases and the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Property, and their respective heirs, executors, administrators, successors or assigns.
 3. The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Mortgage and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Mortgage or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.
 4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a charge in possession of the Property or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.
 5. In the event, however, that the Assignor shall reinstate the Mortgage completely in good standing, having complied with all the terms, covenants and conditions of the Mortgage, then the Assignee shall within one month after demand re-deliver possession

of the Property to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Property under authority of this Agreement.


6. If the Assignee shall have exercised its rights under Section 3 and shall have received any of the Rents and if the Assignor shall cure the default under the Mortgage which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
7. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
8. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.
9. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Mortgage, to enter upon the Property and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
10. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Property, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
11. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Property by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Mortgage, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.
12. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Mortgage and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the

whole of the Mortgage, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the land registrar is hereby authorized to delete reference to this Agreement from the title to the Property. Following registration of a cessation of the Mortgage, this Agreement shall be of no further force or effect only in respect of that part or parts of the Property in respect of which the Mortgage has been discharged.

13. The provisions of this Agreement shall be construed according to the laws of the province in which the Property is situated.
14. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

[signature page follows]

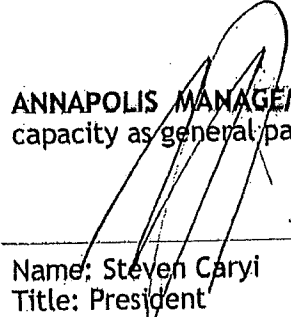
SIGNED and DELIVERED in the
presence of:

A handwritten signature in black ink, appearing to be "Humbert", written over a horizontal line.

Witnessed by videoconference

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:

A large, stylized handwritten signature in black ink, appearing to be "Steven Caryi", written over a horizontal line.

Name: Steven Caryi
Title: President



**LEAGUE SAVINGS
AND MORTGAGE**

A Credit Union Company

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 20 day of July, 2020, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing indenture executed and delivered the same in my presence by videoconference, and I have signed as witness to the same,

Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

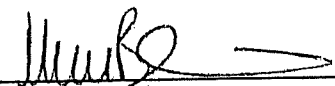
CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

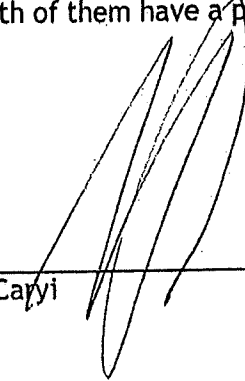
I, Steven Caryi, of Winter Park, Florida, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within assignment has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova Scotia
this 20 day of July, 2020
before me:



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steven Caryi

SCHEDULE "A"

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

***** Municipal Government Act, Part IX Compliance *****

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

1

Exhibit Stamp

Hfx No. 539955

This is Exhibit "H1" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

COLLATERAL MORTGAGE

This **MORTGAGE** made this 10th day of May, 2022

BETWEEN: ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of **RUBY, LLP**

(hereinafter called the "**Mortgagor**")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(hereinafter called the "**Mortgagee**")

1. **Definitions.** In this Mortgage, unless something in the subject matter or context is inconsistent therewith:

- (a) **Applicable Laws** means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, all notices, proceedings, judgments, orders, ordinances, directives, permits, authorizations, licenses or requirements of every governmental authority.
- (b) **Interest** means the interest payable at the Interest Rate under this Mortgage.
- (c) **Interest Rate** means the interest rate payable by the Mortgagor to the Mortgagee on the Obligations pursuant to any agreement, contract or term in relation to the Obligations.
- (d) **Mortgage** means this Mortgage of real property and any amendments thereto, to which the Mortgagor and the Mortgagee are parties.
- (e) **Obligations** means any and all present and future indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (including interest thereon), of whatsoever nature or kind, including without limitation, pursuant to any promissory note, loan agreement, line of credit agreement or guarantee, whether incurred prior to or at the time of or after the signing of this Mortgage, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, as principal or as surety, liquidated or unliquidated, alone or with others, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances and for all obligations of the Mortgagor to the Mortgagee whether or not contained in this Mortgage.
- (f) **Property** means the real property described in Schedule "A" to this Mortgage, and includes all buildings, fixtures, equipment, machinery, furniture, furnishings and chattels and improvements now or hereafter brought or erected thereon.

2. **GRANT OF MORTGAGE**

For consideration and as security for the payment and performance of the Obligations, the Mortgagor hereby mortgages, charges, assigns, pledges, grants and transfers to the Mortgagee all the Mortgagor's right, title and interest in and to the Property.

3. **INTEREST**

- (a) if it is a corporation, the Mortgagor is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Mortgage are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound;
- (b) if it is a corporation, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Mortgagor has provided a written memorandum to the Mortgagee accurately setting forth all prior names under which the Mortgagor has operated;
- (c) if it is a partnership, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name and where required or voluntarily registered its registered name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it and is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership have been delivered to the Mortgagee;
- (d) if the Mortgagor is an individual, the Mortgagor's full name as set out on the first page of this Mortgage is the Mortgagor's full and correct name as described on the individual's birth certificate a true copy of which has been provided to the Mortgagee or, if no birth certificate issued from any jurisdiction in Canada exists, as described on the documents provided to the Mortgagee; the Mortgagor's address as set out on the first page of this Mortgage is the Mortgagor's full and correct address;
- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Property or the Mortgagor, in which a decision adverse to the Mortgagor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Mortgagor; and the Mortgagor agrees to promptly notify the Mortgagee of any such future litigation or governmental proceeding;
- (f) the Mortgagor does not have any information or knowledge of any facts relating to the Mortgagor's business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to the Mortgagee in writing and which, if known to the Mortgagee, might reasonably be expected to deter the Mortgagee from extending credit or advancing funds to the Mortgagor;
- (g) the Mortgagor has good title and lawfully owns and possesses the Property, free from all security interests, charges, encumbrances, liens and claims except as disclosed to and approved by the Mortgagee;
- (h) this Mortgage is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Mortgagor, if the Mortgagor is a corporation, or, if the Mortgagor is a

- (j) no part of the Property is, has ever been or will in the future be insulated with urea formaldehyde foam insulation.

6. COVENANTS OF THE MORTGAGOR

- (a) The Mortgagor covenants that at all times while this Mortgage remains in effect the Mortgagor will:
 - (i) promptly pay and satisfy the Obligations as they become due or are demanded and shall observe all conditions and covenants herein contained;
 - (ii) defend the title to the Property for the benefit of the Mortgagee against the claims and demands of all persons;
 - (iii) maintain insurance on the Property with an insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require;
 - (iv) maintain the Property in good condition, order and repair and not permit the value of the Property to be impaired and not to demolish any part of the buildings now or at any time located on the Property without the prior written consent of the Mortgagee and not to proceed with any substantial alterations, remodeling or rebuilding of or any addition to the buildings on the Property without the prior written consent of the Mortgagee;
 - (v) forthwith pay and satisfy;
 - A. all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon the Mortgagor or the Property when due, unless the Mortgagor shall in good faith contest its obligations so to pay and shall furnish such security as the Mortgagee may require; and
 - B. all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to the Mortgage, other than the charges or security interests, if any, consented to in writing by the Mortgagee;
 - (vi) if required by the Mortgagee make installment payments to the Mortgagee on account of taxes, rates, levies and assessments upon the lands and premises, such payments to be an estimate by the Mortgagee of the sum required to accumulate a fund sufficient to pay such taxes, rates, levies and assessments when they become due; the Mortgagee may apply any such payment against the indebtedness secured or any money payable hereunder;
 - (vii) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Mortgagee in:
 - A. inspecting the Property;
 - B. negotiating, preparing, perfecting and registering this Mortgage and other documents, whether or not relating to this Mortgage;
 - C. maintaining the intended priority of the Mortgage;
 - D. investigating title to the Property;
 - E. taking, recovering, keeping possession of and insuring the Property;
 - F. maintaining the Property in good repair and preparing the Property for

- (viii) at the Mortgagee's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Mortgagee in its absolute discretion requires in order to better and more perfectly and absolutely convey and assure the Property with the appurtenances, unto the Mortgagee as the Mortgagee or his counsel may reasonably require;
- (ix) notify the Mortgagee promptly of:
 - A. any change in the information contained herein relating to the Mortgagor, its address, its business or the Property;
 - B. any material loss or damage to the Property;
 - C. any claims against the Mortgagor relating to the Property or any part thereof;
- (x) deliver to the Mortgagee from time to time promptly upon request:
 - A. any documents of title or instruments relating to the Property;
 - B. all financial statements prepared by or for the Mortgagor regarding the Mortgagor's business;
 - C. all policies and certificates of insurance relating to the Property; and
 - D. such information concerning the Property, the Mortgagor and the Mortgagor's business and affairs as the Mortgagee may require;
- (xi) observe and conform to all valid requirements of any governmental authority relative to any of the Property and all covenants, terms and conditions upon or under which the Property is held;
- (xii) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Property and the earnings, income, rents, issues and profits of the Property, including maintenance of proper and accurate books of account and records;
- (xiii) observe and perform all its obligations under:
 - A. leases, licenses, undertakings, and any other agreements to which it is a party;
 - B. any statute or regulation, federal, provincial, territorial or municipal to which the Mortgagor is subject;
- (xiv) without the consent of the Mortgagee, not create or permit to exist any mortgage, charge, assignment or security interest in, charge, encumbrance or lien over, or claim against the Property or any part thereof which ranks or could rank in priority to or *pari passu* with this Mortgage;
- (xv) if the Mortgagor is an individual, advise the Mortgagee of any change in marital status;
- (xvi) not at any time, directly or indirectly, sell, transfer, convey or dispose of the Property or parts thereof or interest therein or enter into any agreement to do so or change or permit a change in the legal or beneficial ownership of the Property without the prior written consent of the Mortgagee;

- (xx) it will not declare or pay any dividends;
- (xxi) it will not purchase or redeem any of its shares or otherwise reduce its share capital;
- (xxii) it will not become guarantor of any obligation;
- (xxiii) it will not become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Mortgagor;
- (xxiv) it will maintain its corporate existence; and
- (xxv) it will not change its name, merge or amalgamate with any other entity.

7. ENVIRONMENT

The Mortgagor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licenses, permits and other governmental approvals as may be necessary to conduct its business and maintain the Property;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Mortgagor's business or assets including without limitation the Property;
- (e) it will advise the Mortgagee immediately upon becoming aware of any environmental problems relating to its business or the Property;
- (f) it will provide the Mortgagee with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Mortgagor and it consents to the Mortgagee contacting and making enquiries of environmental officials or assessors; and
- (g) it will from time to time when requested by the Mortgagee provide to the Mortgagee evidence of its full compliance with the Mortgagor's obligations in this section.

8. INSURANCE

- (a) The Mortgagor covenants that while this Mortgage is in effect the Mortgagor shall:
 - (i) maintain or cause to be maintained insurance on the Property with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require, and in particular maintain insurance on the Property to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement;
 - (ii) cause the insurance policy or policies required by this Mortgage to be assigned to the Mortgagee, including a standard mortgage clause or a mortgage endorsement, as the Mortgagee may require;

nothing shall limit the Mortgagee's right to submit to the insurer a proof of loss on its own behalf.

- (d) The Mortgagor hereby authorizes and directs the insurer under any required policy of insurance to include the name of the Mortgagee as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by the Mortgagee to any insurer of a notarial or certified copy of this Mortgage (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- (e) If the Mortgagor fails to maintain insurance as required, the Mortgagee may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Mortgagee may wish to maintain.

9. PERFORMANCE OF OBLIGATIONS

If the Mortgagor fails to perform its Obligations hereunder, the Mortgagee may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Mortgagee hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Mortgagor to the Mortgagee forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon the Property in favour of the Mortgagee prior to all claims subsequent to this Mortgage.

10. QUIET POSSESSION

Until default in payment of some part of the money payable hereunder or on breach of any covenant, agreement or proviso herein contained, the Mortgagor shall have quiet possession of the land and premises.

11. SUMS OWING

The Mortgagor covenants with the Mortgagee that any sum owing or required by this Mortgage to be paid by the Mortgagor to the Mortgagee shall be added to the indebtedness secured and shall form a charge upon the lands and premises and shall bear interest at the highest rate borne by any of the Obligations until paid.

12. FEES

The Mortgagor further agrees and it is expressly understood that prepayment in whole or in part of this Mortgage may be subject to the provisions of the Prepayment Privileges as set forth in Schedule "C1". The attached Schedule "C2" outlines fees currently in effect for this mortgage. If you do not pay any of these fees when due, we may add them to the balance owing on your mortgage and additional interest will accrue on such unpaid fees at the rate set herein.

13. SCHEDULES

All schedules to this mortgage shall form part of this mortgage.

14. APPROPRIATION OF PAYMENTS

Any and all payments made respecting the Obligations and monies realized on any enforcement of this Mortgage may be applied to such part or parts of the Obligations as the Mortgagee sees fit, and the Mortgagee may at any time change any appropriation as the Mortgagee sees fit.

15. EXTENSION OF TIME

condominiums and by the condominium declaration, the by laws and the rules, as amended from time to time, of the condominium corporation that governs the Property (the "Condominium Corporation"), by virtue of the Mortgagors ownership of the Property. Any breach of such duties and obligations shall constitute a breach of covenant under this Mortgage.

- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that the Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Property and in the event of the Mortgagor's default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the amounts secured by this Mortgage and bear interest at the Interest Rate from the time of such payments and the amounts so paid shall be a charge on the Property and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the amounts secured hereby.
- (c) The Mortgagor by this Mortgage irrevocably authorizes and empowers the Mortgagee to exercise the Mortgagor's right as owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the said Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
 - (ii) the Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Mortgagor; and
 - (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

17. DEFAULT

The Mortgagor shall be in default under this Mortgage and shall be deemed to be in default under all other agreements between the Mortgagor and the Mortgagee, unless waived by the Mortgagee, in any of the following events:

- (a) the Mortgagor defaults, or threatens to default, in payment when due of any of the Obligations of the Mortgagor to the Mortgagee; or
- (b) the Mortgagor is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to the Mortgagee, whether or not contained in this Mortgage; or
- (c) the Mortgagor or a guarantor of the Mortgagor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment or any order of judgment is issued by a court granting any of the foregoing; or
- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Property is appointed; or

- (h) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Property does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest; or
- (i) any representation or warranty made by the Mortgagor to the Mortgagee, whether or not contained in this Mortgage is untrue; or
- (j) a default occurs under any agreement, promissory note, debt obligation, guarantee or other document now or hereafter granted to any other bank or financial institution by the Mortgagor; or
- (k) if the Mortgagor or a guarantor of the Mortgagor is a company or a partnership, an order is made or an effective resolution is passed for the dissolution, liquidation or winding up of the Mortgagor or the guarantor of the Mortgagor; or
- (l) the Mortgagor, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person, without the Mortgagee's prior written consent; or
- (m) the Mortgagor, if an individual, dies or is declared incompetent by a court of competent jurisdiction; or
- (n) if the Mortgagor or a guarantor of the Mortgagor is a corporation and its voting control changes without the Mortgagee's written consent; or
- (o) the Mortgagor uses any monies advanced by the Mortgagee to the Mortgagor for any purpose other than as agreed upon by the Mortgagee; or
- (p) the Mortgagor cause or allows hazardous materials to be brought upon any lands or premises occupied by the Mortgagor or to be incorporated into any of its assets, or the Mortgagor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) if any encumbrance or construction lien is registered upon the Property and is not discharged within 10 days of being registered; or
- (r) if any part of the Property is condemned or expropriated, provided that in respect of any expropriation, only if such expropriation gives rise to proceeds of expropriation in excess of 20% of the appraised value of the Property established as of the date of this Mortgage or if such expropriation materially impairs (i) the value of the Property or any other security delivered to the Mortgagee in connection with the Mortgage or (ii) the ability of the Mortgagor to fulfill its obligations under this Mortgage; or
- (s) the Mortgagee in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Property or any part thereof is or is about to be placed in jeopardy.

18. ENFORCEMENT

- (a) Upon any default under this Mortgage, the Mortgagee may withhold any future advances and may declare the full amount of any or all of the Obligations, whether or not payable on demand, to become immediately due and payable. To enforce and realize on the Mortgage, the Mortgagee may take any action permitted by law or in equity, as it may deem expedient, and in particular

- (iii) hold, preserve, protect and maintain the Property and make such replacements thereof and repairs and additions thereto as the Mortgagee may deem advisable;
 - (iv) if the Mortgagee enters into and takes possession of the Property, it shall be entitled to have, hold, use, occupy, possess and enjoy the Property without let, suit, hindrance, interruption or denial of the Mortgagor or any other person and without charge. The Mortgagee may maintain, repair and complete the construction of any improvements thereon, inspect, manage, take care of, collect rents and lease the Property for such terms and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Mortgagee may determine in its sole discretion, which lease shall have the same effect as if made by the Mortgagor, and all costs, charges and expenses incurred by the Mortgagee in the exercise of such rights (including allowances for the time, service or effort of any person appointed by the Mortgagee for the above purposes, and all reasonable legal fees and disbursements incurred as between a solicitor and his own client), together with interest thereon at the highest rate applicable to the Obligations shall be payable forthwith by the Mortgagor to the Mortgagee, and until paid shall be added to the Obligations and shall be secured by this Mortgage. Each lease or renewal of lease made by the Mortgagee while in possession of the Property shall continue for its full term notwithstanding the termination of the Mortgagee's possession;
 - (v) whether or not the Mortgagee has entered into possession the Mortgagee may in its discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of the Mortgagor relating to the Property;
 - (vi) raise money on the security of the Property or any part thereof in priority to this Mortgage or otherwise, as reasonably required for the purpose of the maintenance, preservation or protection of the Property or any part thereof or to carry on all or any part of the business of the Mortgagor relating to the Property;
 - (vii) sell, lease or otherwise dispose of all or any part of the Property, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Mortgagee may seem reasonable, provided that if any sale, lease or other disposition is on credit the Mortgagor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received;
 - (viii) the Mortgagee may sell the Property or any part thereof, subject to any notice periods under any Applicable Laws, by foreclosure, public auction, public tender, power of sale or private sale approved by the court in accordance with Applicable Laws.
- (b) A Receiver appointed pursuant to this Mortgage shall be the agent of the Mortgagor and not of the Mortgagee and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Mortgagee hereunder, and in addition shall have power to:
- (i) carry on the business of the Mortgagor and for such purpose from time to time to borrow money on any of the Property; such security interest may rank before or *pari passu* with or behind the Mortgage, and if it does not so specify such security interest shall rank before the Mortgage;
 - (ii) make an assignment for the benefit of the Mortgagor's creditors or a proposal on behalf of the Mortgagor under the *Bankruptcy and Insolvency Act* (Canada);
 - (iii) commence, continue or defend proceedings in the name of the Receiver or in the name of the Mortgagor for the purpose of protecting, seizing, collecting, realizing or obtaining

- A. the exercise by the Mortgagee of all or any of the powers granted to it pursuant to this Mortgage; and
 - B. the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Mortgage, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (ii) in or toward payment to the Mortgagee of all principal and other monies (except interest) due in respect of the Obligations; and
 - (iii) in or toward payment to the Mortgagee of all interest remaining unpaid in respect of the Obligations.

Subject to Applicable Laws and the claims, if any, of other creditors of the Mortgagor, any surplus will be paid to the Mortgagor.

19. SET OFF

Without limiting any other right the Mortgagee may have, the Mortgagee may, in its sole discretion at any time and without notice, set off any and all amounts owed to the Mortgagee by the Mortgagor in any capacity and, whether or not due, against the Obligations.

20. DEFICIENCY

If the amounts realized from the disposition of the Property are not sufficient to pay the Obligations in full the Mortgagor will immediately pay to the Mortgagee the amount of such deficiency.

21. RIGHTS CUMULATIVE

All rights and remedies of the Mortgagee set out in this Mortgage, and in any other agreement or document held by the Mortgagee from the Mortgagor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future Mortgage now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Mortgagor and the Mortgagee that may be in effect from time to time.

22. APPOINTMENT OF ATTORNEY

The Mortgagor hereby irrevocably appoints the Mortgagee or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Mortgagor for and in the name of the Mortgagor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Mortgagor is obliged to sign, endorse or execute and generally to use the name of the Mortgagor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Mortgagee or the Receiver, as the case may be, pursuant to this Mortgage.

23. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Mortgage or the advance of any monies shall bind the Mortgagee to make any advance or loan or further advance or loan, or renew any note or extend any time for payment of any indebtedness or liability of the Mortgagor to the Mortgagee.

25. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

- (a) Every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of, the Obligations hereby secured and no person shall have any right to require the Obligations to be apportioned upon or in respect of any such part or lot.
- (b) The rights of the Mortgagee hereunder shall not be prejudiced nor shall the liability of the Mortgagor or any other person liable hereunder be reduced in any way or discharged by the taking of any other security, evidence of indebtedness or covenant for payment of any nature or kind whatsoever either at the time of execution of this Mortgage or at any time hereafter.
- (c) The Mortgagee may from time to time release or discharge the whole or any part or parts of the Property or any other security or any surety for the Obligations payable hereunder for such consideration as the Mortgagee shall think proper or without any or any sufficient consideration without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and may at any time and from time to time without notice to or any consent or concurrence by any person make any settlement, extension or variation in terms of any obligation hereunder and no such release, discharge, settlement, extension or variation in terms nor any carelessness or neglect by the Mortgagee in asserting its rights nor any other thing whatsoever, including, without in any way limiting the generality of the foregoing, the loss by operation of law of any right of the Mortgagee against the Mortgagor or any other person or the loss or destruction of any security shall in any way release, diminish or prejudice the security of this Mortgage as against any Property remaining undischarged or release or prejudice any covenants herein contained or release or diminish the liability of the Mortgagor or any other person liable hereunder so long as any Obligations expressed by this Mortgage to be payable remains unpaid, and no security or surety shall be deemed to be released or discharged save by a formal release or discharge executed by the Mortgagee.

26. WAIVER

The Mortgagee may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Mortgage but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default thereafter, or of any other right, benefit or default, as the case may be. No waiver shall be effective unless it is in writing and signed by the Mortgagee. No delay or omission on the part of the Mortgagee shall operate as a waiver of such right or any other right.

27. NOTICE

Notice may be given to either party by delivering the same to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other.

28. EXTENSIONS

The Mortgagee may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Mortgagor, sureties and others and with the Property as the Mortgagee may see fit without prejudice to the liability of the Mortgagor or the Mortgagee's right to hold and realize on the security constituted by this Mortgage.

29. NO MERGER

30. ASSIGNMENT

The Mortgagee may, without further notice to the Mortgagor, at any time assign, transfer or grant a security interest in any of the Obligations or this Mortgage. The Mortgagor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Mortgagee's rights and remedies under this Mortgage and the Mortgagor will not assert any defense, counterclaim, right of set-off or otherwise against any party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Mortgagor to be indebted to the Mortgagee from time to time, shall be deemed not to be a redemption or discharge of this Mortgage. The Mortgagee may in its sole discretion grant partial discharges or releases in respect of any of the Property on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the Mortgage on the remainder of the Property or alter the Obligations of the Mortgagor. The Mortgagor shall be entitled to a release and discharge of this Mortgage upon full payment and satisfaction of all Obligations and upon written request by the Mortgagor and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Mortgagee in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Mortgage shall enure to the benefit of the Mortgagee and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Mortgagor.

33. INTERPRETATION

In this Mortgage:

- (a) "Mortgagor" and the personal pronouns "he", "his", "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Mortgagor is one or more individuals, corporations or partnerships;
- (b) each of the provisions contained in this Mortgage is distinct and severable and the invalidity or unenforceability of the whole or any part of any clause of this Mortgage shall not affect the validity or enforceability of any other clause or the remainder of such clause;
- (c) the headings of the clauses of this Mortgage have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage;
- (d) words in the singular shall include the plural, and vice versa, and the masculine, feminine and neuter genders are used interchangeably and shall be deemed to include the other genders;
- (e) this Mortgage shall be governed by the laws of the jurisdiction in which the Property is situated.

34. TIME

Time shall in all respects be of the essence.

35. JOINT AND SEVERAL

37. SIGNING THIS MORTGAGE

If you have read this mortgage and you agree to its terms, sign in the spaces provided for your signatures. Witnesses must sign in the space provided for the witnesses' signatures. Necessary legal seals should be added next to your signatures.

You acknowledge receiving a copy of this mortgage.

[signature page follows]

IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above:



Witnessed by videoconference


ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:

Nunie: Susan Caryi
Title: President

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 10 day of May, 2022, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing mortgage executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.

A handwritten signature in black ink, appearing to read 'Marc Beaubien', is written over a horizontal line.

Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia.

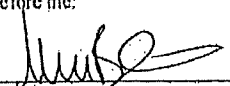
CANADA
PROVINCE OF NOVA SCOTIA

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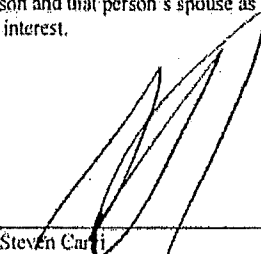
I, Steven Curyl, of Winter Park, Florida, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within mortgage has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from
Winter Park, Florida to Halifax, Nova Scotia
this 01st day of May 2022
before me:



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steven Curyl

Schedule "A" - Property

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

*** Municipal Government Act, Part IX Compliance ***

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

SCHEDULE "C1"

PREPAYMENT OPTIONS FOR COMMERCIAL MORTGAGES As at the execution date of this mortgage and/or mortgage renewal

1. Prepayment Privileges

"Please refer to your Offer of Financing for the prepayment privileges associated with this commercial mortgage."

2. Prepayment Charges

"If the terms of your mortgage permit you to payout all or a portion of your mortgage balance before the end of your mortgage term subject to the payment of a prepayment penalty, as set out in the Mortgage Commitment, the penalty will be the greater of: three (3) months interest at your contracted interest rate OR an interest rate differential on the amount of prepayment. The interest rate differential is calculated on the date the payout statement is prepared by multiplying the following: a) the difference between your contracted interest rate and the current posted interest rate** of a mortgage with a similar term to maturity (i.e. a term equal to the time remaining on your mortgage - as shown in Table 1 below); b) the amount you want to prepay; and c) the number of months remaining on your mortgage term until maturity. For a detailed example of a comparison between the three (3) months interest calculation and the interest rate differential calculation see Table 2 below.

** For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-868-2879 or visit our web site at www.lsm.ca

Table 1 - Similar Term to Maturity

Time Remaining on Your Mortgage	Mortgage with Similar Term to Maturity
Greater than 6 months and less than or equal to 18 months (i.e. 0.5 to 1.5 years)	1 year
Greater than 18 months and less than or equal to 30 months (i.e. < 1.5 to 2.5 years)	2 years
Greater than 30 months and less than or equal to 42 months (i.e. < 2.5 to 3.5 years)	3 years
Greater than 42 months and less than or equal to 54 months (i.e. < 3.5 to 4.5 years)	4 years
Greater than 54 months and less than or equal to 60 months (i.e. < 4.5 to 5.0 years)	5 years

Table 2 - Prepayment Charge Calculation

In this example, a member has a mortgage of \$100,000 that he/she wants to pay off 40 months and 15 days early. The member's contracted annual interest rate is 6%, and the current 3 year interest rate (mortgage with a similar term to maturity) is 5.50%.

- The 3 month interest penalty would be calculated using the member's contracted annual interest rate of 6%.
- The interest rate differential penalty would be calculated using the difference between the member's contracted annual interest rate and the current posted interest rate on a mortgage with a similar term to maturity. In this example, as the term remaining on the member's mortgage is 40 months and 15 days (or 3.375 years) it has a similar term to maturity as a 3 year mortgage (see Table 1). The interest differential is therefore equal to the difference between the member's interest rate of 6% and the current 3 year interest rate of 5.50% (i.e. 0.50%).

Examples of the calculations for the 3 month interest penalty and the interest rate differential penalty are shown below.

3 Months Interest:	OR	Interest Rate Differential (IRD)
Amount you want to prepay	\$100,000 (A)	Your interest rate
Your interest rate	6.000% (B)	Similar term to maturity rate (3 yrs)
(A) x (B) = Annual Interest	\$6,000 (C)	(A) - (B) = Rate Differential
(C) Annual Interest / 12 x 3 Mos	\$1,500 (3 mos interest penalty)	Amount you want to prepay:
		Your term to maturity
		((C) x (D)) x ((E) / 12)

In the above example, the greater of the 3 months interest penalty (\$1,500) or the interest rate differential penalty (\$1,687.50) would be the interest rate differential penalty. Therefore, the mortgage prepayment penalty that would be charged in the above example would be the interest rate differential penalty of \$1,687.50.

SCHEDULE "C2" FEES AS AT THE EXECUTION DATE OF THIS MORTGAGE AND/OR MORTGAGE RENEWAL

1. Fire Insurance Administration Fee - \$100.00 plus cost of insurance premium
2. Maximum Renewal Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of renewal
3. Release Fees - \$150.00 if refinancing with League Savings
- \$300.00 if loan paid out prior to being fully amortized
- \$150.00 if loan fully amortized
4. NSF Cheque Fees - \$50.00 per occurrence
5. Audit Confirmation Fee - \$25.00 per statement
6. Max Mortgage Amendment Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment
7. General Security Agreement (PPSA) (if required) - The document will be registered for the amortized period of the loan and a fee charged to the mortgage account in accordance with Provincial legislation.
8. Maximum Annual Review Fee - The greater of \$200.00 or 1/10 of 1% of the balance at the time of review.
9. Property Tax Administration Fee, where applicable - As billed by your municipality

NOTE: League Savings and Mortgage Company reserves the right to make changes to the above fees from time to time. In the event of fee changes, we will provide you with 30 days notice.



**LEAGUE SAVINGS
AND MORTGAGE**
A Credit Union Company

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 10th day of May, 2022

B E T W E E N:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP

(the "Assignor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(the "Assignee")

WHEREAS the Assignor is the registered owner of the Property (hereinafter defined), subject to the Mortgage (hereinafter defined) and has agreed to enter into this Agreement with the Assignee as collateral security for the due payment of the Mortgage (hereinafter defined).

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Mortgage (hereinafter defined), the sum of Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), it is hereby covenanted and agreed and declared by the Assignor as follows:

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
 - (a) **"Agreement"** shall mean this agreement.
 - (b) **"Leases"** shall mean:
 - (i) each and every existing and future lease of, and agreement to lease of, the whole or any portion of the Property (hereinafter defined);
 - (ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the Property (hereinafter defined), whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;
 - (iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Property (hereinafter defined); and

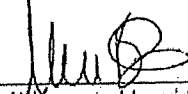
- (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (hereinafter defined).
 - (c) **"Mortgage"** shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee and registered against the Property (hereinafter defined) at the Land Registration Office for Halifax County on or about the date hereof.
 - (d) **"Property"** shall mean the lands and premises described in Schedule "A" attached hereto, together with any buildings or structures now or hereafter erected thereon.
 - (e) **"Rents"** shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.
2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Mortgage and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Mortgage having been fully paid and satisfied) all of the Assignor's right, title and interest in the Leases and the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Property, and their respective heirs, executors, administrators, successors or assigns.
3. The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Mortgage and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Mortgage or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.
4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a charge in possession of the Property or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.

5. In the event, however, that the Assignor shall reinstate the Mortgage completely in good standing, having complied with all the terms, covenants and conditions of the Mortgage, then the Assignee shall within one month after demand re-deliver possession of the Property to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Property under authority of this Agreement.
6. If the Assignee shall have exercised its rights under Section 3 and shall have received any of the Rents and if the Assignor shall cure the default under the Mortgage which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
7. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
8. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.
9. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Mortgage, to enter upon the Property and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
10. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Property, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
11. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Property by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Mortgage, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.

12. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Mortgage and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the whole of the Mortgage, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the land registrar is hereby authorized to delete reference to this Agreement from the title to the Property. Following registration of a cessation of the Mortgage, this Agreement shall be of no further force or effect only in respect of that part or parts of the Property in respect of which the Mortgage has been discharged.
13. The provisions of this Agreement shall be construed according to the laws of the province in which the Property is situated.
14. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

[signature page follows]

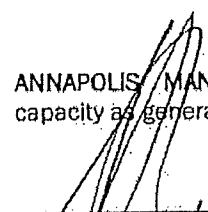
SIGNED and DELIVERED in the presence
of:



Witnessed by videoconference

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:


Name: Steven Caryl
Title: President



**LEAGUE SAVINGS
AND MORTGAGE**

A Credit Union Company

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 10th day of May, 2022, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing indenture executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.

Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

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Steven Karyl

SCHEDULE "A"

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

*** Municipal Government Act, Part IX Compliance ***

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279



**LEAGUE SAVINGS
AND MORTGAGE**
A Credit Union Company

GENERAL ASSIGNMENT OF RENTS AND LEASES

THIS AGREEMENT made this 10th day of May, 2022

B E T W E E N:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP

(the "Assignor")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(the "Assignee")

WHEREAS the Assignor is the registered owner of the Property (hereinafter defined), subject to the Mortgage (hereinafter defined) and has agreed to enter into this Agreement with the Assignee as collateral security for the due payment of the Mortgage (hereinafter defined).

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the making of the loan represented by the Mortgage (hereinafter defined), the sum of Ten Dollars (\$10.00) and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the Assignor), it is hereby covenanted and agreed and declared by the Assignor as follows:

1. In this Agreement, unless there is something in the subject matter or context inconsistent therewith:
 - (a) "Agreement" shall mean this agreement.
 - (b) "Leases" shall mean:
 - (i) each and every existing and future lease of, and agreement to lease of, the whole or any portion of the Property (hereinafter defined);
 - (ii) each and every existing and future tenancy agreement as to use or occupation and licence in respect of the whole or any portion of the Property (hereinafter defined), whether or not pursuant to any written lease, agreement or licence, and including any such lease, agreement or licence granting or permitting occupancy to any of the members of the Assignor;
 - (iii) each and every existing and future guarantee of all or any of the obligations of any existing or future tenant, user, occupier or licensee of the whole or any portion of the Property (hereinafter defined); and

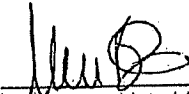
- (iv) each and every existing and future assignment and agreement to assume the obligations of tenants of the whole or any portion of the Property (hereinafter defined).
 - (c) "Mortgage" shall mean a charge of the Property (hereinafter defined) from the Assignor to and in favour of the Assignee and registered against the Property (hereinafter defined) at the Land Registration Office for Halifax County on or about the date hereof.
 - (d) "Property" shall mean the lands and premises described in Schedule "A" attached hereto, together with any buildings or structures now or hereafter erected thereon.
 - (e) "Rents" shall mean all rents, charges and other moneys (including, without limitation, any subsidies payable by any governmental bodies or agencies) now due and payable or hereafter to become due and payable and the benefit of all covenants of tenants, users, occupiers, licensees and guarantors under or in respect of the Leases.
2. The Assignor hereby assigns, transfers and sets over unto the Assignee, its successors and assigns (as security for payment of the principal, interest and other moneys secured by the Mortgage and for performance of the obligations of the Assignor thereunder and until the moneys due under and by virtue of the Mortgage having been fully paid and satisfied) all of the Assignor's right, title and interest in the Leases and the Rents, with full power and authority to demand, collect, sue for, recover, receive and give receipts for the Rents and to enforce payment thereof in the name of the Assignor or the owner from time to time of the Property, and their respective heirs, executors, administrators, successors or assigns.
3. The Assignor shall be permitted to collect and receive the Rents as and when they shall become due and payable according to the terms of each of the Leases, unless and until the Assignor is in default under any of the provisions of the Mortgage and, thereafter, the Assignee gives notice to the tenant, user, occupier, licensee or guarantor thereunder requiring the same to pay the Rents to the Assignee, which notice shall be binding upon the Assignor and may not be contested by it. It is further agreed that a statement of default purporting to be made by or on behalf of the Assignee shall be deemed to be, for all purposes, sufficient evidence of default having been made in the payment of principal moneys and interest or some part thereof secured by the Mortgage or in the observance, performance or keeping of any of the terms, covenants or agreements therein contained on the part of the Assignor to be observed, performed or kept and the continuance of such default, and notice of such default shall be deemed to be well and sufficiently given to the lessees named in the Leases if such notice is sent by mail addressed to the lessees.
4. Provided further, and it is hereby expressly agreed, that nothing herein contained shall have the effect of making the Assignee, its successors or assigns, responsible for the collection of Rents or any of them or for the performance of any of the covenants, obligations, provisions or conditions under or in respect of the Leases or any of them to be observed or performed by the Assignor, and the Assignee shall not, by virtue of this Agreement or its receipt of the Rents or any of them become or be deemed a charge in possession of the Property or the charged premises and the Assignee shall not be under any obligation to take any action or exercise any remedy in the collection or recovery of the Rents or any of them or to see to or enforce the performance of the obligations and liabilities of any person under or in respect of the Leases or any of them, and the Assignee shall be liable to account only for such moneys as shall actually come into its hands, less all costs and expenses, collection charges and other proper deductions and that such moneys may be applied on account of any indebtedness of the Assignor to the Assignee.

5. In the event, however, that the Assignor shall reinstate the Mortgage completely in good standing, having complied with all the terms, covenants and conditions of the Mortgage, then the Assignee shall within one month after demand re-deliver possession of the Property to the Assignor and the Assignor shall remain in possession unless and until another default occurs, at which time the Assignee may, at the Assignee's sole option, again take possession of the Property under authority of this Agreement.
6. If the Assignee shall have exercised its rights under Section 3 and shall have received any of the Rents and if the Assignor shall cure the default under the Mortgage which gave rise to such exercise and shall have resumed collection of the Rents, the Assignee will provide the Assignor with details of all Rents received by it prior to such resumption.
7. The Assignee shall not be responsible or accountable for any failure to collect, realize, sell or obtain payment of the Rents or any part thereof and shall not be bound to institute proceedings for the purpose of collecting, realizing or obtaining payment of same or for the purpose of preserving any rights of the Assignee, the Assignor or any other person, firm or corporation in respect of the Rents or any part thereof.
8. The Assignee may grant extensions, take and give up securities, accept compositions, grant releases and discharges and, generally, deal with the Rents in its absolute discretion without the consent of or notice to the Assignor, but otherwise in accordance with the provisions hereof.
9. In furtherance of the foregoing assignment, the Assignor hereby authorizes the Assignee, by its employees or agents, at its option, after the occurrence of a default hereunder or under the Mortgage, to enter upon the Property and to collect in the name of the Assignor or in its own name as Assignee the Rents accrued but unpaid and in arrears at the date of such default, as well as the Rents thereafter accruing and becoming payable during the period of the continuance of the said default or any other default and, to this end, the Assignor further agrees that it will facilitate in all reasonable ways the Assignee's collection of said Rents and will, upon request by the Assignee, execute a written notice to each tenant under any of the Leases directing the tenant to pay rent to the said Assignee.
10. The Assignor also hereby authorizes the Assignee upon such entry, at its option, to take over and assume the management, operation and maintenance of the Property and, for such purpose, to retain such agents or employees as it may deem advisable and to perform all acts necessary and proper and to expend such sums out of the income of the Property, the Leases and the Rents as may be needful in connection therewith in the same manner and to the same extent as the Assignor theretofore might do, including the right to effect new Leases, to cancel or surrender existing Leases, to alter or amend the terms of existing Leases, to renew existing Leases or to make concessions to tenants. The Assignor hereby releases all claims against the Assignee arising out of such management, operation and maintenance.
11. The Assignee shall, after payment of all proper charges and expenses, including reasonable compensation to any agent or employee as it shall select and employ and after the accumulation of a reserve, to meet taxes, assessments, water rates and other public utility charges and fire and liability insurance in the requisite amounts, credit the net amount of income received by it from the Property by virtue of this Agreement and to any amounts due and owing to it by the Assignor under the terms of the Mortgage, but the manner of the application of such net income and what items shall be credited shall be determined in the sole discretion of the Assignee.

12. It is understood and agreed that this Agreement is being taken as collateral security for the due payment of any sum due under the Mortgage and that none of the rights or remedies of the Assignee under the Mortgage shall be delayed or in any way prejudiced by these presents and that following registration of a cessation of the whole of the Mortgage, this Agreement shall be of no further force or effect and, if requested by the Assignor, the Assignee will execute and deliver a separate reconveyance of this Agreement and the land registrar is hereby authorized to delete reference to this Agreement from the title to the Property. Following registration of a cessation of the Mortgage, this Agreement shall be of no further force or effect only in respect of that part or parts of the Property in respect of which the Mortgage has been discharged.
13. The provisions of this Agreement shall be construed according to the laws of the province in which the Property is situated.
14. This Agreement and everything herein contained shall bind and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

[signature page follows]

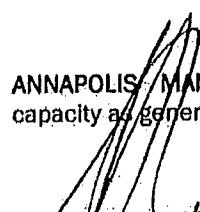
SIGNED and DELIVERED in the presence
of:

A handwritten signature in black ink, appearing to be "J. W. S.", written over a horizontal line.

Witnessed by videoconference

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:

A large, stylized handwritten signature in black ink, written over a horizontal line.

Name: Steven Caryl
Title: President




**LEAGUE SAVINGS
AND MORTGAGE**

A Credit Union Company

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 10 day of May, 2022, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing Indenture executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia


CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT


I, Steven Caryl, of Winter Park, Florida, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within assignment has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from)
Winter Park, Florida to Halifax, Nova Scotia)
this 10 day of May, 2022)
before me:)



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steven Caryl

SCHEDULE "A"

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO 3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

*** Municipal Government Act, Part IX Compliance ***

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279


2

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "H2" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

COLLATERAL MORTGAGE

This **MORTGAGE** made this 31st day of October, 2024.

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of **RUBY, LLP**

(hereinafter called the "**Mortgagor**")

- and -

LEAGUE SAVINGS AND MORTGAGE COMPANY

(hereinafter called the "**Mortgagee**")

1. **Definitions.** In this Mortgage, unless something in the subject matter or context is inconsistent therewith:

- (a) **Applicable Laws** means all applicable federal, provincial or municipal laws, statutes, regulations, rules, by-laws, policies and guidelines, all notices, proceedings, judgments, orders, ordinances, directives, permits, authorizations, licenses or requirements of every governmental authority.
- (b) **Interest** means the interest payable at the Interest Rate under this Mortgage.
- (c) **Interest Rate** means the interest rate payable by the Mortgagor to the Mortgagee on the Obligations pursuant to any agreement, contract, or term in relation to the Obligations.
- (d) **Mortgage** means this Mortgage of real property and any amendments thereto, to which the Mortgagor and the Mortgagee are parties.
- (e) **Obligations** means any and all present and future indebtedness, liabilities and obligations of the Mortgagor to the Mortgagee (including interest thereon), of whatsoever nature or kind, including without limitation, pursuant to any promissory note, loan agreement, line of credit agreement or guarantee, whether incurred prior to or at the time of or after the signing of this Mortgage, absolute or contingent, joint or several, direct or indirect, matured or not, extended or renewed, as principal or as surety, liquidated or unliquidated, alone or with others, wheresoever and howsoever incurred, and any ultimate balance thereof, including all future advances and re-advances and for all obligations of the Mortgagor to the Mortgagee whether or not contained in this Mortgage.
- (f) **Property** means the real property described in Schedule "A" to this Mortgage, and includes all buildings, fixtures, equipment, machinery, furniture, furnishings and chattels and improvements now or hereafter brought or erected thereon.

2. GRANT OF MORTGAGE

For consideration and as security for the payment and performance of the Obligations, the Mortgagor hereby mortgages, charges, assigns, pledges, grants and transfers to the Mortgagee all the Mortgagor's right, title and interest in and to the Property.

3. INTEREST

The Mortgagor agrees to pay the Mortgagee interest on the Obligations from time to time.

4. SECURITY

This Mortgage is in addition to and not in substitution for any other mortgage, charge, assignment or security interest now or hereafter held by the Mortgagee from the Mortgagor or from any other person whomsoever and shall be general and continuing security for the payment and performance of the Obligations.

5. REPRESENTATIONS AND WARRANTIES

The Mortgagor represents and warrants to the Mortgagee that:

- (a) if it is a corporation, the Mortgagor is a corporation incorporated and organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation; it has the corporate power to own or lease its property and to carry on the business conducted by it; it is qualified as a corporation to carry on the business conducted by it and to own or lease its property and is in good standing under the laws of each jurisdiction in which the nature of its business or the property owned or leased by it makes such qualification necessary; and the execution, delivery and performance of this Mortgage are within its corporate powers, have been authorized and do not contravene, violate or conflict with any law or the terms and provisions of its constating documents or its by-laws or any shareholders agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound;
- (b) if it is a corporation, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name as stated in its constating documents and if such name is in English, it does not have or use a French language form of its name or a combined English language and French language form of its name and vice versa, and the Mortgagor has provided a written memorandum to the Mortgagee accurately setting forth all prior names under which the Mortgagor has operated;
- (c) if it is a partnership, the Mortgagor's name as set forth on the first page of this Mortgage is its full, true and correct name and where required or voluntarily registered its registered name; it is a partnership validly created and organized and validly existing under the laws of the jurisdiction of its creation; it has the power to carry on the business conducted by it is qualified as a partnership to carry on the business conducted by it and is in good standing under the laws of each jurisdiction in which the nature of its business makes such qualification necessary; and the execution, delivery and performance of this Agreement are within its powers, have been authorized, and do not contravene, violate or conflict with any law or the terms of its partnership agreement or any other agreement, indenture or undertaking to which the Mortgagor is a party or by which it is bound, and a complete list of the names, addresses and (if individuals) the dates of birth of the partners of the partnership have been delivered to the Mortgagee;
- (d) if the Mortgagor is an individual, the Mortgagor's full name as set out on the first page of this Mortgage is the Mortgagor's full and correct name as described on the individual's birth certificate a true copy of which has been provided to the Mortgagee or, if no birth certificate issued from any jurisdiction in Canada exists, as described

on the documents provided to the Mortgagee; the Mortgagor's address as set out on the first page of this Mortgage is the Mortgagor's full and correct address;

- (e) there is no litigation or governmental proceedings commenced or pending against or affecting the Property or the Mortgagor, in which a decision adverse to the Mortgagor would constitute or result in a material adverse change in the business, operations, properties or assets or in the condition, financial or otherwise, of the Mortgagor; and the Mortgagor agrees to promptly notify the Mortgagee of any such future litigation or governmental proceeding;
- (f) the Mortgagor does not have any information or knowledge of any facts relating to the Mortgagor's business, operations, property or assets or to its condition, financial or otherwise, which it has not disclosed to the Mortgagee in writing and which, if known to the Mortgagee, might reasonably be expected to deter the Mortgagee from extending credit or advancing funds to the Mortgagor;
- (g) the Mortgagor has good title and lawfully owns and possesses the Property, free from all security interests, charges, encumbrances, liens and claims except as disclosed to and approved by the Mortgagee;
- (h) this Mortgage is granted in accordance with resolutions of the directors (and of the shareholders as applicable) of the Mortgagor, if the Mortgagor is a corporation, or, if the Mortgagor is a partnership, of the partners of the Mortgagor, and all other requirements have been fulfilled to authorize and make the execution and delivery of this Mortgage, and the performance of the Mortgagor's obligations valid and there is no restriction contained in the constituting documents of the Mortgagor or in any shareholders agreement or partnership agreement which restricts the powers of the authorized signatories of the Mortgagor to borrow money or give security;
- (i) there are no restrictions affecting title to the Mortgagor's interest in the Property except any the Mortgagor has reported to the Mortgagee in writing and except for building and zoning by-laws which have been and will continue to be complied with or with respect to which the Property is a legal non-conforming use;
- (j) no part of the Property is, has ever been or will in the future be insulated with urea formaldehyde foam insulation.

6. COVENANTS OF THE MORTGAGOR

- (a) The Mortgagor covenants that at all times while this Mortgage remains in effect the Mortgagor will:
 - (i) promptly pay and satisfy the Obligations as they become due or are demanded and shall observe all conditions and covenants herein contained;
 - (ii) defend the title to the Property for the benefit of the Mortgagee against the claims and demands of all persons;
 - (iii) maintain insurance on the Property with an insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require;
 - (iv) maintain the Property in good condition, order and repair and not permit the value of the Property to be impaired and not to demolish any part of the buildings now or at any time located on the Property without the prior written

consent of the Mortgagee and not to proceed with any substantial alterations, remodeling or rebuilding of or any addition to the buildings on the Property without the prior written consent of the Mortgagee;

(v) forthwith pay and satisfy;

- A. all taxes, assessments, rates, duties, levies, government fees, claims and dues lawfully levied, assessed or imposed upon the Mortgagor or the Property when due, unless the Mortgagor shall in good faith contest its obligations so to pay and shall furnish such security as the Mortgagee may require; and
- B. all security interests, charges, encumbrances, liens and claims which rank or could in any event rank in priority to the Mortgage, other than the charges or security interests, if any, consented to in writing by the Mortgagee;

(vi) if required by the Mortgagee make installment payments to the Mortgagee on account of taxes, rates, levies and assessments upon the lands and premises, such payments to be an estimate by the Mortgagee of the sum required to accumulate a fund sufficient to pay such taxes, rates, levies and assessments when they become due; the Mortgagee may apply any such payment against the indebtedness secured or any money payable hereunder;

(vii) forthwith pay and satisfy all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) which may be incurred by the Mortgagee in:

- A. inspecting the Property;
- B. negotiating, preparing, perfecting and registering this Mortgage and other documents, whether or not relating to this Mortgage;
- C. maintaining the intended priority of the Mortgage;
- D. investigating title to the Property;
- E. taking, recovering, keeping possession of and insuring the Property;
- F. maintaining the Property in good repair and preparing the Property for disposition; any inspection, appraisal, investigation or environmental audit of the Property and the cost of any environmental rehabilitation, treatment, removal or repair necessary to protect, preserve or remedy the Property including any fine or penalty the Mortgagee becomes obligated to pay by reason of any statute, order or direction of competent authority;
- G. any sums the Mortgagee pays as fines, or as clean up costs because of contamination of or from the Property; and
- H. all other actions and proceedings taken in connection with the preservation of the Property and the Mortgage and the enforcement of this Mortgage and of any other security interest held by the Mortgagee as security for the Obligations;

- (viii) at the Mortgagee's request at any time and from time to time, execute and deliver such further and other documents and instruments and do all acts and things as the Mortgagee in its absolute discretion requires in order to better and more perfectly and absolutely convey and assure the Property with the appurtenances, unto the Mortgagee as the Mortgagee or his counsel may reasonably require;
- (ix) notify the Mortgagee promptly of:
 - A. any change in the information contained herein relating to the Mortgagor, its address, its business or the Property;
 - B. any material loss or damage to the Property;
 - C. any claims against the Mortgagor relating to the Property or any part thereof;
- (x) deliver to the Mortgagee from time to time promptly upon request:
 - A. any documents of title or instruments relating to the Property;
 - B. all financial statements prepared by or for the Mortgagor regarding the Mortgagor's business;
 - C. all policies and certificates of insurance relating to the Property; and
 - D. such information concerning the Property, the Mortgagor and the Mortgagor's business and affairs as the Mortgagee may require;
- (xi) observe and conform to all valid requirements of any governmental authority relative to any of the Property and all covenants, terms and conditions upon or under which the Property is held;
- (xii) carry on and conduct its business and undertaking in a proper and businesslike manner so as to preserve and protect the Property and the earnings, income, rents, issues and profits of the Property, including maintenance of proper and accurate books of account and records;
- (xiii) observe and perform all its obligations under:
 - A. leases, licenses, undertakings, and any other agreements to which it is a party;
 - B. any statute or regulation, federal, provincial, territorial or municipal to which the Mortgagor is subject;
- (xiv) without the consent of the Mortgagee, not create or permit to exist any mortgage, charge, assignment or security interest in, charge, encumbrance or lien over, or claim against the Property or any part thereof which ranks or could rank in priority to or *pari passu* with this Mortgage;
- (xv) if the Mortgagor is an individual, advise the Mortgagee of any change in marital status;

- (xvi) not at any time, directly or indirectly, sell, transfer, convey or dispose of the Property or parts thereof or interest therein or enter into any agreement to do so or change or permit a change in the legal or beneficial ownership of the Property without the prior written consent of the Mortgagee;
 - (xvii) not apply for or attempt to amend or change the zoning by-law applicable to the Property without prior written approval of the Mortgagee and satisfaction of any conditions imposed by the Mortgagee;
 - (xviii) not allow the Property to be used for a use other than the uses disclosed to the Mortgagee;
 - (xix) not lease or rent the Property without the consent of the Mortgagee.
- (b) The Mortgagor, if a corporation, covenants that at all times while this Mortgage remains in effect, without the prior written consent of the Mortgagee:
- (xx) it will not declare or pay any dividends;
 - (xxi) it will not purchase or redeem any of its shares or otherwise reduce its share capital;
 - (xxii) it will not become guarantor of any obligation;
 - (xxiii) it will not become an endorser in respect of any obligation or otherwise become liable upon any note or other obligation other than bills of exchange deposited to the bank account of the Mortgagor;
 - (xxiv) it will maintain its corporate existence; and
 - (xxv) it will not change its name, merge or amalgamate with any other entity.

7. ENVIRONMENT

The Mortgagor represents and agrees that:

- (a) it operates and will continue to operate in conformity with all applicable environmental laws, regulations, standards, codes, ordinances and other requirements of any jurisdiction in which it carries on business and will ensure its staff is trained as required for that purpose;
- (b) it has an environmental emergency response plan and all officers and employees are familiar with that plan and their duties under it;
- (c) it possesses and will maintain all environmental licenses, permits and other governmental approvals as may be necessary to conduct its business and maintain the Property;
- (d) there has been no complaint, prosecution, investigation or proceeding, environmental or otherwise, respecting the Mortgagor's business or assets including without limitation the Property;

- (e) it will advise the Mortgagee immediately upon becoming aware of any environmental problems relating to its business or the Property;
- (f) it will provide the Mortgagee with copies of all communications with environmental officials and all environmental studies or assessments prepared for the Mortgagor and it consents to the Mortgagee contacting and making enquiries of environmental officials or assessors; and
- (g) it will from time to time when requested by the Mortgagee provide to the Mortgagee evidence of its full compliance with the Mortgagor's obligations in this section.

8. INSURANCE

- (a) The Mortgagor covenants that while this Mortgage is in effect the Mortgagor shall:
 - (i) maintain or cause to be maintained insurance on the Property with a reputable insurer, of kinds, for amounts and payable to such person or persons, all as the Mortgagee may require, and in particular maintain insurance on the Property to its full insurable value against loss or damage by fire and all other risks of damage, including an extended coverage endorsement;
 - (ii) cause the insurance policy or policies required by this Mortgage to be assigned to the Mortgagee, including a standard mortgage clause or a mortgage endorsement, as the Mortgagee may require;
 - (iii) pay all premiums respecting such insurance, and deliver all policies to the Mortgagee, if it so requires.
- (b) If proceeds of any required insurance becomes payable, the Mortgagee may, in its absolute discretion, apply these proceeds to the Obligations as the Mortgagee sees fit or release any insurance proceeds to the Mortgagor to repair, replace or rebuild, but any release of insurance proceeds to the Mortgagor shall not operate as a payment on account of the Obligations or in any way affect this Mortgage.
- (c) The Mortgagor will forthwith, on the happening of loss or damage to the Property, notify the Mortgagee and furnish to the Mortgagee at the Mortgagor's expense any necessary proof and do any necessary act to enable the Mortgagee to obtain payment of the insurance proceeds, but nothing shall limit the Mortgagee's right to submit to the insurer a proof of loss on its own behalf.
- (d) The Mortgagor hereby authorizes and directs the insurer under any required policy of insurance to include the name of the Mortgagee as loss payee on any policy of insurance and on any cheque or draft which may be issued respecting a claim settlement under and by virtue of such insurance, and the production by the Mortgagee to any insurer of a notarial or certified copy of this Mortgage (notarized or certified by a notary public or solicitor) shall be the insurer's complete authority for so doing.
- (e) If the Mortgagor fails to maintain insurance as required, the Mortgagee may, but shall not be obliged to, maintain or effect such insurance coverage, or so much insurance coverage as the Mortgagee may wish to maintain.

9. PERFORMANCE OF OBLIGATIONS

If the Mortgagor fails to perform its Obligations hereunder, the Mortgagee may, but shall not be obliged to, perform any or all of such Obligations without prejudice to any other rights and remedies of the Mortgagee hereunder, and any payments made and any costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred in connection therewith shall be payable by the Mortgagor to the Mortgagee forthwith with interest until paid at the highest rate borne by any of the Obligations and such amounts shall be a charge upon the Property in favour of the Mortgagee prior to all claims subsequent to this Mortgage.

10. QUIET POSSESSION

Until default in payment of some part of the money payable hereunder or on breach of any covenant, agreement or proviso herein contained, the Mortgagor shall have quiet possession of the land and premises.

11. SUMS OWING

The Mortgagor covenants with the Mortgagee that any sum owing or required by this Mortgage to be paid by the Mortgagor to the Mortgagee shall be added to the indebtedness secured and shall form a charge upon the lands and premises and shall bear interest at the highest rate borne by any of the Obligations until paid.

12. FEES

The Mortgagor further agrees and it is expressly understood that prepayment in whole or in part of this Mortgage may be subject to the provisions of the Prepayment Privileges as set forth in Schedule "C1". The attached Schedule "C2" outlines fees currently in effect for this mortgage. If you do not pay any of these fees when due, we may add them to the balance owing on your mortgage and additional interest will accrue on such unpaid fees at the rate set herein.

13. SCHEDULES

All schedules to this mortgage shall form part of this mortgage.

14. APPROPRIATION OF PAYMENTS

Any and all payments made respecting the Obligations and monies realized on any enforcement of this Mortgage may be applied to such part or parts of the Obligations as the Mortgagee sees fit, and the Mortgagee may at any time change any appropriation as the Mortgagee sees fit.

15. EXTENSION OF TIME

No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under him or any other person, or any other dealing by the Mortgagee with the owner of the equity of redemption shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for performance of the Obligations.

16. CONDOMINIUMS

If this Mortgage is of a unit within a plan of condominium the following provisions shall apply:

- (a) The Mortgagor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Mortgagor by Applicable Laws applying to condominiums and by the condominium declaration, the by laws and the

rules, as amended from time to time, of the condominium corporation that governs the Property (the "Condominium Corporation"), by virtue of the Mortgagors ownership of the Property. Any breach of such duties and obligations shall constitute a breach of covenant under this Mortgage.

- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that the Mortgagor will pay promptly when due any contributions to common expenses required of the Mortgagor as owner of the Property and in the event of the Mortgagor's default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the amounts secured by this Mortgage and bear interest at the Interest Rate from the time of such payments and the amounts so paid shall be a charge on the Property and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the amounts secured hereby.
- (c) The Mortgagor by this Mortgage irrevocably authorizes and empowers the Mortgagee to exercise the Mortgagor's right as owner of the Property to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) the Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the said Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter;
 - (ii) the Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent or to protect the interests of the Mortgagor; and
 - (iii) the exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

17. DEFAULT

The Mortgagor shall be in default under this Mortgage and shall be deemed to be in default under all other agreements between the Mortgagor and the Mortgagee, unless waived by the Mortgagee, in any of the following events (each, an "Event of Default"):

- (a) the Mortgagor defaults, or threatens to default, in payment when due of any of the Obligations of the Mortgagor to the Mortgagee; or
- (b) the Mortgagor is in breach of, or threatens to breach, any term, condition or covenant of the Obligations to the Mortgagee, whether or not contained in this Mortgage; or
- (c) the Mortgagor or a guarantor of the Mortgagor declares itself to be insolvent or admits in writing its inability to pay its debts generally as they become due, or makes an assignment for the benefit of its creditors, is declared bankrupt, makes a proposal or otherwise takes advantage of provisions for relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors' Arrangement Act* (Canada) or similar legislation in any jurisdiction, or makes an authorized assignment or any order of judgment is issued by a court granting any of the foregoing; or

- (d) a receiver, receiver and manager or receiver-manager of all or any part of the Property is appointed; or
- (e) the Mortgagor or a guarantor of the Mortgagor ceases or threatens to cease to carry on all or a substantial part of its business or makes or threatens to make a sale of all or substantially all of its assets; or
- (f) distress or execution is levied or issued against the Property or any part thereof; or
- (g) without the prior written consent of the Mortgagee, the Mortgagor creates or permits to exist any charge, encumbrance or lien on or claim against or any security interest in the Property which ranks or could in any event rank in priority to or *pari passu* with any security interest created by this Mortgage; or
- (h) the holder of any other charge, encumbrance or lien on or claim against, or security interest in, any of the Property does anything to enforce or realize on such charge, encumbrance, lien, claim or security interest; or
- (i) any representation or warranty made by the Mortgagor to the Mortgagee, whether or not contained in this Mortgage is untrue; or
- (j) a default occurs under any agreement, promissory note, debt obligation, guarantee or other document now or hereafter granted to any other bank or financial institution by the Mortgagor; or
- (k) if the Mortgagor or a guarantor of the Mortgagor is a company or a partnership, an order is made or an effective resolution is passed for the dissolution, liquidation or winding up of the Mortgagor or the guarantor of the Mortgagor; or
- (l) the Mortgagor, if a company, enters into any reconstruction, reorganization, amalgamation, merger or other similar arrangement with any other person, without the Mortgagee's prior written consent; or
- (m) the Mortgagor, if an individual, dies or is declared incompetent by a court of competent jurisdiction; or
- (n) if the Mortgagor or a guarantor of the Mortgagor is a corporation and its voting control changes without the Mortgagee's written consent; or
- (o) the Mortgagor uses any monies advanced by the Mortgagee to the Mortgagor for any purpose other than as agreed upon by the Mortgagee; or
- (p) the Mortgagor cause or allows hazardous materials to be brought upon any lands or premises occupied by the Mortgagor or to be incorporated into any of its assets, or the Mortgagor causes, permits or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to remedy any environmental contamination upon, in or under any of its lands or assets, or fails to comply with any abatement or remediation order given by a responsible authority; or
- (q) if any encumbrance or construction lien is registered upon the Property and is not discharged within 10 days of being registered; or
- (r) if any part of the Property is condemned or expropriated, provided that in respect of any expropriation, only if such expropriation gives rise to proceeds of expropriation in

excess of 20% of the appraised value of the Property established as of the date of this Mortgage or if such expropriation materially impairs (i) the value of the Property or any other security delivered to the Mortgagee in connection with the Mortgage or (ii) the ability of the Mortgagor to fulfill its obligations under this Mortgage; or

- (s) the Mortgagee in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of any of the Obligations is impaired or that any of the Property or any part thereof is or is about to be placed in jeopardy.

18. ENFORCEMENT

- (a) Upon any default under this Mortgage, the Mortgagee may withhold any future advances and may declare the full amount of any or all of the Obligations, whether or not payable on demand, to become immediately due and payable. To enforce and realize on the Mortgage, the Mortgagee may take any action permitted by law or in equity, as it may deem expedient, and in particular without limiting the generality of the foregoing, the Mortgagee may do any of the following:
 - (i) appoint by instrument a receiver, a receiver and manager or a receiver-manager (the person so appointed is hereinafter called the "Receiver") of the Property, with or without bond as the Mortgagee may determine, and from time to time in its absolute discretion remove such Receiver and appoint another in its stead;
 - (ii) enter upon any premises of the Mortgagor and take possession of the Property with power to exclude the Mortgagor, its agents and its servants therefrom, without becoming liable as a mortgagee in possession;
 - (iii) hold, preserve, protect and maintain the Property and make such replacements thereof and repairs and additions thereto as the Mortgagee may deem advisable;
 - (iv) if the Mortgagee enters into and takes possession of the Property, it shall be entitled to have, hold, use, occupy, possess and enjoy the Property without let, suit, hindrance, interruption or denial of the Mortgagor or any other person and without charge. The Mortgagee may maintain, repair and complete the construction of any improvements thereon, inspect, manage, take care of, collect rents and lease the Property for such terms and on such conditions and provisions (including providing any leasehold improvements and tenant inducements) as the Mortgagee may determine in its sole discretion, which lease shall have the same effect as if made by the Mortgagor, and all costs, charges and expenses incurred by the Mortgagee in the exercise of such rights (including allowances for the time, service or effort of any person appointed by the Mortgagee for the above purposes, and all reasonable legal fees and disbursements incurred as between a solicitor and his own client), together with interest thereon at the highest rate applicable to the Obligations shall be payable forthwith by the Mortgagor to the Mortgagee, and until paid shall be added to the Obligations and shall be secured by this Mortgage. Each lease or renewal of lease made by the Mortgagee while in possession of the Property shall continue for its full term notwithstanding the termination of the Mortgagee's possession;

- (v) whether or not the Mortgagee has entered into possession the Mortgagee may in its discretion, carry on, or concur in the carrying on of all or any part of the business or undertaking of the Mortgagor relating to the Property;
 - (vi) raise money on the security of the Property or any part thereof in priority to this Mortgage or otherwise, as reasonably required for the purpose of the maintenance, preservation or protection of the Property or any part thereof or to carry on all or any part of the business of the Mortgagor relating to the Property;
 - (vii) sell, lease or otherwise dispose of all or any part of the Property, whether by public or private sale or lease or otherwise, in such manner, at such price as can be reasonably obtained therefor and on such terms as to credit and with such conditions of sale and stipulations as to title or conveyance or evidence of title or otherwise as to the Mortgagee may seem reasonable, provided that if any sale, lease or other disposition is on credit the Mortgagor will not be entitled to be credited with the proceeds of any such sale, lease or other disposition until the monies therefor are actually received;
 - (viii) the Mortgagee may sell the Property or any part thereof, subject to any notice periods under any Applicable Laws, by foreclosure, public auction, public tender, power of sale or private sale approved by the court in accordance with Applicable Laws.
- (b) A Receiver appointed pursuant to this Mortgage shall be the agent of the Mortgagor and not of the Mortgagee and, to the extent permitted by law or to such lesser extent permitted by its appointment, shall have all the powers of the Mortgagee hereunder, and in addition shall have power to:
- (i) carry on the business of the Mortgagor and for such purpose from time to time to borrow money on any of the Property; such security interest may rank before or *pari passu* with or behind the Mortgage, and if it does not so specify such security interest shall rank before the Mortgage;
 - (ii) make an assignment for the benefit of the Mortgagor's creditors or a proposal on behalf of the Mortgagor under the *Bankruptcy and Insolvency Act* (Canada);
 - (iii) commence, continue or defend proceedings in the name of the Receiver or in the name of the Mortgagor for the purpose of protecting, seizing, collecting, realizing or obtaining possession of or payment for the Property; and
 - (iv) make any arrangement or compromise that the Receiver deems expedient.
- (c) Subject to the claims, if any, of the creditors of the Mortgagor ranking in priority to this Mortgage, all amounts realized from the disposition of Property pursuant to this Mortgage will be applied as the Mortgagee, in its absolute discretion, may direct as follows:
- (i) in payment of all costs, charges and expenses (including legal fees and disbursements on a solicitor and his own client basis) incurred by the Mortgagee in connection with or incidental to:

- A. the exercise by the Mortgagee of all or any of the powers granted to it pursuant to this Mortgage; and
 - B. the appointment of the Receiver and the exercise by the Receiver of all or any of the powers granted to it pursuant to this Mortgage, including the Receiver's reasonable remuneration and all outgoings properly payable by the Receiver;
- (ii) In or toward payment to the Mortgagee of all principal and other monies (except interest) due in respect of the Obligations; and
 - (iii) In or toward payment to the Mortgagee of all interest remaining unpaid in respect of the Obligations.

Subject to Applicable Laws and the claims, if any, of other creditors of the Mortgagor, any surplus will be paid to the Mortgagee.

19. SET OFF

Without limiting any other right the Mortgagee may have, the Mortgagee may, in its sole discretion at any time and without notice, set off any and all amounts owed to the Mortgagor by the Mortgagee in any capacity and, whether or not due, against the Obligations.

20. DEFICIENCY

If the amounts realized from the disposition of the Property are not sufficient to pay the Obligations in full the Mortgagor will immediately pay to the Mortgagee the amount of such deficiency.

21. RIGHTS CUMULATIVE

All rights and remedies of the Mortgagee set out in this Mortgage, and in any other agreement or document held by the Mortgagee from the Mortgagor or any other person to secure payment and performance of the Obligations, are cumulative and no right or remedy contained herein is intended to be exclusive but each will be in addition to every other right or remedy contained herein or in any existing or future Mortgage now or hereafter existing at law, in equity or by statute, or pursuant to any other agreement between the Mortgagor and the Mortgagee that may be in effect from time to time.

22. APPOINTMENT OF ATTORNEY

The Mortgagor hereby irrevocably appoints the Mortgagee or the Receiver, as the case may be, with full power of substitution, to be the attorney of the Mortgagor for and in the name of the Mortgagor to sign, endorse or execute under seal or otherwise any deeds, documents, transfers, cheques, instruments, demands, assignments, assurances or consents that the Mortgagor is obliged to sign, endorse or execute and generally to use the name of the Mortgagor and to do all things as may be necessary or incidental to the exercise of all or any of the powers conferred on the Mortgagee or the Receiver, as the case may be, pursuant to this Mortgage.

23. LIABILITY TO ADVANCE

None of the preparation, execution, perfection and registration of this Mortgage or the advance of any monies shall bind the Mortgagee to make any advance or loan or further advance or

loan, or renew any note or extend any time for payment of any indebtedness or liability of the Mortgagor to the Mortgagee.

24. RENEWAL

The Mortgagor covenants with the Mortgagee that any agreement in writing between the Mortgagor and the Mortgagee for renewal or extension of the term for payment of the Obligations or any money payable hereunder, or any part thereof, or for any change in the terms herein, prior to the execution by the Mortgagee of a discharge or release of this Mortgage, need not be registered, but shall be effectual and binding to all intents and purposes on the lands and on the Mortgagor, and on any mortgagee, assignee or transferee who acquires an interest in the lands or any part thereof subsequent to the date of this Mortgage and shall take priority as against such mortgagee, assignee or transferee when deposited with or held at the office of the Mortgagee and shall not release or affect any covenant or agreement herein or collateral hereto.

25. SUBDIVISION RELEASE AND REPLACEMENT OF PROPERTY

The Mortgagor hereby agrees with the Mortgagee that:

- (a) Every part or lot into which the Property is or may hereafter be divided does and shall stand charged with the whole of, the Obligations hereby secured and no person shall have any right to require the Obligations to be apportioned upon or in respect of any such part or lot.
- (b) The rights of the Mortgagee hereunder shall not be prejudiced nor shall the liability of the Mortgagor or any other person liable hereunder be reduced in any way or discharged by the taking of any other security, evidence of indebtedness or covenant for payment of any nature or kind whatsoever either at the time of execution of this Mortgage or at any time hereafter.
- (c) The Mortgagee may from time to time release or discharge the whole or any part or parts of the Property or any other security or any surety for the Obligations payable hereunder for such consideration as the Mortgagee shall think proper or without any or any sufficient consideration without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and may at any time and from time to time without notice to or any consent or concurrence by any person make any settlement, extension or variation in terms of any obligation hereunder and no such release, discharge, settlement, extension or variation in terms nor any carelessness or neglect by the Mortgagee in asserting its rights nor any other thing whatsoever, including, without in any way limiting the generality of the foregoing, the loss by operation of law of any right of the Mortgagee against the Mortgagor or any other person or the loss or destruction of any security shall in any way release, diminish or prejudice the security of this Mortgage as against any Property remaining undischarged or release or prejudice any covenants herein contained or release or diminish the liability of the Mortgagor or any other person liable hereunder so long as any Obligations expressed by this Mortgage to be payable remains unpaid, and no security or surety shall be deemed to be released or discharged save by a formal release or discharge executed by the Mortgagee.

26. WAIVER

The Mortgagee may from time to time and at any time waive in whole or in part any right, benefit or default under any clause of this Mortgage but any such waiver of any right, benefit or default on any occasion shall be deemed not to be a waiver of any such right, benefit or default

thereafter, or of any other right, benefit or default, as the case may be. No waiver shall be effective unless it is in writing and signed by the Mortgagee. No delay or omission on the part of the Mortgagee shall operate as a waiver of such right or any other right.

27. NOTICE

Notice may be given to either party by delivering the same to the party for whom it is intended, at the principal address of such party provided herein or at such other address as may be given in writing by such party to the other.

28. EXTENSIONS

The Mortgagee may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, compromise, settle, grant releases and discharges, refrain from perfecting or maintaining perfection of security interests, and otherwise deal with the Mortgagor, sureties and others and with the Property as the Mortgagee may see fit without prejudice to the liability of the Mortgagor or the Mortgagee's right to hold and realize on the security constituted by this Mortgage.

29. NO MERGER

This Mortgage shall not operate so as to create any merger or discharge of any of the Obligations, or any assignment, transfer, guarantee, lien, contract, promissory note, bill of exchange or security interest of any form held or which may hereafter be held by the Mortgagee from the Mortgagor or from any other person whomsoever. The taking of a judgment with respect to any of the Obligations will not operate as a merger of any of the covenants contained in this Mortgage.

30. ASSIGNMENT

The Mortgagee may, without further notice to the Mortgagor, at any time assign, transfer or grant a security interest in any of the Obligations or this Mortgage. The Mortgagor expressly agrees that the assignee, transferee or secured party, as the case may be, shall have all of the Mortgagee's rights and remedies under this Mortgage and the Mortgagor will not assert any defense, counterclaim, right of set-off or otherwise against any party in any action commenced by such assignee, transferee or secured party, as the case may be, and will pay the Obligations to the assignee, transferee or secured party, as the case may be, as the Obligations become due.

31. SATISFACTION AND DISCHARGE

Any partial payment or satisfaction of the Obligations, or any ceasing by the Mortgagor to be indebted to the Mortgagee from time to time, shall be deemed not to be a redemption or discharge of this Mortgage. The Mortgagee may in its sole discretion grant partial discharges or releases in respect of any of the Property on such terms and conditions as it shall deem fit and no such partial discharges or releases shall affect the Mortgage on the remainder of the Property or alter the Obligations of the Mortgagor. The Mortgagor shall be entitled to a release and discharge of this Mortgage upon full payment and satisfaction of all Obligations and upon written request by the Mortgagor and payment of all costs, charges, expenses and legal fees and disbursements (on a solicitor and his own client basis) incurred by the Mortgagee in connection with the Obligations and such release and discharge.

32. ENUREMENT

This Mortgage shall enure to the benefit of the Mortgagee and its successors and assigns, and shall be binding upon the respective heirs, executors, personal representatives, successors and permitted assigns of the Mortgagor.

33. INTERPRETATION

In this Mortgage:

- (a) "Mortgagor" and the personal pronouns "he", "his", "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used depending upon whether the Mortgagor is one or more individuals, corporations or partnerships;
- (b) each of the provisions contained in this Mortgage is distinct and severable and the invalidity or unenforceability of the whole or any part of any clause of this Mortgage shall not affect the validity or enforceability of any other clause or the remainder of such clause;
- (c) the headings of the clauses of this Mortgage have been inserted for reference only and do not define, limit, alter or enlarge the meaning of any provision of this Mortgage;
- (d) words in the singular shall include the plural, and vice versa, and the masculine, feminine and neuter genders are used interchangeably and shall be deemed to include the other genders;
- (e) this Mortgage shall be governed by the laws of the jurisdiction in which the Property is situated.

34. TIME

Time shall in all respects be of the essence.

35. JOINT AND SEVERAL

If more than one Mortgagor executes this Mortgage, the obligations of such Mortgagors shall be joint and several.

36. WHO IS BOUND BY YOUR MORTGAGE

You agree to observe and be bound by all of the terms and obligations contained in this mortgage. This mortgage will also be binding on your legal or personal representatives, our legal representatives and anyone else to whom your interest is transferred. As well, it will be binding on anyone to whom it is transferred from us. All Borrowers signing this mortgage are collectively and individually (that is jointly and severally) bound to comply with all obligations under this mortgage.

37. SIGNING THIS MORTGAGE

If you have read this mortgage and you agree to its terms, sign in the spaces provided for your signatures. Witnesses must sign in the space provided for the witnesses' signatures. Necessary legal seals should be added next to your signatures. You acknowledge receiving a copy of this mortgage.

IN WITNESS WHEREOF this Mortgage has been signed and delivered on the date first written above.

SIGNED AND DELIVERED in the presence
of:



Witness by video conference

ANNAPOLIS MANAGEMENT, INC., in its capacity
as general partner of RUBY, LLP

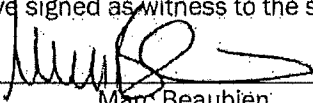
Per: 

Name: Laurie Caryl
Title: President

I have authority to bind the Mortgagor.

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 31st day of October, 2024, **ANNAPOLIS MANAGEMENT, INC.**, in its capacity as general partner of **RUBY, LLP.**, one of the parties to the foregoing indenture executed and delivered the same in my presence by video conference, and I have signed as witness to the same.

A handwritten signature in black ink, appearing to read 'Marc Beaubien', is written over a horizontal line.

Marc Beaubien
A Barrister of the Supreme Court
of Nova Scotia

AFFIDAVIT

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership") and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind the Corporation and the Partnership.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. Each of the Corporation and the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That the property described in the within instrument has never been occupied as a Matrimonial Home by any shareholders of the Corporation or any holders of any interest in Partnership nor does the ownership of a share of the Corporation or an interest in the Partnership entitle the holder of any such share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

)
)
)
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)
)
)
)
)
)

Laurie Caryi

SCHEDULE "A" – Property

PID 41353202

Registration County: HALIFAX COUNTY

Street/Place Name: BARRINGTON STREET /HALIFAX

Title of Plan: PLAN OF SURVEY OF LOT CPR-E1A S/D OF LOT CPR-E1 LANDS CONVEYED TO
ANNAPOLIS MANAGEMENT, INC. AND LOT CPR-E2A S/D OF LOT CPR-E2 LANDS CONVEYED TO
3000425 NOVA SCOTIA LIMITED

Designation of Parcel on Plan: LOT CPR-E1A

Registration Number of Plan: 105491279

Registration Date of Plan: 2014-07-25 15:46:20

*** Municipal Government Act, Part IX Compliance ***

Compliance:

The parcel is created by a subdivision (details below) that has been filed under the Registry Act or
registered under the Land Registration Act

Registration District: HALIFAX COUNTY

Registration Year: 2014

Plan or Document Number: 105491279

SCHEDULE "C1"
PREPAYMENT OPTIONS
FOR COMMERCIAL MORTGAGES

As at the execution date of this mortgage and/or mortgage renewal

1. Prepayment Privileges

Please refer to your Mortgage Commitment for the prepayment privileges associated with this commercial mortgage.

2. Prepayment Charges

If the terms of your mortgage permit you to payout all or a portion of your mortgage balance before the end of your mortgage term subject to the payment of a prepayment penalty, as set out in the Mortgage Commitment, the penalty will be the greater of three (3) months interest at your contracted interest rate OR an interest rate differential on the amount of prepayment. The interest rate differential is calculated on the date the payout statement is prepared by multiplying the following: a) the difference between your contracted interest rate and the current posted interest rate** of a mortgage with a similar term to maturity (i.e. a term equal to the time remaining on your mortgage - as shown in Table 1 below); b) the amount you want to prepay; and c) the number of months remaining on your mortgage term until maturity. For a detailed example of a comparison between the three (3) months interest calculation and the interest rate differential calculation see Table 2 below.

** For more information on posted interest rates, financial calculators or to obtain balance and payout information, please call us toll free at 1-800-668-2879 or visit our web site at www.lam.ca.

Table 1 - Similar Term to Maturity

Time Remaining on Your Mortgage	Mortgage with Similar Term to Maturity
Greater than 6 months and less than or equal to 18 months (i.e. 0.5 to 1.5 years)	1 year
Greater than 18 months and less than or equal to 30 months (i.e. < 1.5 to 2.5 years)	2 years
Greater than 30 months and less than or equal to 42 months (i.e. < 2.5 to 3.5 years)	3 years
Greater than 42 months and less than or equal to 54 months (i.e. < 3.5 to 4.5 years)	4 years
Greater than 54 months and less than or equal to 60 months (i.e. < 4.5 to 5.0 years)	5 years

Table 2 - Prepayment Charge Calculation

In this example, a member has a mortgage of \$100,000 that he/she wants to pay off 40 months and 15 days early. The member's contracted annual interest rate is 6%, and the current 3 year interest rate (mortgage with a similar term to maturity) is 5.50%.

- The 3 month interest penalty would be calculated using the member's contracted annual interest rate of 6%.
- The interest rate differential penalty would be calculated using the difference between the member's contracted annual interest rate and the current posted interest rate on a mortgage with a similar term to maturity. In this example, as the term remaining on the member's mortgage is 40 months and 15 days (or 3.375 years) it has a similar term to maturity as a 3 year mortgage (see Table 1). The interest differential is therefore equal to the difference between the member's interest rate of 6% and the current 3 year interest rate of 5.50% (i.e. 0.50%).

Examples of the calculations for the 3 month interest penalty and the interest rate differential penalty are shown below.

3 Months Interest:		OR	Interest Rate Differential (IRD):	
Amount you want to prepay	\$100,000 (A)		Your interest rate	6.000% (A)
Your interest rate	6.000% (B)		Similar term to maturity rate (3 yrs)	5.500% (B)
(A) x (B) = Annual Interest	\$6,000 (C)		(A) - (B) = Rate Differential	0.500% (C)
(C) Annual Interest / 12 x 3 Mos	\$1,500 (3 mos interest penalty)		Amount you want to prepay	\$100,000 (D)
			Your term to maturity	40.5 months (E)
			((C) x (D)) x ((E) / 12)	\$1,687.50 (IRD penalty)

In the above example, the greater of the 3 months interest penalty (\$1,500) or the interest rate differential penalty (\$1,687.50) would be the interest rate differential penalty. Therefore, the mortgage prepayment penalty that would be charged in the above example would be the interest rate differential penalty of \$1,687.50.

SCHEDULE "C2"
FEES
AS AT THE EXECUTION DATE OF THIS MORTGAGE
AND/OR MORTGAGE RENEWAL

- | | | | |
|---|--|---|---|
| 1 | Fire Insurance
Administration Fee | - | \$100.00 plus cost of insurance premium |
| 2 | Maximum Renewal Fee | - | The greater of \$200.00 or 1/10 of 1% of the balance at the time of renewal |
| 3 | Release Fees | • | \$150.00 if refinancing with League Savings |
| | | • | \$300.00 if loan paid out prior to being fully amortized |
| | | • | \$150.00 if loan fully amortized |
| 4 | NSF Cheque Fees | - | \$50.00 per occurrence |
| 5 | Audit Confirmation Fee | - | \$25.00 per statement |
| 6 | Max Mortgage Amendment Fee | - | The greater of \$200.00 or 1/10 of 1% of the balance at the time of amendment |
| 7 | General Security Agreement
(PPSA), if applicable | • | The document will be registered for the amortized period of the loan and a fee charged to the mortgage account in accordance with provincial legislation. |
| 8 | Maximum Annual Review Fee | - | The greater of \$200.00 or 1/10 of 1% of the balance at the time of review. |
| 9 | Property Tax Administration Fee,
where applicable | • | As billed by your municipality |

Note: League Savings and Mortgage Company reserves the right to make changes to the above fees from time to time. In the event of fee changes, we will provide you with 30 days notice.

EFFECTIVE DATE March 1, 2015

M18 (NS, NB, PE, NL) Rev. Nov 14

1

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "I" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

MULTI – TENANT BUILDING LEASE

BETWEEN

Ruby LLP

-and-

ComVest Commercial Real Estate (The Halifax Club)

-and-

Dated July 1st, 2017

**COX & PALMER
Barristers and Solicitors
Suite 1100, Purdy's Wharf Tower One
1959 Upper Water Street
PO Box 2380 Central
Halifax NS B3J 3E5**

Multi-Tenant Building Lease

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THIS LEASE is made as of the ____ day of October, 2016.

BETWEEN:

Annapolis Management Inc. in its capacity as general partner of
Ruby LLP.

(the "Landlord")

OF THE FIRST PART

-and-

ComVest Commercial Real Estate (The Halifax Club)

(the "Tenant")

OF THE SECOND PART

WHEREAS the Landlord and the Tenant have agreed to enter into a lease for certain premises as more fully described herein

WHEREAS the Indemnifier has agreed to enter into and indemnity agreement in respect of this lease,

THEREFORE in consideration of the respective covenants and agreements herein, the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the Landlord and the Tenant agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) "Additional Rent" means payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease;
- (b) "Basic Rent" means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) "Capital Taxes" means any tax or taxes levied against the Landlord and any owner of the Property by any governmental authority having jurisdiction (including, without limitation, the Large Corporations Tax imposed under the *Income Tax Act* (Canada)

and the tax imposed under any applicable provincial corporate tax legislation) based on or computed by reference to the paid-up capital or place of business of the Landlord or any owner of the Property or the taxable capital employed in Canada by the Landlord or any owner of the Property as determined for the purposes of such tax or taxes;

- (d) **"Commencement Date"** means July 1st, 2017, as such may be varied pursuant to the terms of this Lease;
- (e) **"Common Areas"** means those areas, facilities, utilities, improvements, equipment and installations within, adjacent to or outside the Property which serve or are for the benefit of the Property, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord's exclusive use, and are not designated or intended by the Landlord to be leased to the Tenant or any other tenants of the Property, and which include all corridors, hallways, lobbies and stairwells, all walkways and sidewalks, all landscaped and planted areas, the roof and exterior walls of the Property, exterior and interior structural elements and walls of the Property, common washrooms, all parking and loading areas and all entrances and exits thereto and all structural elements thereof, all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, fire prevention, security and communication systems, and generally all areas forming part of the Property which do not constitute rented or rentable premises;
- (f) **"Deposit"** means the deposit in the amount of \$20,125.00 paid by the Tenant to the Landlord to be held by the Landlord as follows:
 - (i) as a Rent Deposit, the sum of \$20,125.00 which shall be applied to Rent and Rental Taxes as they come due in accordance with Section 3.4; and
- (g) **"Event of Default"** has the meaning set out in Section 14.1;
- (h) **"Expiry Date"** means June 30th, 2037, as such may be varied or extended, pursuant to the terms of this Lease;
- (i) **"Extension Rights and Options"** the rights to extend and renew the Term of this Lease, if any, and the option to purchase the Property or the Premises, as set out in Schedule "E";
- (j) **"HVAC Equipment"** means heating, ventilating and air-conditioning equipment, facilities and installations;
- (k) **"Lands"** means the lands described and all rights and easements which are or may hereafter be appurtenant thereto;

- (l) **"Leasehold Improvements"** means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (m) **"Mortgage"** means any mortgage or other security against the Property and/or the Landlord's interest in this Lease, from time to time;
- (n) **"Mortgagee"** means the holder of any Mortgage from time to time;
- (o) **"Normal Business Hours"** means such hours as the Landlord reasonably determines from time to time for the operation of business on or from the Property;
- (p) **"Operating Costs"** means, for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management and operation of the Property (including the Common Areas) during such period including, without limiting the generality of the foregoing:
 - (i) all charges for utilities and similar services to the Property including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Property and for fittings, machinery, apparatus, meters, or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities and similar services;
 - (ii) all costs incurred by the Landlord in connection with the maintenance, repair, replacement and operation of the Property (including all services, equipment, Common Areas and other fixtures and appurtenances) and every part thereof, and of complying with all applicable laws, directions, rules and regulations of the governmental authorities having jurisdiction and in connection therewith including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the Property and the cost of maintaining, repairing and replacing all HVAC Equipment, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Property;
 - (iii) depreciation or amortization in an amount determined by the Landlord in accordance with general real estate industry practice on any costs incurred by the Landlord, whether before or after the Commencement Date, which the Landlord has determined to be capital in nature and which the Landlord is depreciating or amortizing in accordance with general real estate industry practice, together with interest on the undepreciated or unamortized capital cost thereof;

- (iv) the cost of providing security, supervision, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Property, and amounts paid to independent contractors for any services in connection with such maintenance or operation;
- (v) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Property, and all expenses of every nature incurred in connection with the management, maintenance and operation of the Common Areas;
- (vi) the cost of insuring the Property in accordance with the terms of this Lease;
- (vii) all costs and expenses (including legal and other professional fees, interest and penalties on deferred payment) incurred in good faith by the Landlord in contesting, resisting or appealing any Realty Taxes;
- (viii) the portion of the Capital Taxes that, in the Landlord's reasonable discretion, is attributable to the Property, as if the Property was the only property of the Landlord and/or any owner of the Premises; and
- (ix) an administrative fee not greater than fifteen percent (15%) of the aggregate of all Operating Costs;

provided that Operating Costs shall exclude:

- 1. all such costs determined by separate metering or assessment, or otherwise incurred for the exclusive benefit of the premises leased by the Tenant or any other tenant of the Property and billed to and paid for directly by the Tenant or such other tenant, including charges to tenants for above-normal utilization of utilities;
- 2. the cost to the Landlord of debt service in connection with any Mortgage;
- 3. taxes on the income of the Landlord; and
- 4. the cost of improvements to particular premises intended for leasing and real estate, or other commissions relating to leasing premises within the Property;

- (q) **"Permitted Use"** means the use of the Premises for the purpose of operating a private members club and related or ancillary uses thereto;
- (r) **"Premises"** means that portion of the Property illustrated in Schedule "A" and, subject to Section 2.2, having a Rentable Area of 6,000 square feet, more or less, and all rights and easements appurtenant thereto;
- (s) **"Property"** means the project which is comprised of the Lands together with the improvements, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;
- (t) **"Proportionate Share"** means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total Rentable Area of the Property, whether rented or not;
- (u) **"Realty Taxes"** means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Property or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
- (v) **"Rent"** means all Basic Rent and Additional Rent;
- (w) **"Rentable Area of the Premises"** means the Premises measured to the outside surface of the outer building wall and to the centre line of any interior walls separating the Premises from adjoining premises intended for leasing or separating the Premises from corridors or other parts of the Common Areas in accordance with BOMA standards;
- (x) **"Rentable Area of the Property"** means the aggregate of the rentable area of all premises in the Property that are rented, or designated or intended by the Landlord to be rented (whether actually rented or not), calculated in the same manner as the Rentable Area of the Premises;
- (y) **"Rental Taxes"** means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, value

added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;

- (z) **"Rules and Regulations"** means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (aa) **"Term"** means the period commencing on the Commencement Date and ending on the Expiry Date and, where the context requires, any renewal, extension or overholding thereof;
- (bb) **"Transfer"** means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred on any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, and any transaction or occurrence whatsoever which has changed or will change the identity of the person having lawful use or occupancy of any part of the Premises; and
- (cc) **"Transferee"** means any person or entity to whom a Transfer is or is to be made.

1.2 Schedules. The following Schedules form part of this Lease:

Schedule "A" Plan
 Schedule "B" Legal Description
 Schedule "C" Rules and Regulations
 Schedule "D" Leasehold Improvements
 Schedule "E" Extension Rights and Options

**ARTICLE 2
 DEMISE AND TERM**

2.1 Demise. In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. Save and except for any Leasehold Improvements set out in Schedule "D", the Tenant accepts the Premises on an "as is" basis.

2.2 Measurement. The Landlord may arrange for the Rentable Area of the Premises to be measured by its architect, surveyor or other space measurer and, if the area measured is different than that set out in Section 1.1(w), the Rent will be adjusted in accordance with the measured area. The Landlord will advise the Tenant in writing of the area measurement. If the Landlord does not arrange for such measurement, the Rentable Area of the Premises shall be deemed to be the area set out in Section 1.1(w). The Landlord may recalculate the area of the Premises in the same manner whenever required as a result of a rearrangement of partitions or other changed conditions. The Landlord will advise the Tenant in writing of the revised certified area measurement, and the parties agree to be bound thereby.

2.3 Term. The Term shall commence on the Commencement Date and end on the Expiry Date, unless terminated earlier pursuant to the provisions of this Lease.

2.4 Delay in Possession. Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Commencement Date then and only then shall the start of the, the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. The Tenant acknowledges and agrees that such postponement shall be full settlement for any claims it might have against the Landlord for such delay.

2.5 Overholding. If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (6) month's notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred and fifty percent (150%) of the monthly instalment of Basic Rent payable during the last year of the Term and one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if the Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

2.6 Parking. There is no parking included in this Lease.

ARTICLE 3 RENT

3.1 Covenant to Pay Rent and Acknowledgement of Semi-Gross Lease. The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be semi-gross to the Landlord and include costs and charges arising from or relating to the Premises. For greater certainty, Basic Rent shall include Realty Taxes, building insurance, management fees, snow removal, oil fired heat, water and other Common Area

expenses. The Tenant shall pay occupancy taxes, utilities used on Premises and insurance as set out in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly.

3.2 Rental Taxes. The Tenant will pay to the Landlord the Rental Taxes assessed on: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

3.3 Payment Method. The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

3.4 Deposit. The portion of such Deposit that is referred to as a "**Rent Deposit**" in Section 1.1(f) shall be applied to Rent and Rental Taxes during the last month of the Term of this Lease. Should the Tenant default on payment of Rents or not complete the Term of this Lease the Security Deposit and any interest accrued therein, shall become the property of the Landlord. No credit shall be given towards Rents due or other outstanding obligations of the Tenant. If the Landlord draws moneys from the Deposit for the purpose of remedying any default of the Tenant, the Tenant shall, at the request of the Landlord, pay forthwith to the Landlord the amount of money required to replace the moneys so drawn by the Landlord.

3.5 Rent Past Due. If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eleven point five percent (11.5%) per annum and such interest shall be calculated from the time such Rent becomes due until paid by the Tenant.

3.6 Partial Periods. If the Term commences on any day other than the first day of the month or ends on any day other than the last day of the month, Rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

ARTICLE 4 BASIC RENT

4.1 Basic Rent. The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Basic Rent, the amounts set out in this Section 4.1 payable in equal monthly instalments in advance in the amounts set out in this Section 4.1, plus harmonized sales tax (HST) and any other applicable federal, provincial or municipal taxes, on the first day of each and every month during the Term.

Period	Per Sq. Ft./Year	Per Year	Per Month
7/1/2017 to 6/30/2027	\$ 35.00	\$ 210,000.00	\$ 17,500.00

Basic Rent to be adjusted for the annual CPI percentage change on each year's anniversary date.

ARTICLE 5 ADDITIONAL RENT

5.1 Payments Constitute Rent. All of the payments set out in this Lease (other than Rental Taxes) which are required to be made by the Tenant shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not paid and whether or not any such payments are payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

5.2 Business and Other Taxes. In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, of the following:

- a) Every tax, license fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by and subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed on the income of the Landlord); and
- b) All Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason to the Tenant.

ARTICLE 6 UTILITIES AND HVAC

6.1 Payment for Utilities and Services. The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises including, without limiting the generality of the foregoing, gas, electricity, telephone, premises upkeep and maintenance. The Tenant at its option may, and on request of the Landlord shall, install a separate meter to measure consumption of any utilities and services. If separate meters have been or shall be installed, the Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large amounts of electricity or other utilities

utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

6.2 Above-Normal Utilization. If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, on such determination and delivery of a copy of the engineer's or consultant's report to the Tenant, the Landlord may, if such report so indicates, increase the Tenant's payments on account of such Additional Rent by an amount equal to such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount determined by the Landlord, in its sole opinion and in accordance with the engineer's or consultant's report, to be attributable to such above-normal utilization. The Tenant shall also pay to the Landlord, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

6.3 Additional Utilities. The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, licence or other authorization required, and shall comply with the provisions of Article 9 of this Lease pertaining to any work required in respect of such additional utilities and services.

6.4 No Overloading. The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Property, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

6.5 No Liability. In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any utility or service to the Premises.

6.6 HVAC. The Tenant shall, throughout the Term, operate, maintain, and regulate the HVAC Equipment within and exclusively serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment in a good and working order.

ARTICLE 7 CONTROL AND OPERATION BY LANDLORD

7.1 Property Operation and Repair. The Landlord shall operate, maintain and repair the Property, any HVAC Equipment serving the entire building containing the Premises that is not the

Tenant's responsibility under Section 6.6 and any other service facilities not within or exclusively serving the Premises, to the extent required to keep the Property, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and
- (b) the Landlord shall promptly make all repairs to the structural components of the Property including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

7.2 Common Areas and Property. The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes of those portions of the Common Areas intended for common use by tenants of the Property, provided that such use by the Tenant shall always be subject to such reasonable Rules and Regulations as the Landlord may from time to time determine. At times other than during Normal Business Hours, the Tenant and the employees of the Tenant and persons lawfully requiring communication with the Tenant shall have access to the Property only in accordance with the Rules and Regulations and other security requirements of the Landlord. The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. The Landlord reserves the right to lease parts of the Common Areas from time to time, to alter the layout or configuration of and/or reduce or enlarge the size of the Common Areas and/or the Rentable Area of the Property, to cease to treat as part of the Property any buildings or lands now forming part of the Property and/or to add additional lands or buildings to the Property, and to make other changes to the Property as the Landlord shall from time to time reasonably determine.

In the exercise of its rights under this Section 7.2, the Landlord will use its best efforts to ensure that ingress and egress to and from the Premises is not unreasonably interfered with and the Landlord agrees that it will proceed as expeditiously as possible to complete its work and other activities so as to minimize interference with the Tenant's business and the Tenant's use and enjoyment of the Premises.

7.3 Rules and Regulations. The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule "C", and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant, which are of general application to all tenants of the Property. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

ARTICLE 8 USE OF PREMISES

8.1 Use of the Premises. The Tenant acknowledges that the Premises will be used solely for the Permitted Use as set out in Section 1.1(q), and for no other purpose. The Landlord

acknowledges that the Tenant's operation of a private members club may include third-party functions within the Premises.

8.2 Observance of Law. The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of any public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a Hazardous Substance (as hereinafter defined) at, from or to the Premises, the Tenant shall immediately clean up such Hazardous Substance from the Premises, and any affected areas, at the Tenant's expense; and
- (b) on the termination of the Lease for any reason, the Tenant shall remove, at its expense, any Hazardous Substance or contamination which, through the Tenant's use or occupancy of the Premises, it has brought to or created at the Property.

8.3 General Indemnity by Tenant. The Tenant shall be liable for and shall indemnify and save harmless the Landlord and its officers, employees and agents from all liabilities, fines, suits, claims, demands and actions, of any kind and nature for which the Landlord or its officers, employees or agents shall or may become liable or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any death or injury of any person or any damage or destruction of any property resulting from any act, neglect or default on the part of the Tenant or any of its servants, employees, agents, invitees or licensees whatsoever. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death, occurring during the Term of this Lease shall survive the termination of this Lease, anything in this Lease to the contrary notwithstanding.

8.4 Environmental Indemnity. Without limiting the generality of the obligations of the Tenant as set out elsewhere in this Lease, the Landlord and Tenant agree that the Tenant is subject to the obligations of the Tenant set out in this Section (the "Environmental Obligations"). In this Section:

- (a) "Hazardous Substance" means any product of waste, contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive, or radioactive material, chlorofluorocarbons (CFC's), radon gas, urea formaldehyde foam insulation, asbestos, PCBs, gasoline, fuel oil, and any other substances or materials, and includes any Container (as hereinafter defined), declared or defined, at any time and from time to time, to be or to potentially be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial, municipal or quasi-governmental law, statute, regulation, order, by-law or requirement in force from time to time (collectively, in this Article, "Legislation") including, without limitation, environmental, land use, building, occupational, or health and safety

Legislation, Legislation in respect to demolition of buildings, excavation of soil, building materials and component fixtures and fittings, and storage and disposal of waste or effluent, and Legislation with respect to the maintenance, conversion and replacement of Containers; and

- (b) "Container" means any equipment, plant, pump, tank, container, receptacle, and any manner, method or procedure, which generates, manufactures, refines, treats, transports, stores, contains, uses, handles, disposes of, transfers, produces or processes Hazardous Substances; and
- (c) "Remove" means to remove any Hazardous Substance from all or part of the Premises and includes, without limitation, the removal, cleanup, treatment, transportation, storing, containment, handling, disposal, transfer and/or processing thereof, and "Removed" and "Removals" have similar meanings.

The Tenant shall not use or permit or suffer the use, directly or indirectly, of all or part of the Premises for any acts or omissions ("Activities") that are not in compliance with all Legislation and permits granted thereunder. It shall be the responsibility of the Tenant to obtain all permits necessary for the use of Hazardous Substances on the Premises.

The Tenant shall:

- (i) ensure that all construction work which is the responsibility of the Tenant under this Lease will comply with all Legislation and without limiting the generality thereof will ensure that anyone working with Hazardous Substances is, where necessary, duly qualified, accredited and registered with all bodies having jurisdiction thereover; and
- (ii) ensure that all construction work which is the responsibility of the Tenant under this Lease, will comply with all Legislation; and
- (iii) remove at its sole cost and risk any Hazardous Substances not stored in a Container kept in accordance with all Legislation. If any such Hazardous Substance is not Removed forthwith by the Tenant the Landlord shall be entitled but shall not be obligated, to Remove same on the Tenant's behalf and the Tenant shall reimburse the Landlord for the cost thereof together with administrative costs equal to fifteen (15%) percent of such costs to the Landlord. The Tenant shall also notify the Landlord if the Tenant receives notice of any violation or alleged violation of any Legislation or that any administrative order is made or is proposed to be made against the Tenant or the Landlord or in respect of any part of the Premises or the building in which the Premises are located with respect to any Hazardous Substance and otherwise ensure that the entire premises comply with all Legislation with respect to Hazardous Substances.

In the event of a violation of Legislation or a release of a Hazardous Substance on or from the Premises, or of the discovery of an environmental condition requiring response which violation, release, or condition is in any way attributable to the negligence, wilful misconduct, or illegal action of the Tenant, its agents, employees, or invitees, the Landlord shall have the right to enter the Premises, to supervise and approve any actions taken by the Tenant to address the violation, release, or environmental condition; and in the event the Tenant fails to fully and properly address such violation, release, or environmental condition, the Landlord may perform, at the Tenant's expense and without unreasonable interference with the Tenant's business activity, any lawful actions necessary to address the violation, release, or environmental condition.

The Tenant shall indemnify the Landlord and its officers, directors, employees and agents and save it and them harmless from and against any and all claims, demands and losses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever (collectively, the "Losses"), arising from or out of any occurrence in, on, or over the Premises (including the occupancy and use by the Tenant of the Premises, or any part thereof, except as hereinafter provided) caused or arising, directly or indirectly, in whole or in part, by any acts or omissions permitted or done by the Tenant or by anyone permitted to be on the Premises by the Tenant, (and without limiting the generality thereof any contractors retained, either expressly or impliedly by Tenant or on behalf of the Tenant) including, without limitation, Losses related to Hazardous Substances. If the Landlord shall be made a party to any proceeding commenced by or against the Tenant, the Tenant shall protect, indemnify and hold harmless the Landlord and shall pay all costs, expenses and professional fees (on a solicitor and client basis) incurred or paid by the Landlord in connection with such proceeding. The Tenant shall also pay all such costs, expenses and professional fees that may be incurred or paid by the Landlord in interpreting, amending or enforcing the terms, covenants and conditions in this Article, unless a court shall decide otherwise.

The provisions set out in this Clause shall survive the expiration or earlier termination of the Term of this Lease.

8.5 Representations and Warranties of Landlord. The Landlord represents, warrants and covenants to the Tenant as follows:

- (a) the Landlord will comply with all applicable Environmental Laws in respect of its ownership, operation and management of the Premises; and
- (b) the Landlord will give notice to the Tenant of any spills or illegal discharges of a contaminant if, in the Landlord's judgment, the Tenant is or will be affected.

8.6 Waste, Nuisance, Overloading. The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Property, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

ARTICLE 9 MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES

9.1 Maintenance, Repair and Cleaning of Premises. Except as set out in this Article 9, the Tenant shall, at its own expense and cost, operate, maintain and keep in good and substantial repair, order and condition the Premises and all parts thereof (including, without limitation, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises), save and except repairs required to be made by the Landlord pursuant to Section 7.1. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and shall meet the requirements of all authorities having jurisdiction and the insurance underwriters.

9.2 Inspection and Repair on Notice. The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Property, or for the purpose of having access to the under floor ducts, or to the access panels to mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

9.3 Repair where Tenant at Fault. If the Property, including the Premises, or any furnaces, boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-

conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand.

9.4 Alterations. The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural, mechanical or electrical work. Any changes to the lighting undertaken by the Tenant as part of an approved alteration must result in energy efficient lighting compatible with the Property standard. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Property by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Property, its equipment or services, necessitated thereby.

9.5 Signs. The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Property or that is visible from the outside of the Property without the prior consent of the Landlord, not to be unreasonably withheld. The Landlord may prescribe a uniform pattern of identification signs for tenants.

9.6 Construction Liens. If any construction or other lien or order for the payment of money shall be filed against the Property by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within ten (10) business days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens, or orders, against the Tenant, at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

9.7 Removal of Improvements and Fixtures. All Leasehold Improvements shall immediately on their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or on the expiry or earlier termination of the Term except that the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease, and at the end of the Term, the Tenant shall remove its trade fixtures.

For greater certainty, all paintings and other works of art, owned by the Tenant at the time of entering into this Lease or subsequently acquired, including but not limited to those that are affixed to walls on the Premises, shall remain the property of the Tenant and shall not become the Landlord's property.

9.8 Repair of Damage. The Tenant shall, at its own expense, repair any damage caused to the Property by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any HVAC Equipment serving the Premises or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

9.9 Surrender of Premises. At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up to the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 9.7.

ARTICLE 10 INSURANCE AND INDEMNITY

10.1 Tenant's Insurance.

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on

behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;

- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be on such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 10.1(a) and 10.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at

least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following payment by the Landlord.

10.2 Landlord's Insurance. The Landlord shall provide and maintain insurance on the whole of the Property against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Property. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Property and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

10.3 Increase of Landlord Premiums. If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Property or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Property, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Property showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

10.4 Tenant Indemnity. The Tenant will indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provision of this Lease.

10.5 Mutual Release.

(1) Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts shall be deemed to be proceeds of insurance received (subject to the right of the Landlord to include such deductible amounts in Operating Costs); and
 - (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.
- (2) Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the wilful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for:
- (a) damage to property of the Tenant or others located on the Premises;
 - (b) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Property or from the water, steam or drainage pipes or plumbing works of the Property or from any other place or quarter;
 - (c) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring;
 - (d) any damage caused by anything done or omitted to be done by any other tenant of the Property; or
 - (e) any indirect or consequential damages suffered by the Tenant.

ARTICLE 11

ASSIGNMENT AND SUBLETTING

11.1 Assignment, Subletting. The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected to the Rent payable hereunder, but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

11.2 Landlord's Consent. If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 11.3 of this Lease, and the Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the

Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 11.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

11.3 Requests for Consent. Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (e) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and
- (f) the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer.

11.4 Change of Control. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or

indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 11 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

11.5 No Advertising. The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

11.6 Assignment by Landlord. In the event of the sale or lease by the Landlord of its interest in the Property or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

11.7 Status Certificate. The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

11.8 Subordination and Non-Disturbance. This Lease and all of the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all Mortgages and any renewals or extensions thereof, now or hereinafter in force against the Premises. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee.

Upon the request of the Tenant, the Landlord will use its reasonable efforts to obtain a non-disturbance agreement from all mortgagees holding encumbrances registered in priority to this Lease.

ARTICLE 12 QUIET ENJOYMENT

12.1 Quiet Enjoyment. The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

ARTICLE 13 DAMAGE AND DESTRUCTION

13.1 Damage or Destruction to Premises. If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold

improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

13.2 Rights to Termination. Notwithstanding Section 13.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) if the Property shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Property has become unfit for use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the date of termination (unless it has abated under Section 13.1).

13.3 Certificate Conclusive. Any decisions regarding the extent to which the Premises or any portion of the Property has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

13.4 Insurance Proceeds. Notwithstanding Sections 13.1 and 13.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property or the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Property or the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

13.5 Reconstruction or Repair Following Damage or Destruction to Premises. In performing any reconstruction or repair, the Landlord may effect changes to the Property and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

13.6 Tenant's Contents

For greater certainty, the Tenant, and not the Landlord, shall be responsible to maintain insurance on the Tenant's contents including, but not limited to the Tenant's artwork. In no event shall the Landlord be responsible for any damage or destruction to the Tenant's contents including, but not limited to the Tenant's artwork, and the Tenant hereby releases the Landlord from any claims related to the Tenant's contents including, but not limited to the Tenant's artwork, whether such claims arise in negligence or otherwise.

ARTICLE 14 DEFAULT

14.1 Default and Right to Re-enter. Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid on the date when it is due;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.1, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;

- (c) the Tenant becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant;
- (e) the Tenant makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord, excluding a disposition by the Tenant of its art collection, in whole or in part;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises or the Premises become vacant or substantially unoccupied for a period of five (5) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Property is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

14.2 Default and Remedies. If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 14.2(a) or proceeding under Section 14.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 14.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies

the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;

- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;
- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated rent.

14.3 Distress. Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

14.4 Costs. The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

14.5 Remedies Cumulative. Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

ARTICLE 15 GENERAL

15.1 Entry. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, at any time during the last nine (9) months of the Term:

- (a) without notice to or consent by the Tenant, to place on the exterior of the Premises, the Landlord's usual notice(s) that the Premises are for rent; and
- (b) on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

The Landlord may enter the Premises at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

15.2 Force Majeure. Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay.

The provisions of this Section 15.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

15.3 Effect of Waiver or Forbearance. No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

15.4 Notices. Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out below, as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received on delivery of the same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

To the Landlord at the following address:

Suite 300, 1533 Barrington Street, Halifax

To the Tenant at the address of the Premises or the following address:

Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

15.5 Registration. Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Property. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Property. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Property which, in the opinion of Landlord, is

surplus is transferred, the Tenant shall forthwith, at the request of the Landlord, discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Property is made subject to any easement, right-of-way or similar right, the Tenant shall immediately, at the request of the Landlord, postpone its registered interest to such easement, right-of-way or similar right.

15.6 Number, Gender, Effect of Headings. Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

15.7 Severability, Subdivision Control. If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to cooperate with the Tenant in bringing such application.

15.8 Entire Agreement. There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

15.9 Successors and Assigns. The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

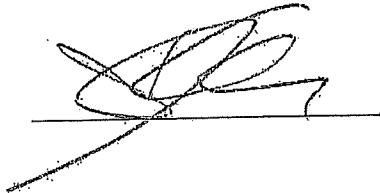
15.10 Confidentiality. The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any other tenants in the Property, prospective tenants, real estate agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.

15.11 Personal Information. Any Tenant that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

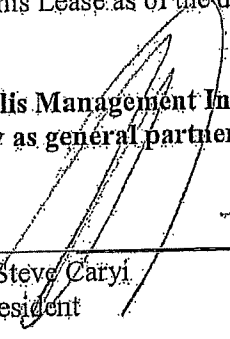
15.12 Art Work. The Tenant agrees to provide the Landlord with notice of its intention to sell any or all of the Tenant's artwork to the general public. Such notice shall be provided in writing not less than thirty (30) days before the artwork is publicly listed or offered for sale. In the event that the Landlord then presents the Tenant with an offer to purchase any or all of the Tenant's art work, the Tenant shall have no obligation to accept the Landlord's offer. The Landlord acknowledges that no such notice is to be provided in the event of a private sale to a member of The Halifax Club.

IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first above written.

WITNESS

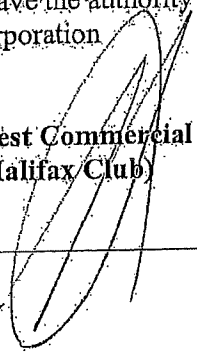


Annapolis Management Inc., in its
capacity as general partner of Ruby
LLP.

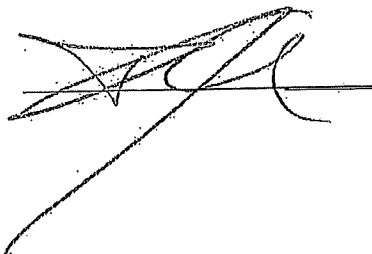
Per: 
Name: Steve Caryl
Title: President

I/We have the authority to bind
the Corporation

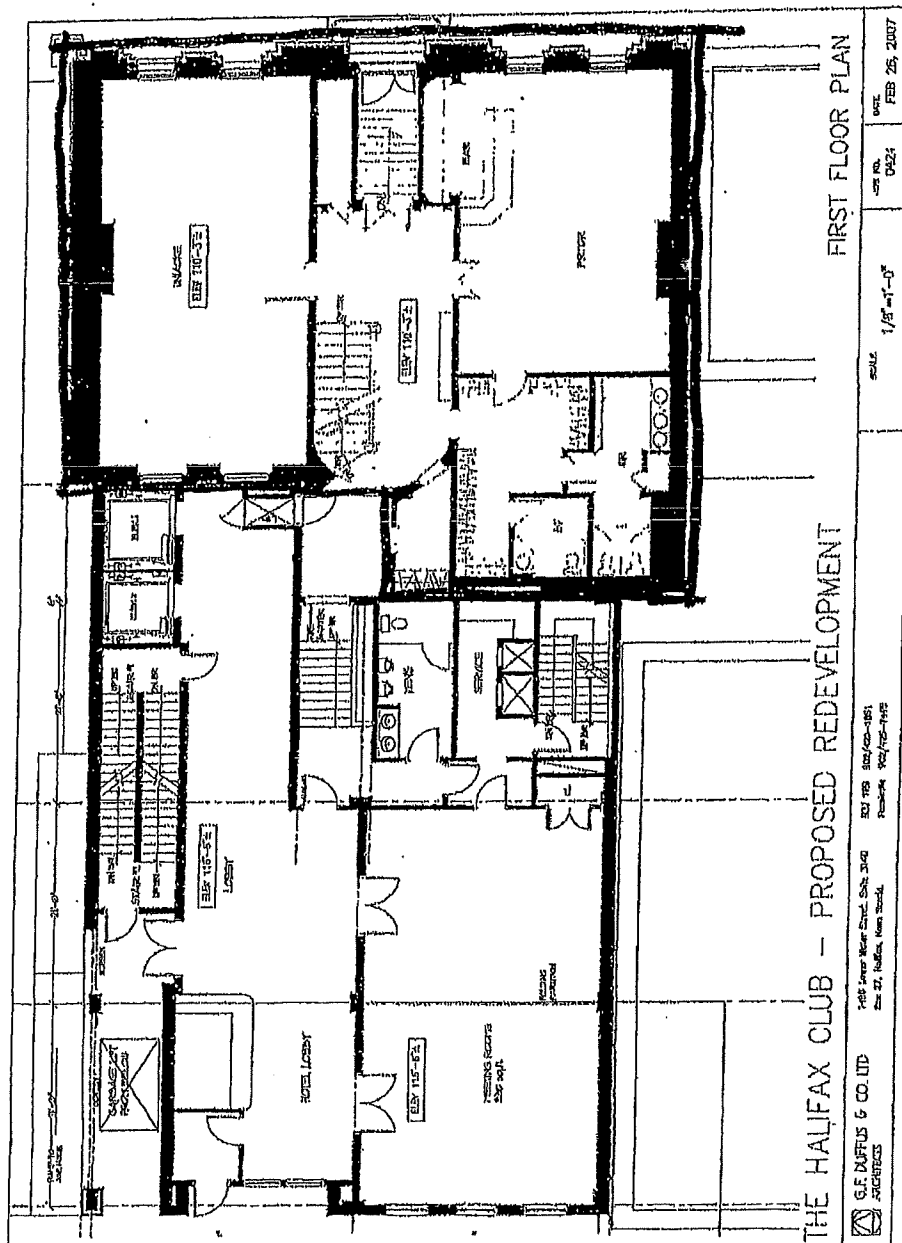
ComVest Commercial Real Estate Inc.
(The Halifax Club)

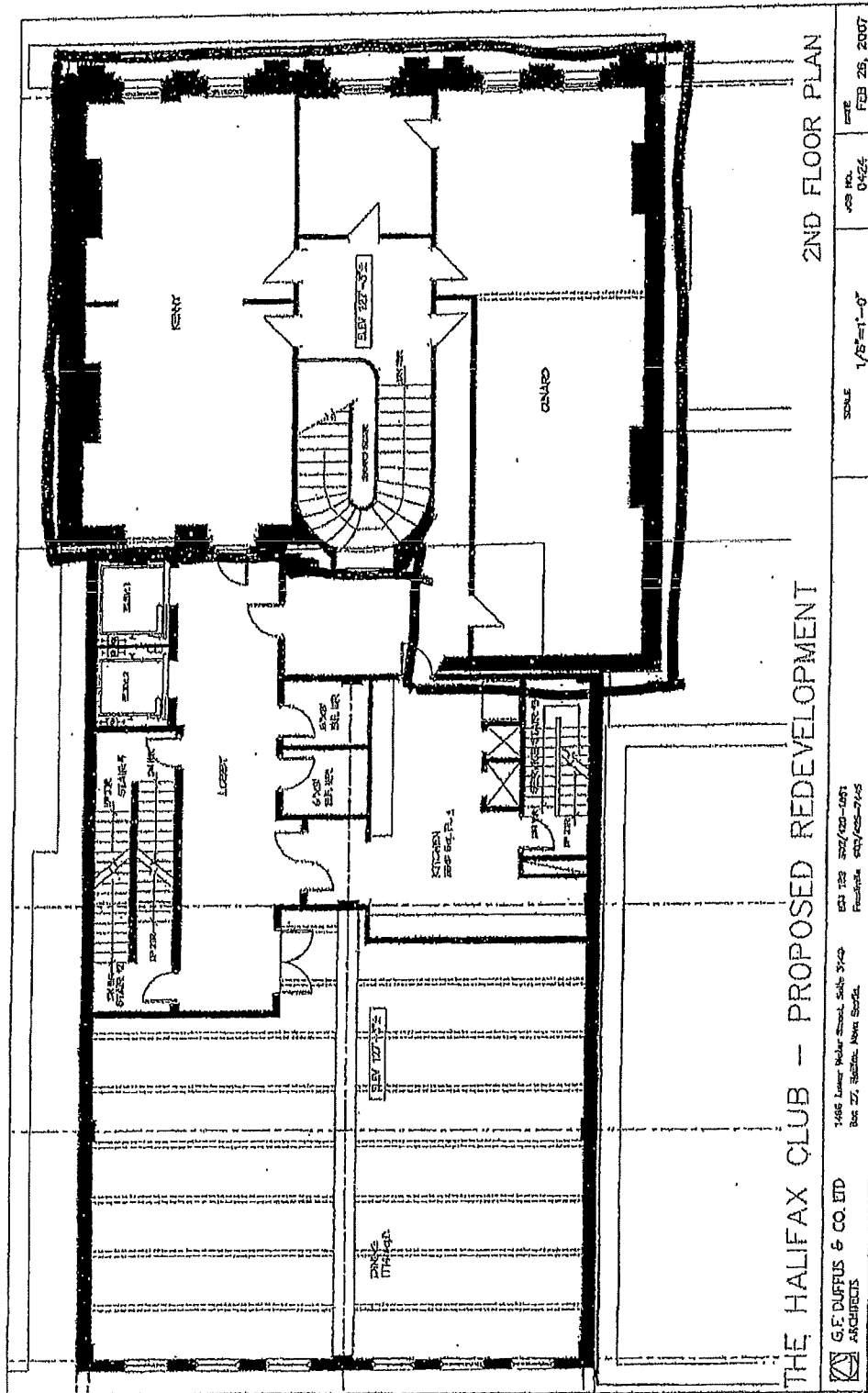
Per: 
Name:
Title:

WITNESS



I/We have the authority to bind
the Corporation





SCHEDULE "B"

PARCEL DESCRIPTION REPORT

2007-09-17 13:49:06

PID: 3228

CURRENT STATUS: ACTIVE

EFFECTIVE DATE/TIME: 2007-08-27 11:25:27

All that certain lot, piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.

SCHEDULE "C"

RULES AND REGULATIONS

1. The sidewalks, entries, passages and staircases shall not be obstructed or used by the Tenant, its agents, servants, contractors, invitees or employees for any purpose other than ingress to and egress from the Premises. The Landlord reserves entire control of all parts of the Property employed for the common benefit of the tenants and, without restricting the generality of the foregoing, the Landlord reserves entire control of the sidewalks, entries, corridors and passages not within the Premises, washrooms, air-conditioning closets, fan rooms, janitor's closets, electrical closets and other closets, stairs, flues, stacks, pipe shafts and ducts, and shall have the right to place such signs and appliances therein as it may deem advisable, provided that ingress to and egress from the Premises is not unduly impaired thereby.
2. The Tenant, its agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible, shall not bring in or take out, position, construct, install or move any safe, machine or other heavy equipment without first obtaining the consent in writing of the Landlord.
3. The Tenant shall not place or cause to be placed any additional locks on any doors of the Premises without the approval of the Landlord. In addition, the placing of any additional locks on any doors of the Premises shall be subject to any conditions imposed by the Landlord.
4. The washroom facilities shall not be used for any purpose other than those for which they were constructed, and no sweeping, rubbish, rags, ashes or other substances shall be thrown therein.
5. No one shall use the Premises for sleeping apartments or residential purposes, or for the storage of personal effects or articles other than those required for business purposes.
6. Canvassing, soliciting and peddling in the Property are prohibited.
7. Any hand trucks, carryalls, or similar appliances used in the Property shall be equipped with rubber tires, side guards and such other safeguards as the Landlord shall require.
8. No animals or birds shall be brought into the Property.
9. The Tenant shall, at its expense and at such reasonable intervals as the Landlord requires, exercise such pest control measures as directed by the Landlord using

contractors designated by the Landlord, failing which the Landlord shall have the right, at its option, to exercise such pest control measures for the Premises, at the expense of the Tenant.

10. The Tenant shall not misuse or damage the Premises or any of the improvements or facilities therein, or unreasonably deface or mark any walls or other parts of the Premises.
11. The Tenant shall not: (a) install or use any radio, television or other similar device in the Premises which may in any manner constitute a disturbance or an annoyance to any other tenant in the Property; (b) install in the Premises or elsewhere in the Property any transmitting radio communications equipment without the Landlord's prior written consent; or (c) operate an electrical device from which may emanate electrical waves that may interfere with or impair radio or television broadcasting or reception from or in the Property. The Tenant shall not in any case erect or cause to be erected any aerial anywhere in the Property.
12. The Tenant shall not use or permit use of the Premises in such manner as to create any noises or odours objectionable or offensive to the Landlord or any other tenant of the Property or other nuisance or hazard or to breach the provisions of applicable laws or any requirement of the insurers of the Property.
13. If required by the Landlord, bicycles or other vehicles shall not be brought or left in or on any part of the Property except in such area or areas as are designated by the Landlord from time to time.

SCHEDULE "D"**LEASEHOLD IMPROVEMENTS****A. Leasehold Allowance**

1. The Landlord does hereby agree to provide Leasehold Improvements to the Premises in the amount of \$90.00 per Sq. Foot (the "Leasehold Allowance"). Any unused portion of the Leasehold Allowance shall be held by the Landlord and can be drawn down by the Tenant for use associated with leasehold improvements at any time during the 20 year Term with sixty (60) days' prior written notice.
2. Interest shall accrue on the unused balance of the Leasehold Allowance during the entirety of the Term at a fixed rate of 0.5% per annum.

B. Construction of Leasehold Improvement

1. The construction of the Leasehold Improvement shall be completed in accordance with the following:
 - a) The Tenant shall prepare and be responsible for the initial drawings, plans and specifications for the Leasehold Improvements (the "Leasehold Improvement Plans").
 - b) The Tenant shall be responsible for the selection of all supplies, materials, products and finishes required to complete the Leasehold Improvements in accordance with the Leasehold Improvement Plans.
 - c) The Leasehold Improvement Plans shall be settled and approved by both the Landlord and the Tenant prior to construction of the Leasehold Improvements.
 - d) The Tenant shall approve the cost of materials and labour to complete the Leasehold Improvements, including any fees payable to the Landlord, prior to the commencement of any work.
 - e) The Landlord shall complete the Leasehold Improvements and construct and do the work in the Premises as provided in the approved Leasehold Improvement Plans in a good and workmanlike manner and in accordance with all municipal, building code and other applicable requirements.

- f) The Tenant shall be required to pay a supervision and management fee to the Landlord in respect of the Leasehold Improvements being completed by or under the supervision of the Landlord.

- 2. Any contractor completing all or any portion of the Leasehold Improvements shall provide a certificate of insurance which shall name the Tenant as an additional insured. The Landlord agrees to provide the Tenant with a copy of such certificate of insurance prior to the contractor commencing the Leasehold Improvements.

C. Swing Space

- 1. The Landlord acknowledges that the Tenant may require temporary space within the Property for its business operations during the course of construction of the Leasehold Improvements (the "Swing Space").
- 2. The Swing Space may be available for the duration of the Leasehold Improvements in order for the Tenant to use such Swing Space while it completes the Leasehold Improvements to meet its long term business operation requirements within its Premises.
- 3. The Tenant agrees to receive such Swing Space on an as is basis and will be responsible for modifying such Swing Space to meet its own needs. The Tenant shall return such Swing Space to the Landlord on an as is basis allowing for normal wear during occupancy.
- 4. The Landlord shall have the right to pre-approve, acting reasonably, the modifications the Tenant intends to make to such Swing Space at the Tenant's expense.
- 5. The Tenant acknowledges that the Landlord, from time to time, may not have available any space which meets the Tenant's Swing Space needs and that any available space in the Property is subject to lease by an existing or new tenant of the Property.
- 6. The Landlord agrees to provide the tenant with the Swing Space at no additional charge to the Tenant.

SCHEDULE "E"

EXTENSION RIGHTS AND OPTIONS

A. EXTENSION RIGHTS

1. Provided that the Tenant is not in default and has not been in default during the Term, the Tenant shall have two (2) rights to extend the Term for the whole of the Premises for a period of ten (10) years each (the "**Renewal Terms**"), upon delivery of written notice exercising this right given to the Landlord not less than six (6) months before the expiration of the Term or then current Renewal Term (as applicable). The Renewal Terms shall be on the same terms and conditions as the Term save and except:
 - a. there shall be no further right to extend the Term beyond the Renewal Terms;
 - b. the Basic Rent rate for the Renewal Terms shall be calculated in accordance with ; and
 - c. there shall be no Leasehold Allowance, options for Swing Space, or other inducements.
2. The Parties agree that the Basic Rent to each of the Renewal Terms shall be determined in accordance with Section 4.1 and that the Basic Rent shall continue to be adjusted for the annual CPI percentage change on each year's anniversary date.

B. OPTIONS

1. **Option to Purchase Property.** The Landlord agrees to provide the Tenant with notice of its intention to sell the Property. Such notice shall be in writing and provided not less than thirty (30) days before the Property is publicly listed or offered for sale. In the event that the Tenant then presents the Landlord with an offer to purchase the Property, the Landlord shall have no obligation to accept the Tenant's offer.
2. **Option to Purchase Condominium.** In the event that the Landlord registers the Property as a condominium pursuant to the *Condominium Act*, and the Landlord receives a bona fides offer with respect to the condominium unit containing the Premises (the "**Condominium Unit**") from an arm's length third party which the Landlord is prepared to accept and whereby the Landlord would effect a disposition for cash consideration payable on closing (a "**Condominium Offer**"), the Landlord shall provide a complete copy of the Condominium Offer to the Tenant. The Tenant shall have 15 days from receipt of the Condominium Offer to notify the Landlord.

it elects to purchase the Condominium Unit on the same terms as the Condominium Offer whereupon there shall be a binding agreement to that effect between the Landlord and the Tenant on the Terms contained in the Condominium Offer.

3. Option to Lease Additional Space.

- a. Provided that the Tenant is not in default and has not been in default during the Term, the Landlord agrees that it will not offer any other space in the Property for rent without first offering it to the Tenant who shall have 15 days to decide if it wishes to lease such additional space. If the Tenant notifies the Landlord of its decision to lease such space (such notice to be in writing and given within such 15 day period), then such additional space shall be added to and form part of the Premises, subject to the terms and conditions of this Lease.
- b. Provided that the Tenant is not in default and has not been in default during the Term, then, upon delivery of one (1) months written notice to the Landlord, the Tenant shall have the right to expand the Premises to include any vacant contiguous space within the Property. Such additional space shall be added to and form part of the Premises, subject to the terms and conditions of this Lease. For greater certainty, the Tenant agrees to pay the Basic Rent \$35.00 Per Sq. Ft./Year in accordance with Section 4.1 of the Lease.

1

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "I1" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

MULTI-TENANT BUILDING LEASE

BETWEEN

Ruby LLP

-and-

Comvest Commercial Real Estate Inc.

O/A

Halifax Club Cigar Store

Dated October 1, 2017

COX & PALMER
Barristers and Solicitors
Suite 1100, Purdy's Wharf Tower One
1959 Upper Water Street
PO Box 2380 Central
Halifax NS B3J 3E5

Multi-Tenant Building Lease

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THIS LEASE is made as of the 1st day of October, 2017.

BETWEEN:

Ruby LLP

(the "Landlord")

OF THE FIRST PART

-and-

Comvest Commercial Real Estate Inc.

(the "Tenant")

OF THE SECOND PART

-and-

N/A

(the "Indemnifier")

OF THE THIRD PART

WHEREAS the Landlord and the Tenant have agreed to enter into a lease for certain premises as more fully described herein; and

WHEREAS the Indemnifier has agreed to enter into an indemnity agreement in respect of this Lease;

THEREFORE in consideration of the respective covenants and agreements herein, the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the Landlord, the Tenant and the Indemnifier agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) **"Additional Rent"** means the Proportionate Share of Operating Costs, payments on account of Realty Taxes, payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease;
- (b) **"Basic Rent"** means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) **"Capital Taxes"** means any tax or taxes levied against the Landlord and any owner of the Property by any governmental authority having jurisdiction (including, without limitation, the Large Corporations Tax imposed under the *Income Tax Act* (Canada) and the tax imposed under any applicable provincial corporate tax legislation) based on or computed by reference to the paid-up capital or place of business of the Landlord or any owner of the Property or the taxable capital employed in Canada by the Landlord or any owner of the Property as determined for the purposes of such tax or taxes;
- (d) **"Commencement Date"** means October 1st, 2017, as such may be varied pursuant to the terms of this Lease;
- (e) **"Common Areas"** means those areas, facilities, utilities, improvements, equipment and installations within, adjacent to or outside the Property which serve or are for the benefit of the Property, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord's exclusive use, and are not designated or intended by the Landlord to be leased to the Tenant or any other tenants of the Property, and which include all corridors, hallways, lobbies and stairwells, all walkways and sidewalks, all landscaped and planted areas, the roof and exterior walls of the Property, exterior and interior structural elements and walls of the Property, common washrooms, all parking and loading areas and all entrances and exits thereto and all structural elements thereof, all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, fire prevention, security and communication systems, and generally all areas forming part of the Property which do not constitute rented or rentable premises;
- (f) **"Deposit"** means the deposit in the amount of \$3,018.75 paid by the Tenant to the Landlord to be held by the Landlord as follows:

- (i) as a Rent Deposit, the sum of \$3,018.75 which shall be applied to Rent and Rental Taxes as they come due in accordance with Section 3.4; and
- (ii) as a Security Deposit, the sum of \$0 which shall be held by the Landlord as a security deposit in accordance with Section 3.4;
- (g) "Event of Default" has the meaning set out in Section 14.1;
- (h) "Expiry Date" means September 30th, 2027, as such may be varied or extended, pursuant to the terms of this Lease;
- (i) "Extension Rights" the rights to extend and renew the Term of this Lease, if any, as set out in Section 15.13;
- (j) "Fixturing Period" means the period commencing on N/A and ending on the Commencement Date granted to the Tenant for possession prior to the Commencement Date for the purpose of fixturing and improving the Premises;
- (k) "HVAC Equipment" means heating, ventilating and air-conditioning equipment, facilities and installations;
- (l) "Lands" means the lands described in Schedule "B" and all rights and easements which are or may hereafter be appurtenant thereto;
- (m) "Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (n) "Mortgage" means any mortgage or other security against the Property and/or the Landlord's interest in this Lease, from time to time;
- (o) "Mortgagee" means the holder of any Mortgage from time to time;
- (p) "Normal Business Hours" means such hours as the Landlord reasonably determines from time to time for the operation of business on or from the Property;
- (q) "Operating Costs" means, for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management and operation of the Property (including the Common Areas) during such period including, without limiting the generality of the foregoing;

- (i) all charges for utilities and similar services to the Property including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Property and for fittings, machinery, apparatus, meters, or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities and similar services;
- (ii) all costs incurred by the Landlord in connection with the maintenance, repair, replacement and operation of the Property (including all services, equipment, Common Areas and other fixtures and appurtenances) and every part thereof, and of complying with all applicable laws, directions, rules and regulations of the governmental authorities having jurisdiction and in connection therewith including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the Property and the cost of maintaining, repairing and replacing all HVAC Equipment, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Property;
- (iii) depreciation or amortization in an amount determined by the Landlord in accordance with general real estate industry practice on any costs incurred by the Landlord, whether before or after the Commencement Date, which the Landlord has determined to be capital in nature and which the Landlord is depreciating or amortizing in accordance with general real estate industry practice, together with interest on the undepreciated or unamortized capital cost thereof;
- (iv) the cost of providing security, supervision, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Property, and amounts paid to independent contractors for any services in connection with such maintenance or operation;
- (v) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Property, and all expenses of every nature incurred in connection with the management, maintenance and operation of the Common Areas;
- (vi) the cost of insuring the Property in accordance with the terms of this Lease;

- (vii) all costs and expenses (including legal and other professional fees, interest and penalties on deferred payment) incurred in good faith by the Landlord in contesting, resisting or appealing any Realty Taxes;
- (viii) the portion of the Capital Taxes that, in the Landlord's reasonable discretion, is attributable to the Property, as if the Property was the only property of the Landlord and/or any owner of the Premises; and
- (ix) an administrative fee not greater than fifteen percent (15%) of the aggregate of all Operating Costs;

provided that Operating Costs shall exclude:

1. all such costs determined by separate metering or assessment, or otherwise incurred for the exclusive benefit of the premises leased by the Tenant or any other tenant of the Property and billed to and paid for directly by the Tenant or such other tenant, including charges to tenants for above-normal utilization of utilities;
 2. the cost to the Landlord of debt service in connection with any Mortgage;
 3. taxes on the income of the Landlord; and
 4. the cost of improvements to particular premises intended for leasing and real estate, or other commissions relating to leasing premises within the Property;
- (r) **"Permitted Use"** means the use of the Premises for the purpose of operating as a Cigar Store;
 - (s) **"Premises"** means that portion of the Property illustrated in Schedule "C" and, subject to Section 2.2, having a Rentable Area of 600 square feet, more or less, and all rights and easements appurtenant thereto; more specifically, 1st Level Granville Street side of 1682 Hollis Street, Halifax.
 - (t) **"Property"** means the project which is comprised of the Lands together with the improvements, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;
 - (u) **"Proportionate Share"** means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total Rentable Area of the Property, whether rented or not;

- (v) **"Realty Taxes"** means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Property or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
- (w) **"Rent"** means all Basic Rent and Additional Rent;
- (x) **"Rentable Area of the Premises"** means the Premises measured to the outside surface of the outer building wall and to the centre line of any interior walls separating the Premises from adjoining premises intended for leasing or separating the Premises from corridors or other parts of the Common Areas in accordance with BOMA standards;
- (y) **"Rentable Area of the Property"** means the aggregate of the rentable area of all premises in the Property that are rented, or designated or intended by the Landlord to be rented (whether actually rented or not), calculated in the same manner as the Rentable Area of the Premises;
- (z) **"Rental Taxes"** means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (aa) **"Rules and Regulations"** means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (bb) **"Term"** means the period commencing on the Commencement Date and ending on the Expiry Date and, where the context requires, any renewal, extension or overholding thereof;
- (cc) **"Transfer"** means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred on any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, and any transaction or occurrence whatsoever which has changed or will change the

identity of the person having lawful use or occupancy of any part of the Premises;
and

(dd) "Transferee" means any person or entity to whom a Transfer is or is to be made.

1.2 Schedules. The following Schedules form part of this Lease:

Schedule "A" Landlord's Work
Schedule "B" Tenant's Work
Schedule "C" Floor Plan

ARTICLE 2 DEMISE AND TERM

2.1 Demise. In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. Save and except for any Landlord's Work set out in Schedule "A", the Tenant accepts the Premises on an "as is" basis.

2.2 Measurement. The Landlord may arrange for the Rentable Area of the Premises to be measured by its architect, surveyor or other space measurer and, if the area measured is different than that set out in Section 1.1(x), the Rent will be adjusted in accordance with the measured area. The Landlord will advise the Tenant in writing of the area measurement. If the Landlord does not arrange for such measurement, the Rentable Area of the Premises shall be deemed to be the area set out in Section 1.1(x). The Landlord may recalculate the area of the Premises in the same manner whenever required as a result of a rearrangement of partitions or other changed conditions. The Landlord will advise the Tenant in writing of the revised certified area measurement, and the parties agree to be bound thereby.

2.3 Term. The Term shall commence on the Commencement Date and end on the Expiry Date, unless terminated earlier pursuant to the provisions of this Lease.

2.4 Delay in Possession. Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Fixturing Period or on the Commencement Date (if there is no Fixturing Period), then and only then shall the start of the Fixturing Period (if any), the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. The Tenant acknowledges and agrees that such postponement shall be full settlement for any claims it might have against the Landlord for such delay.

2.5 Overholding. If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (6) month's

notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred and fifty percent (150%) of the monthly instalment of Basic Rent payable during the last year of the Term and one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if the Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

2.6 Fixturing Period. During any Fixturing Period provided for herein all terms and conditions of this Lease shall apply, except the Tenant shall not be responsible for the payment of Basic Rent. The Tenant shall have access to the Premises at all reasonable times immediately following execution of the Lease for the purpose of Constructing its Leasehold improvements. The Tenant shall be granted a period of Forty Five (45) days Fixturing Period to complete the Tenants work. The Fixturing Period shall commence upon completion of the Landlords work.

2.7 Parking. There is no parking included in this Lease.

ARTICLE 3 RENT

3.1 Covenant to Pay Rent and Acknowledgement of Semi-Gross Lease. The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be semi-gross to the Landlord and include costs and charges arising from or relating to the Premises; property tax, building insurance, management fees, snow removal, oil fired heat, water and other common area building expenses and that the Tenant shall pay occupancy taxes, utilities used on Premises and insurance as set out in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly.

3.2 Rental Taxes. The Tenant will pay to the Landlord the Rental Taxes assessed on: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

3.3 Payment Method. The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

3.4 Deposit. The portion of such Deposit that is referred to as a "Rent Deposit" in Section 1.1(f) shall be applied to Rent and Rental Taxes during the last month of the Term of this Lease. The portion of the Deposit that is referred to as a "Security Deposit" in Section 1.1(f) shall be held by the Landlord as security for the due performance by the Tenant of its obligations under this Lease and may be applied, in the Landlord's discretion, to remedy any default by the Tenant. If the Landlord draws moneys from the Deposit for the purpose of remedying any default of the

Tenant, the Tenant shall, at the request of the Landlord, pay forthwith to the Landlord the amount of money required to replace the moneys so drawn by the Landlord.

Should the Tenant default on payment of Rents or not complete the Term of this Lease the Security Deposit and any interest accrued therein, shall become the property of the Landlord. No credit shall be given towards Rents due or other outstanding obligations of the Tenant.

3.5 Rent Past Due. If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)) and such interest shall be calculated from the time such Rent becomes due until paid by the Tenant.

3.6 Partial Periods. If the Term commences on any day other than the first day of the month or ends on any day other than the last day of the month, Rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

ARTICLE 4 BASIC RENT

4.1 Basic Rent. The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Basic Rent, the amounts set out in this Section 4.1 payable in equal monthly instalments in advance in the amounts set out in this Section 4.1, plus goods and services tax (GST), harmonized sales tax (HST) and any other applicable federal, provincial or municipal taxes, on the first day of each and every month during the Term. Basic Rent to be adjusted for the annual CPI percentage change on each year's anniversary date.

Period	Per Sq. Ft./Year	Per Year	Per Month
10/1/2017 to 9/30/2027	\$35.00	\$21,000.00	\$1,750.00

ARTICLE 5 ADDITIONAL RENT

5.1 Additional Rent. In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to the entire Rentable Area of the Premises:

5.2 Payments Constitute Rent. All of the payments set out in this Lease (other than Rental Taxes) which are required to be made by the Tenant shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not paid and whether or not any such payments are payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

5.3 Realty Taxes. The Tenant shall pay to the Landlord, as Additional Rent, all Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Property and the Premises, or any part thereof, in accordance with the following:

5.4 Business and Other Taxes. In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed on the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

5.5 Operating Costs. Are to be included in the Semi-Gross rental rate. Except as specified in this Lease.

ARTICLE 6 UTILITIES AND HVAC

6.1 Payment for Utilities and Services. The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises including, without limiting the generality of the foregoing, gas, electricity, telephone, premises upkeep and maintenance. The Tenant at its option may, and on request of the Landlord shall, install a separate meter to measure consumption of any utilities and services. If separate meters have been or shall be installed, the Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large

amounts of electricity or other utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

6.2 Above-Normal Utilization. If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, on such determination and delivery of a copy of the engineer's or consultant's report to the Tenant, the Landlord may, if such report so indicates, increase the Tenant's payments on account of such Additional Rent by an amount equal to such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount determined by the Landlord, in its sole opinion and in accordance with the engineer's or consultant's report, to be attributable to such above-normal utilization. The Tenant shall also pay to the Landlord, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

6.3 Additional Utilities. The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, licence or other authorization required, and shall comply with the provisions of Article 9 of this Lease pertaining to any work required in respect of such additional utilities and services.

6.4 No Overloading. The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Property, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

6.5 No Liability. In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any utility or service to the Premises.

6.6 HVAC. The Tenant shall, throughout the Term, operate, maintain, and regulate the HVAC Equipment within and exclusively serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment in a good and working order.

ARTICLE 7

CONTROL AND OPERATION BY LANDLORD

7.1 Property Operation and Repair. The Landlord shall operate, maintain and repair the Property, any HVAC Equipment serving the entire building containing the Premises that is not the Tenant's responsibility under Section 6.6 and any other service facilities not within or exclusively serving the Premises, to the extent required to keep the Property, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and
- (b) the Landlord shall promptly make all repairs to the structural components of the Property including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

7.2 Common Areas and Property. The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes of those portions of the Common Areas intended for common use by tenants of the Property, provided that such use by the Tenant shall always be subject to such reasonable Rules and Regulations as the Landlord may from time to time determine. At times other than during Normal Business Hours, the Tenant and the employees of the Tenant and persons lawfully requiring communication with the Tenant shall have access to the Property only in accordance with the Rules and Regulations and other security requirements of the Landlord. The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. The Landlord reserves the right to lease parts of the Common Areas from time to time, to alter the layout or configuration of and/or reduce or enlarge the size of the Common Areas and/or the Rentable Area of the Property, to cease to treat as part of the Property any buildings or lands now forming part of the Property and/or to add additional lands or buildings to the Property, and to make other changes to the Property as the Landlord shall from time to time reasonably determine.

7.3 Rules and Regulations. The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule "C", and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant, which are of general application to all tenants of the Property. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

ARTICLE 8

USE OF PREMISES

8.1 Use of the Premises. The Tenant acknowledges that the Premises will be used solely for the Permitted Use as set out in Section 1.1(r), and for no other purpose.

8.2 Observance of Law. The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of any public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a contaminant at, from or to the Premises, the Tenant shall immediately clean up such contaminant from the Premises, and any affected areas, at the Tenant's expense; and
- (b) on the termination of the Lease for any reason, the Tenant shall remove, at its expense, any contaminant or contamination which, through the Tenant's use or occupancy of the Premises, it has brought to or created at the Property.

8.3 General Indemnity by Tenant. The Tenant shall be liable for and shall indemnify and save harmless the Landlord and its officers, employees and agents from all liabilities, fines, suits, claims, demands and actions, of any kind and nature for which the Landlord or its officers, employees or agents shall or may become liable or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any death or injury of any person or any damage or destruction of any property resulting from any act, neglect or default on the part of the Tenant or any of its servants, employees, agents, invitees or licensees whatsoever. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death, occurring during the Term of this Lease shall survive the termination of this Lease, anything in this Lease to the contrary notwithstanding.

8.4 Environmental Indemnity. Without limiting the generality of the obligations of the Tenant as set out elsewhere in this Lease, the Landlord and Tenant agree that the Tenant is subject to the obligations of the Tenant set out in this Article (the "Environmental Obligations"). In this Article:

- (a) "Hazardous Substance" means any product of waste, contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive, or radioactive material, chlorofluorocarbons (CFC's), radon gas, urea formaldehyde foam insulation, asbestos, PCBs, gasoline, fuel oil, and any other substances or materials, and includes any Container (as hereinafter defined), declared or defined, at any time and from time to time, to be or to potentially be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial, municipal or quasi-governmental law, statute, regulation, order, by-law or requirement in force from time to time (collectively, in this Article, "Legislation") including, without limitation, environmental, land use, building, occupational, or health and safety Legislation, Legislation in respect to demolition of buildings, excavation of soil, building materials and component fixtures and fittings, and storage and disposal of waste or effluent, and Legislation with respect to the maintenance, conversion and replacement of Containers; and

- (b) "Container" means any equipment, plant, pump, tank, container, receptacle, and any manner, method or procedure, which generates, manufactures, refines, treats, transports, stores, contains, uses, handles, disposes of, transfers, produces or processes Hazardous Substances; and
- (c) "Remove" means to remove any Hazardous Substance from all or part of the Premises and includes, without limitation, the removal, cleanup, treatment, transportation, storing, containment, handling, disposal, transfer and/or processing thereof, and "Removed" and "Removals" have similar meanings.

The Tenant shall not use or permit or suffer the use, directly or indirectly, of all or part of the Premises for any acts or omissions ("Activities") that are not in compliance with all Legislation and permits granted thereunder. It shall be the responsibility of the Tenant to obtain all permits necessary for the use of Hazardous Substances on the Premises.

The Tenant shall:

- (i) ensure that all construction work which is the responsibility of the Tenant under this Lease will comply with all Legislation and without limiting the generality thereof will ensure that anyone working with Hazardous Substances is, where necessary, duly qualified, accredited and registered with all bodies having jurisdiction thereover; and
- (ii) ensure that all construction work which is the responsibility of the Tenant under this Lease, will comply with all Legislation; and
- (iii) remove at its sole cost and risk any Hazardous Substances not stored in a Container kept in accordance with all Legislation. If any such Hazardous Substance is not Removed forthwith by the Tenant the Landlord shall be entitled but shall not be obligated, to Remove same on the Tenant's behalf and the Tenant shall reimburse the Landlord for the cost thereof together with administrative costs equal to fifteen (15%) percent of such costs to the Landlord. The Tenant shall also notify the Landlord if the Tenant receives notice of any violation or alleged violation of any Legislation or that any administrative order is made or is proposed to be made against the Tenant or the Landlord or in respect of any part of the Premises or the building in which the Premises are located with respect to any Hazardous Substance and otherwise ensure that the entire premises comply with all Legislation with respect to Hazardous Substances.

In the event of a violation of Legislation or a release of a Hazardous Substance on or from the Premises, or of the discovery of an environmental condition requiring response which violation, release, or condition is in any way attributable to the negligence, wilful misconduct, or illegal action of the Tenant, its agents, employees, or invitees, the Landlord shall have the right to enter the Premises, to supervise and approve any actions taken by the Tenant to address the violation,

release, or environmental condition; and in the event the Tenant fails to fully and properly address such violation, release, or environmental condition, the Landlord may perform, at the Tenant's expense and without unreasonable interference with the Tenant's business activity, any lawful actions necessary to address the violation, release, or environmental condition.

The Tenant shall indemnify the Landlord and its officers, directors, employees and agents and save it and them harmless from and against any and all claims, demands and losses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever (collectively, the "Losses"), arising from or out of any occurrence in, on, or over the Premises (including the occupancy and use by the Tenant of the Premises, or any part thereof, except as hereinafter provided) caused or arising, directly or indirectly, in whole or in part, by any acts or omissions permitted or done by the Tenant or by anyone permitted to be on the Premises by the Tenant, (and without limiting the generality thereof any contractors retained, either expressly or impliedly by Tenant or on behalf of the Tenant) including, without limitation, Losses related to Hazardous Substances. If the Landlord shall be made a party to any proceeding commenced by or against the Tenant, the Tenant shall protect, indemnify and hold harmless the Landlord and shall pay all costs, expenses and professional fees (on a solicitor and client basis) incurred or paid by the Landlord in connection with such proceeding. The Tenant shall also pay all such costs, expenses and professional fees that may be incurred or paid by the Landlord in interpreting, amending or enforcing the terms, covenants and conditions in this Article, unless a court shall decide otherwise.

The provisions set out in this Clause shall survive the expiration or earlier termination of the Term of this Lease.

8.5 Representations and Warranties of Landlord. The Landlord represents, warrants and covenants to the Tenant as follows:

- (a) the Premises are in compliance with all laws, by-laws, orders, ordinances, rulings, regulations, certificates, approvals, consents and directives of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction relating to: (i) pollution or the protection of human health or the environment; (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance (collectively "Environmental Laws") and does not contain any hazardous waste, asbestos, PCBs or underground storage tanks or any other Hazardous Substances, other than in compliance with all Environmental Laws;

- (b) there are no outstanding governmental orders, notices of violation, deficiencies notices or outstanding files with respect to Environmental Laws affecting the Premises;
- (c) the Premises are not located on land that is a former waste disposal site or landfill site;
- (d) the Landlord has delivered to the Tenant copies of all existing environmental reports, studies, tests and assessments relating to the Premises that are in the Landlord's possession or control;
- (e) the Landlord will comply with all applicable Environmental Laws in respect of its ownership, operation and management of the Premises;
- (f) the Landlord has not given, nor does it have any obligation to give, nor has it received, any notice or claim or communication regarding any past, present or planned storage, disposal, presence, release or spill of any contaminant that, in the Landlord's judgment, did or will affect the Premises; and
- (g) the Landlord will give notice to the Tenant of any spills or illegal discharges of a contaminant if, in the Landlord's judgment, the Tenant is or will be affected.

8.6 Waste, Nuisance, Overloading. The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Property, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

ARTICLE 9

MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES

9.1 Maintenance, Repair and Cleaning of Premises. Except as set out in this Article 9, the Tenant shall, at its own expense and cost, operate, maintain and keep in good and substantial repair, order and condition the Premises and all parts thereof (including, without limitation, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises), save and except repairs required to be made by the Landlord pursuant to Section 7.1. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and shall meet the requirements of all authorities having jurisdiction and the insurance underwriters.

9.2 Inspection and Repair on Notice. The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Property, or for the purpose of having access to the under floor ducts, or to the access panels to

mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

9.3 Repair where Tenant at Fault. If the Property, including the Premises, or any furnaces, boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand.

9.4 Alterations. The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural, mechanical or electrical work. Any changes to the lighting undertaken by the Tenant as part of an approved alteration must result in energy efficient lighting compatible with the Property standard. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Property by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Property, its equipment or services, necessitated thereby.

9.5 Signs. The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Property or that is visible from the outside of the Property without the prior consent of the Landlord, not to be unreasonably withheld. The Landlord may prescribe a uniform pattern of identification signs for tenants.

9.6 Construction Liens. If any construction or other lien or order for the payment of money shall be filed against the Property by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens, or orders, against the Tenant, at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

9.7 Removal of Improvements and Fixtures. All Leasehold Improvements shall immediately on their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or on the expiry or earlier termination of the Term except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease, and at the end of the Term, the Tenant shall remove its trade fixtures; and
- (b) the Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

9.8 Repair of Damage. The Tenant shall, at its own expense, repair any damage caused to the Property by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any HVAC Equipment serving the Premises or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

9.9 Surrender of Premises. At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up to the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 9.7.

ARTICLE 10

INSURANCE AND INDEMNITY

10.1 Tenant's Insurance.

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be on such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 10.1(a) and 10.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their

contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following payment by the Landlord.

10.2 Landlord's Insurance. The Landlord shall provide and maintain insurance on the whole of the Property against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Property. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Property and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

10.3 Increase of Landlord Premiums. If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Property or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Property, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Property showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

10.4 Tenant Indemnity. The Tenant will indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provision of this Lease.

10.5 Mutual Release.

(1) Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts shall be deemed to be proceeds of insurance received (subject to the right of the Landlord to include such deductible amounts in Operating Costs); and
- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

(2) Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the wilful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for:

- (a) damage to property of the Tenant or others located on the Premises;
- (b) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Property or from the water, steam or drainage pipes or plumbing works of the Property or from any other place or quarter;
- (c) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring;
- (d) any damage caused by anything done or omitted to be done by any other tenant of the Property; or
- (e) any indirect or consequential damages suffered by the Tenant.

ARTICLE 11

ASSIGNMENT AND SUBLETTING

11.1 Assignment, Subletting. The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected

to the Rent payable hereunder, but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

11.2 Landlord's Consent. If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 11.3 of this Lease, and the Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 11.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

11.3 Requests for Consent. Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (e) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and

- (f) the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer.

11.4 Change of Control. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 11 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

11.5 No Advertising. The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

11.6 Assignment by Landlord. In the event of the sale or lease by the Landlord of its interest in the Property or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

11.7 Status Certificate. The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

11.8 Subordination and Non-Disturbance. This Lease and all of the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all Mortgages and any renewals or extensions thereof, now or hereinafter in force against the Premises. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee.

ARTICLE 12

QUIET ENJOYMENT

12.1 Quiet Enjoyment. The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

ARTICLE 13

DAMAGE AND DESTRUCTION

13.1 Damage or Destruction to Premises. If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

13.2 Rights to Termination. Notwithstanding Section 13.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) if the Property shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Property has become unfit for use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the date of termination (unless it has abated under Section 13.1).

13.3 Certificate Conclusive. Any decisions regarding the extent to which the Premises or any portion of the Property has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

13.4 Insurance Proceeds. Notwithstanding Sections 13.1 and 13.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property or the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Property or the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

13.5 Landlord's Work. In performing any reconstruction or repair, the Landlord may effect changes to the Property and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

ARTICLE 14

DEFAULT

14.1 Default and Right to Re-enter. Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid on the date when it is due;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.1, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any Indemnifier becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any Indemnifier;

- (e) the Tenant or any Indemnifier makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises or the Premises become vacant or substantially unoccupied for a period of five (5) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Property is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible.

14.2 Default and Remedies. If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 14.2(a) or proceeding under Section 14.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 14.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense

and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;

- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated rent.

14.3 Distress. Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

14.4 Costs. The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

14.5 Remedies Cumulative. Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common

law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

ARTICLE 15 GENERAL

15.1 Entry. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, at any time during the last nine (9) months of the Term:

- (a) without notice to or consent by the Tenant, to place on the exterior of the Premises, the Landlord's usual notice(s) that the Premises are for rent; and
- (b) on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

The Landlord may enter the Premises at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

15.2 Force Majeure. Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 15.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

15.3 Effect of Waiver or Forbearance. No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

15.4 Notices. Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out below, as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received on delivery of the same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

To the Landlord at the following address:

1533 Barrington Street, Halifax, Nova Scotia

To the Tenant at the address of the Premises or the following address:

1682 Hollis Street, Halifax, Nova Scotia

To the Indemnifier at the address of the Premises or the following address:

N/A

Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

15.5 Registration. Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Property. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Property. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Property which, in the opinion of Landlord, is surplus is transferred, the Tenant shall forthwith, at the request of the Landlord, discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Property is made subject to any easement, right-of-way or similar right, the Tenant shall immediately, at the request of the Landlord, postpone its registered interest to such easement, right-of-way or similar right.

15.6 Number, Gender, Effect of Headings. Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

15.7 Severability, Subdivision Control. If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to cooperate with the Tenant in bringing such application.

15.8 Entire Agreement. There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

15.9 Successors and Assigns. The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

15.10 Confidentiality. The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any other tenants in the Property, prospective tenants, real estate agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.


15.11 Personal Information. Any Tenant or Indemnifier that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant or Indemnifier, as applicable, (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

15.12 Indemnification Agreement. The Indemnifier agrees to execute and be bound by the Indemnity Agreement attached as Schedule "E". N/A.

15.13 Right to Renew. Provided the Tenant is not in default of this Lease, the Tenant shall have the right to renew for a further 5 year Term. The Tenant must exercise this right not later than 6 months prior to the expiry of this Lease Term. Terms and conditions shall remain the same save for Rent, which will be determined by fair market value.

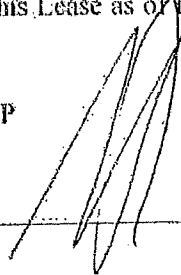
IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first above written.

WITNESS






Ruby LLP

Per: 
Name: _____
Title: _____

c/s
Per: _____
Name: _____
Title: _____

I/We have the authority to bind
the Corporation

Comvest Commercial R/E Inc.

Per: 
Name: _____
Title: _____

c/s
Per: _____
Name: _____
Title: _____

I/We have the authority to bind the
corporation

Per: _____
Name: _____
Title: _____

c/s
Per: _____
Name: _____
Title: _____

I/We have the authority to bind
the Corporation

[Attach Schedules "A" (Landlord's Work), "B" (Tenant's Work), "C" (Floor Plan)]

SCHEDULE "A"**LANDLORD'S WORK**

- Demising Walls
 - Glazed Windows and Entrance on Granville Street
 - Flooring
 - Electrical
1. The landlord covenants and agrees to complete the above work, at the Landlords cost and expense, to the Premises in a good and workman like manor in accordance with local building by-laws and codes.
 2. In addition to the foregoing, the landlord shall ensure that the mechanical, heating, air conditioning, plumbing and electrical equipment in and serving the Premises are in good repair and proper working order as at the date of possession of the leased premises.

SCHEDULE "B"

TENANT'S WORK

- All work required to prepare Premises for its intended use, excluding Schedule "A" Landlord's work

SCHEDULE "C"**FLOOR PLAN**

2

Exhibit Stamp

Hfx No. 539955

This is Exhibit "I2" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

MULTI-TENANT BUILDING LEASE

BETWEEN

Ruby LLP

-and-

Comvest Commercial Real Estate Inc

O/A

Halifax Club Cigar Lounge

Dated January 1, 2016

COX & PALMER
Barristers and Solicitors
Suite 1100, Purdy's Wharf Tower One
1959 Upper Water Street
PO Box 2380 Central
Halifax NS B3J 3E5

Multi-Tenant Building Lease

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THIS LEASE is made as of the 25th day of October, 2013.

BETWEEN:

Ruby LLP

(the "Landlord")

OF THE FIRST PART

-and-

Convest Commercial Real Estate Inc.

(the "Tenant")

OF THE SECOND PART

-and-

N/A.

(the "Indemnifier")

OF THE THIRD PART

WHEREAS the Landlord and the Tenant have agreed to enter into a lease for certain premises as more fully described herein; and

WHEREAS the Indemnifier has agreed to enter into an indemnity agreement in respect of this Lease;

THEREFORE in consideration of the respective covenants and agreements herein, the sum of one dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the Landlord, the Tenant and the Indemnifier agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Lease, unless there is something in the subject matter or context inconsistent therewith, the following terms have the following respective meanings:

- (a) **"Additional Rent"** means the Proportionate Share of Operating Costs, payments on account of Realty Taxes, payments for utilities, and all other amounts, excluding Basic Rent and Rental Taxes, payable by the Tenant in accordance with the terms of this Lease;
- (b) **"Basic Rent"** means the basic rent payable by the Tenant pursuant to Section 4.1;
- (c) **"Capital Taxes"** means any tax or taxes levied against the Landlord and any owner of the Property by any governmental authority having jurisdiction (including, without limitation, the Large Corporations Tax imposed under the *Income Tax Act* (Canada) and the tax imposed under any applicable provincial corporate tax legislation) based on or computed by reference to the paid-up capital or place of business of the Landlord or any owner of the Property or the taxable capital employed in Canada by the Landlord or any owner of the Property as determined for the purposes of such tax or taxes;
- (d) **"Commencement Date"** means January 1st, 2016, as such may be varied pursuant to the terms of this Lease;
- (e) **"Common Areas"** means those areas, facilities, utilities, improvements, equipment and installations within, adjacent to or outside the Property which serve or are for the benefit of the Property, which do not comprise part of the Premises and which, from time to time, are not designated or intended by the Landlord to be for the Landlord's exclusive use, and are not designated or intended by the Landlord to be leased to the Tenant or any other tenants of the Property, and which include all corridors, hallways, lobbies and stairwells, all walkways and sidewalks, all landscaped and planted areas, the roof and exterior walls of the Property, exterior and interior structural elements and walls of the Property, common washrooms, all parking and loading areas and all entrances and exits thereto and all structural elements thereof, all access ways, truck courts, driveways, delivery passages, loading docks and related areas, all electrical, telephone, meter, valve, mechanical, mail, storage, service and janitorial rooms, fire prevention, security and communication systems, and generally all areas forming part of the Property which do not constitute rented or rentable premises;
- (f) **"Deposit"** means the deposit in the amount of \$5,250.00 paid by the Tenant to the Landlord to be held by the Landlord as follows:

- (i) as a Rent Deposit, the sum of \$5,250.00 which shall be applied to Rent and Rental Taxes as they come due in accordance with Section 3.4; and
- (ii) as a Security Deposit, the sum of \$0 which shall be held by the Landlord as a security deposit in accordance with Section 3.4;
- (g) "Event of Default" has the meaning set out in Section 14.1;
- (h) "Expiry Date" means December 31st, 2025, as such may be varied or extended, pursuant to the terms of this Lease;
- (i) "Extension Rights" the rights to extend and renew the Term of this Lease, if any, as set out in Section 15.13;
- (j) "Fixturing Period" means the period commencing upon N/A and ending on the Commencement Date granted to the Tenant for possession prior to the Commencement Date for the purpose of fixturing and improving the Premises;
- (k) "HVAC Equipment" means heating, ventilating and air-conditioning equipment, facilities and installations;
- (l) "Lands" means the lands described in Schedule "B" and all rights and easements which are or may hereafter be appurtenant thereto;
- (m) "Leasehold Improvements" means all fixtures, improvements, installations, alterations and additions from time to time made, erected or installed by or on behalf of the Tenant or any former occupant of the Premises, including doors, hardware, partitions (including moveable partitions) and wall-to-wall carpeting, but excluding trade fixtures and furniture and equipment not in the nature of fixtures;
- (n) "Mortgage" means any mortgage or other security against the Property and/or the Landlord's interest in this Lease, from time to time;
- (o) "Mortgagee" means the holder of any Mortgage from time to time;
- (p) "Normal Business Hours" means such hours as the Landlord reasonably determines from time to time for the operation of business on or from the Property;
- (q) "Operating Costs" means, for any period, the total of all costs and expenses attributable to the maintenance, repair, replacement, administration, management and operation of the Property (including the Common Areas) during such period including, without limiting the generality of the foregoing;

- (i) all charges for utilities and similar services to the Property including, without limiting the generality of the foregoing, water, gas, heat, electrical power or energy, steam or hot water used upon or in respect of the Property and for fittings, machinery, apparatus, meters, or other things leased in respect thereof, and for all work or services performed by any corporation or commission in connection with such public utilities and similar services;
- (ii) all costs incurred by the Landlord in connection with the maintenance, repair, replacement and operation of the Property (including all services, equipment, Common Areas and other fixtures and appurtenances) and every part thereof, and of complying with all applicable laws, directions, rules and regulations of the governmental authorities having jurisdiction and in connection therewith including, without limiting the generality of the foregoing, the cost of providing garbage removal and maintenance services, the cost of heating and cooling and ventilating the Property and the cost of maintaining, repairing and replacing all HVAC Equipment, the cost of window cleaning, and any and all other costs incurred by the Landlord in connection with the maintenance, repair and operation of the Property;
- (iii) depreciation or amortization in an amount determined by the Landlord in accordance with general real estate industry practice on any costs incurred by the Landlord, whether before or after the Commencement Date, which the Landlord has determined to be capital in nature and which the Landlord is depreciating or amortizing in accordance with general real estate industry practice, together with interest on the undepreciated or unamortized capital cost thereof;
- (iv) the cost of providing security, supervision, landscaping, window cleaning, waste collection, disposal and recycling, and snow removal services, and the costs of machinery, supplies, tools, equipment and materials used in connection with such services or any rentals thereof, and the amount of salaries, wages and fringe benefits paid to employees engaged in the maintenance or operation of the Property, and amounts paid to independent contractors for any services in connection with such maintenance or operation;
- (v) the cost of direct supervision and management and indirect expenses, to the extent applicable to the maintenance and operation of the Property, and all expenses of every nature incurred in connection with the management, maintenance and operation of the Common Areas;
- (vi) the cost of insuring the Property in accordance with the terms of this Lease;

- (vii) all costs and expenses (including legal and other professional fees, interest and penalties on deferred payment) incurred in good faith by the Landlord in contesting, resisting or appealing any Realty Taxes;
- (viii) the portion of the Capital Taxes that, in the Landlord's reasonable discretion, is attributable to the Property, as if the Property was the only property of the Landlord and/or any owner of the Premises; and
- (ix) an administrative fee not greater than fifteen percent (15%) of the aggregate of all Operating Costs;

provided that Operating Costs shall exclude:

1. all such costs determined by separate metering or assessment, or otherwise incurred for the exclusive benefit of the premises leased by the Tenant or any other tenant of the Property and billed to and paid for directly by the Tenant or such other tenant, including charges to tenants for above-normal utilization of utilities;
 2. the cost to the Landlord of debt service in connection with any Mortgage;
 3. taxes on the income of the Landlord; and
 4. the cost of improvements to particular premises intended for leasing and real estate, or other commissions relating to leasing premises within the Property.
- (r) "Permitted Use" means the use of the Premises for the purpose of operating as a Meeting Space;
 - (s) "Premises" means that portion of the Property illustrated in Schedule "C" and, subject to Section 2.2, having a Rentable Area of 2,100 square feet, more or less, and all rights and easements appurtenant thereto, more specifically the second level Granville Street side of 1682 Hollis Street, Halifax;
 - (t) "Property" means the project which is comprised of the Lands together with the improvements, buildings, fixtures and equipment (whether chattels or fixtures) on such Lands (but not including tenants' fixtures, improvements or chattels) from time to time;
 - (u) "Proportionate Share" means the fraction which has as its numerator the Rentable Area of the Premises and has as its denominator the total Rentable Area of the Property, whether rented or not;

- (v) **"Realty Taxes"** means all real property taxes, rates, duties and assessments (including local improvement rates), impost charges or levies, whether general or special, that are levied, charged or assessed from time to time by any lawful authority, whether federal, provincial, municipal, school or otherwise, and any taxes payable by the Landlord which are imposed in lieu of, or in addition to, any such real property taxes, whether of the foregoing character or not, and whether or not in existence at the commencement of the Term, and any such real property taxes levied or assessed against the Landlord on account of its ownership of the Property or its interest therein, but specifically excluding any taxes assessed on the income of the Landlord;
- (w) **"Rent"** means all Basic Rent and Additional Rent;
- (x) **"Rentable Area of the Premises"** means the Premises measured to the outside surface of the outer building wall and to the centre line of any interior walls separating the Premises from adjoining premises intended for leasing or separating the Premises from corridors or other parts of the Common Areas in accordance with BOMA standards;
- (y) **"Rentable Area of the Property"** means the aggregate of the rentable area of all premises in the Property that are rented, or designated or intended by the Landlord to be rented (whether actually rented or not), calculated in the same manner as the Rentable Area of the Premises;
- (z) **"Rental Taxes"** means any and all taxes or duties imposed on the Landlord or the Tenant measured by or based in whole or in part on the Rent payable under the Lease, whether existing at the date hereof or hereinafter imposed by any governmental authority, including, without limitation, goods and services tax, value added tax, business transfer tax, retail sales tax, federal sales tax, excise taxes or duties, or any tax similar to any of the foregoing;
- (aa) **"Rules and Regulations"** means the rules and regulations promulgated by the Landlord from time to time pursuant to the terms of this Lease;
- (bb) **"Term"** means the period commencing on the Commencement Date and ending on the Expiry Date and, where the context requires, any renewal, extension or overholding thereof;
- (cc) **"Transfer"** means an assignment of this Lease in whole or in part, a sublease of all or any part of the Premises, any transaction whereby the rights of the Tenant under this Lease or to the Premises are transferred to another person, any transaction by which any right of use or occupancy of all or any part of the Premises is shared with or conferred on any person, any mortgage, charge or encumbrance of this Lease or the Premises or any part thereof, and any transaction or occurrence whatsoever which has changed or will change the

identity of the person having lawful use or occupancy of any part of the Premises;
and

(dd) "Transferee" means any person or entity to whom a Transfer is or is to be made.

1.2 Schedules. The following Schedules form part of this Lease:

Schedule "A" Landlord's Work
Schedule "B" Tenant's Work
Schedule "C" Floor Plan

**ARTICLE 2
DEMISE AND TERM**

2.1 Demise. In consideration of the rents, covenants and agreements hereinafter reserved and contained on the part of the Tenant to be paid, observed and performed, the Landlord demises and leases to the Tenant and the Tenant rents from the Landlord the Premises. Save and except for any Landlord's Work set out in Schedule "A", the Tenant accepts the Premises on an "as is" basis.

2.2 Measurement. The Landlord may arrange for the Rentable Area of the Premises to be measured by its architect, surveyor or other space measurer and, if the area measured is different than that set out in Section 1.1(x), the Rent will be adjusted in accordance with the measured area. The Landlord will advise the Tenant in writing of the area measurement. If the Landlord does not arrange for such measurement, the Rentable Area of the Premises shall be deemed to be the area set out in Section 1.1(x). The Landlord may recalculate the area of the Premises in the same manner whenever required as a result of a rearrangement of partitions or other changed conditions. The Landlord will advise the Tenant in writing of the revised certified area measurement, and the parties agree to be bound thereby.

2.3 Term. The Term shall commence on the Commencement Date and end on the Expiry Date, unless terminated earlier pursuant to the provisions of this Lease.

2.4 Delay in Possession. Should the Tenant be delayed by any fault of the Landlord or any other reason (other than the fault of the Tenant) in taking possession of the Premises at the start of the Fixturing Period or on the Commencement Date (if there is no Fixturing Period), then and only then shall the start of the Fixturing Period (if any), the Commencement Date and the Term be postponed for the same number of days that the Tenant is delayed in taking possession of the Premises. The Tenant acknowledges and agrees that such postponement shall be full settlement for any claims it might have against the Landlord for such delay.

2.5 Overholding. If, at the expiration of the initial Term or any subsequent renewal or extension thereof, the Tenant shall continue to occupy the Premises without further written agreement, there shall be no tacit renewal of this Lease, and the tenancy of the Tenant thereafter shall be from month to month only, and may be terminated by either party on one (6) month's

notice. Rent shall be payable in advance on the first day of each month equal to the sum of one hundred and fifty percent (150%) of the monthly instalment of Basic Rent payable during the last year of the Term and one-twelfth (1/12) of all Additional Rent charges provided for herein, determined in the same manner as if the Lease had been renewed, and all terms and conditions of this Lease shall, so far as applicable, apply to such monthly tenancy.

2.6 Fixturing Period. During any Fixturing Period provided for herein all terms and conditions of this Lease shall apply, except the Tenant shall not be responsible for the payment of Basic Rent. The Tenant shall have access to the Premises at all reasonable times immediately following execution of the Lease for the purpose of constructing its Leasehold improvements. The Tenant shall be granted a period of Forty Five (45) days to complete the Tenant's work. The Fixturing period shall commence upon completion of the Landlord's work.

2.7 Parking. There is no parking included in this Lease.

ARTICLE 3 RENT

3.1 Covenant to Pay Rent and Acknowledgement of Semi-Gross Lease. The Tenant covenants to pay Rent as provided in this Lease. It is the intention of the parties that the Rent provided to be paid shall be semi-gross to the Landlord and include costs and charges arising from or relating to the Premises; property tax, building insurance, management fees, snow removal, oil fired heat, water and other common area building expenses and that the Tenant shall pay occupancy taxes, utilities used on Premises and insurance as set out in the manner hereinafter provided, and the Tenant covenants with the Landlord accordingly.

3.2 Rental Taxes. The Tenant will pay to the Landlord the Rental Taxes assessed on: (a) the Rent; (b) the Landlord; and/or (c) the Tenant pursuant to the laws, rules and regulations governing the administration of the Rental Taxes by the authority having jurisdiction, and as such may be amended from time to time during the Term of this Lease or any extension thereof. The Rental Taxes shall not be deemed to be Additional Rent under this Lease, but may be recovered by the Landlord as though they were Additional Rent.

3.3 Payment Method. The Landlord may at any time, and from time to time, require the Tenant to provide to the Landlord either: (a) a series of monthly postdated cheques, each cheque in the amount of the monthly instalment of Rent; or (b) authorization and documentation required to automatically debit the Tenant's bank account for such amounts. In the event of any change in the estimates of Additional Rent, the Landlord may require a new series of monthly postdated cheques or new documentation (as applicable).

3.4 Deposit. The portion of such Deposit that is referred to as a "Rent Deposit" in Section 1.1(f) shall be applied to Rent and Rental Taxes during the last month of the Term of this Lease. The portion of the Deposit that is referred to as a "Security Deposit" in Section 1.1(f) shall be held by the Landlord as security for the due performance by the Tenant of its obligations under this Lease and may be applied, in the Landlord's discretion, to remedy any default by the Tenant. If the Landlord draws moneys from the Deposit for the purpose of remedying any default of the

Tenant, the Tenant shall, at the request of the Landlord, pay forthwith to the Landlord the amount of money required to replace the moneys so drawn by the Landlord.

Should the Tenant default on payment of Rents or not complete the Term of this Lease the Security Deposit and any interest accrued therein, shall become the property of the Landlord. No credit shall be given towards Rents due or other outstanding obligations of the Tenant.

3.5 Rent Past Due. If the Tenant fails to pay any Rent when the same is due and payable, such unpaid amount shall bear interest at the rate of eighteen percent (18%) per annum (calculated monthly at the rate of one and one-half percent (1.5%)) and such interest shall be calculated from the time such Rent becomes due until paid by the Tenant.

3.6 Partial Periods. If the Term commences on any day other than the first day of the month or ends on any day other than the last day of the month, Rent for the fractions of a month at the commencement and at the end of the Term shall be calculated on a *pro rata* basis and shall be payable on the first day of the partial month.

ARTICLE 4 BASIC RENT

4.1 Basic Rent. The Tenant covenants and agrees to pay, from and after the Commencement Date, to the Landlord at the office of the Landlord, or to such other person or at such other location as the Landlord shall direct by notice in writing, in lawful money of Canada, without any prior demand therefor and without any deduction, abatement or set-off whatsoever as annual Basic Rent, the amounts set out in this Section 4.1 payable in equal monthly instalments in advance in the amounts set out in this Section 4.1, plus goods and services tax (GST), harmonized sales tax (HST) and any other applicable federal, provincial or municipal taxes, on the first day of each and every month during the Term. Basic Rent to be adjusted for the annual CPI percentage change on each year's anniversary date

Period	Per Sq. Ft./Year	Per Year	Per Month
01/01/2016 to 12/31/2025	\$30.00	\$63,000	\$5,250.00

ARTICLE 5 ADDITIONAL RENT

5.1 Additional Rent. In addition to the Basic Rent reserved in favour of the Landlord, the Tenant shall, throughout the Term, pay to the Landlord in lawful money of Canada, without any deduction, abatement or set-off whatsoever, as Additional Rent, the following costs incurred and attributable to the entire Rentable Area of the Premises:

5.2 Payments Constitute Rent. All of the payments set out in this Lease (other than Rental Taxes) which are required to be made by the Tenant shall constitute Basic Rent or Additional Rent, and shall be deemed to be and shall be paid as rent, whether or not paid and whether or not any such payments are payable to the Landlord or otherwise, and whether or not as compensation to the Landlord for expenses to which it has been put. The Landlord has all the rights against the Tenant for default in payment of Additional Rent that it has against the Tenant for default in payment of Basic Rent.

5.3 Realty Taxes. The Tenant shall pay to the Landlord, as Additional Rent, all Realty Taxes levied, rated, charged or assessed throughout the Term, on or in relation to the Property and the Premises, or any part thereof, in accordance with the following:

5.4 Business and Other Taxes. In each and every year during the Term, the Tenant shall pay as Additional Rent, discharge within fifteen (15) days after they become due, and indemnify the Landlord from and against payment of, and any interest or penalty in respect of, the following:

- (a) every tax, licence fee, rate, duty and assessment of every kind with respect to any business carried on by the Tenant in the Premises or by any subtenant, licensee, concessionaire or franchisee or anyone else, or in respect of the use or occupancy of the Premises by the Tenant, its subtenants, licensees, concessionaires or franchisees, or anyone else (other than such taxes as income, profits or similar taxes assessed on the income of the Landlord); and
- (b) all Realty Taxes in respect of tenant's fixtures, Leasehold Improvements, equipment or facilities on or about the Premises, and any Realty Taxes occurring as a result of any reason peculiar to the Tenant.

5.5 Operating Costs. Are to be included in the Semi-Gross rental rate. Except as outlined in this Lease:

ARTICLE 6 UTILITIES AND HVAC

6.1 Payment for Utilities and Services. The Tenant shall pay promptly when due all charges, costs, accounts and any other sums payable by reason of the supply of the utilities and services to the Premises including, without limiting the generality of the foregoing, gas, electricity, telephone, premises upkeep and maintenance. The Tenant at its option may, and on request of the Landlord shall, install a separate meter to measure consumption of any utilities and services. If separate meters have been or shall be installed, the Tenant shall contract with and pay the supplier directly. The Tenant shall immediately advise the Landlord of any installations, appliances or machines used by the Tenant which consume or are likely to consume large

amounts of electricity or other utilities and, on request, shall promptly provide the Landlord with a list of all installations, appliances and machines used in the Premises.

6.2 Above-Normal Utilization. If there are special circumstances within the Premises causing utilization of any utilities or services in excess of that reasonably expected for the use of the Premises (including, without limitation, requirements outside of Normal Business Hours), the Landlord may, in its sole discretion, designate a professional engineer or other consultant to review such above-normal utilization and determine the extent thereof and, on such determination and delivery of a copy of the engineer's or consultant's report to the Tenant, the Landlord may, if such report so indicates, increase the Tenant's payments on account of such Additional Rent by an amount equal to such above-normal utilization as long as such utilization shall continue. The Tenant shall pay to the Landlord, as long as such utilization shall continue, the amount determined by the Landlord, in its sole opinion and in accordance with the engineer's or consultant's report, to be attributable to such above-normal utilization. The Tenant shall also pay to the Landlord, as Additional Rent, any extra insurance costs resulting from such above-normal utilization.

6.3 Additional Utilities. The Tenant shall make arrangements, at its own cost and expense, directly with the utility or service supplier in respect of any utilities and services not supplied by the Landlord. The Tenant, at its own cost and expense, shall procure each and every permit, licence or other authorization required, and shall comply with the provisions of Article 9 of this Lease pertaining to any work required in respect of such additional utilities and services.

6.4 No Overloading. The Tenant will not install any equipment which would exceed or overload the capacity of the utility facilities in the Premises or the electrical wiring and service in the Property, and agrees that if any equipment installed by the Tenant shall require additional utility facilities, such facilities shall be installed, if available, and subject to the Landlord's prior written approval thereof (which approval may not be unreasonably withheld), at the Tenant's sole cost and expense in accordance with plans and specifications to be approved in advance by the Landlord, in writing.

6.5 No Liability. In no event shall the Landlord be liable for any injury to the Tenant, its employees, agents or invitees, or to the Premises, or to any property of the Tenant or anyone else, for any loss of profits or business interruption, indirect or consequential damages, or for any other costs, losses or damages of whatsoever kind arising from any interruption or failure in the supply of any utility or service to the Premises.

6.6 HVAC. The Tenant shall, throughout the Term, operate, maintain, and regulate the HVAC Equipment within and exclusively serving the Premises in such a manner as to maintain reasonable conditions of temperature and humidity within the Premises and so as to maintain the HVAC Equipment in a good and working order.

ARTICLE 7 CONTROL AND OPERATION BY LANDLORD

7.1 Property Operation and Repair. The Landlord shall operate, maintain and repair the Property, any HVAC Equipment serving the entire building containing the Premises that is not the Tenant's responsibility under Section 6.6 and any other service facilities not within or exclusively serving the Premises, to the extent required to keep the Property, equipment and facilities in a state of good repair and maintenance in accordance with normal property management standards for a similar building in the vicinity. For greater certainty:

- (a) the Landlord's obligations shall not extend to any matters that are the responsibility of the Tenant herein; and
- (b) the Landlord shall promptly make all repairs to the structural components of the Property including, without limitation, the roof (including the roof membrane), interior concrete slab floors and exterior walls.

7.2 Common Areas and Property. The Tenant shall have the right of non-exclusive use, in common with others entitled thereto, for their proper and intended purposes of those portions of the Common Areas intended for common use by tenants of the Property, provided that such use by the Tenant shall always be subject to such reasonable Rules and Regulations as the Landlord may from time to time determine. At times other than during Normal Business Hours, the Tenant and the employees of the Tenant and persons lawfully requiring communication with the Tenant shall have access to the Property only in accordance with the Rules and Regulations and other security requirements of the Landlord. The Common Areas shall at all times be subject to the exclusive management and control of the Landlord. The Landlord reserves the right to lease parts of the Common Areas from time to time, to alter the layout or configuration of and/or reduce or enlarge the size of the Common Areas and/or the Rentable Area of the Property, to cease to treat as part of the Property any buildings or lands now forming part of the Property and/or to add additional lands or buildings to the Property, and to make other changes to the Property as the Landlord shall from time to time reasonably determine.

7.3 Rules and Regulations. The Tenant and its employees and all persons visiting or doing business with it on the Premises shall be bound by and shall observe the Rules and Regulations attached to this Lease as Schedule "C", and any further and other reasonable Rules and Regulations made hereafter by the Landlord of which notice in writing shall be given to the Tenant, which are of general application to all tenants of the Property. All such Rules and Regulations shall be deemed to be incorporated into and form part of this Lease.

ARTICLE 8 USE OF PREMISES

8.1 Use of the Premises. The Tenant acknowledges that the Premises will be used solely for the Permitted Use as set out in Section 1.1(f), and for no other purpose.

8.2 Observance of Law. The Tenant shall, at its own expense, comply with all laws, by-laws, ordinances, regulations and directives of any public authority having jurisdiction affecting the Premises or the use or occupation thereof including, without limitation, police, fire and health regulations and requirements of the fire insurance underwriters. Without limiting the generality of the foregoing:

- (a) where, during the Term, the Tenant has, through its use or occupancy of the Premises, caused or permitted a release of a contaminant at, from or to the Premises, the Tenant shall immediately clean up such contaminant from the Premises, and any affected areas, at the Tenant's expense; and
- (b) on the termination of the Lease for any reason, the Tenant shall remove, at its expense, any contaminant or contamination which, through the Tenant's use or occupancy of the Premises, it has brought to or created at the Property.

8.3 General Indemnity by Tenant. The Tenant shall be liable for and shall indemnify and save harmless the Landlord and its officers, employees and agents from all liabilities, fines, suits, claims, demands and actions, of any kind and nature for which the Landlord or its officers, employees or agents shall or may become liable or suffer by reason of any breach, violation or non-performance by the Tenant of any covenant, term or provision hereof or by reason of any death or injury of any person or any damage or destruction of any property resulting from any act, neglect or default on the part of the Tenant or any of its servants, employees, agents, invitees or licensees whatsoever. Such indemnification in respect of any such breach, violation or non-performance, damage to property, injury or death, occurring during the Term of this Lease shall survive the termination of this Lease, anything in this Lease to the contrary notwithstanding.

8.4 Environmental Indemnity. Without limiting the generality of the obligations of the Tenant as set out elsewhere in this Lease, the Landlord and Tenant agree that the Tenant is subject to the obligations of the Tenant set out in this Article (the "Environmental Obligations"). In this Article:

- (a) "Hazardous Substance" means any product of waste, contaminant, pollutant, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, hazardous waste, flammable, explosive, or radioactive material, chlorofluorocarbons (CFC's), radon gas, urea formaldehyde foam insulation, asbestos, PCBs, gasoline, fuel oil, and any other substances or materials, and includes any Container (as hereinafter defined), declared or defined, at any time and from time to time, to be or to potentially be hazardous, toxic, contaminants or pollutants in or pursuant to any applicable federal, provincial, municipal or quasi-governmental law, statute, regulation, order, by-law or requirement in force from time to time (collectively, in this Article, "Legislation") including, without limitation, environmental, land use, building, occupational, or health and safety Legislation, Legislation in respect to demolition of buildings, excavation of soil, building materials and component fixtures and fittings, and storage and disposal of waste or effluent, and Legislation with respect to the maintenance, conversion and replacement of Containers; and

- (b) "Container" means any equipment, plant, pump, tank, container, receptacle, and any manner, method or procedure, which generates, manufactures, refines, treats, transports, stores, contains, uses, handles, disposes of, transfers, produces or processes Hazardous Substances; and
- (c) "Remove" means to remove any Hazardous Substance from all or part of the Premises and includes, without limitation, the removal, cleanup, treatment, transportation, storing, containment, handling, disposal, transfer and/or processing thereof, and "Removed" and "Removals" have similar meanings.

The Tenant shall not use or permit or suffer the use, directly or indirectly, of all or part of the Premises for any acts or omissions ("Activities") that are not in compliance with all Legislation and permits granted thereunder. It shall be the responsibility of the Tenant to obtain all permits necessary for the use of Hazardous Substances on the Premises.

The Tenant shall:

- (i) ensure that all construction work which is the responsibility of the Tenant under this Lease will comply with all Legislation and without limiting the generality thereof will ensure that anyone working with Hazardous Substances is, where necessary, duly qualified, accredited and registered with all bodies having jurisdiction thereover; and
- (ii) ensure that all construction work which is the responsibility of the Tenant under this Lease, will comply with all Legislation; and
- (iii) remove at its sole cost and risk any Hazardous Substances not stored in a Container kept in accordance with all Legislation. If any such Hazardous Substance is not Removed forthwith by the Tenant the Landlord shall be entitled but shall not be obligated, to Remove same on the Tenant's behalf and the Tenant shall reimburse the Landlord for the cost thereof together with administrative costs equal to fifteen (15%) percent of such costs to the Landlord. The Tenant shall also notify the Landlord if the Tenant receives notice of any violation or alleged violation of any Legislation or that any administrative order is made or is proposed to be made against the Tenant or the Landlord or in respect of any part of the Premises or the building in which the Premises are located with respect to any Hazardous Substance and otherwise ensure that the entire premises comply with all Legislation with respect to Hazardous Substances.

In the event of a violation of Legislation or a release of a Hazardous Substance on or from the Premises, or of the discovery of an environmental condition requiring response which violation, release, or condition is in any way attributable to the negligence, wilful misconduct, or illegal action of the Tenant, its agents, employees, or invitees, the Landlord shall have the right to enter the Premises, to supervise and approve any actions taken by the Tenant to address the violation,

release, or environmental condition; and in the event the Tenant fails to fully and properly address such violation, release, or environmental condition, the Landlord may perform, at the Tenant's expense and without unreasonable interference with the Tenant's business activity, any lawful actions necessary to address the violation, release, or environmental condition.

The Tenant shall indemnify the Landlord and its officers, directors, employees and agents and save it and them harmless from and against any and all claims, demands and losses in connection with loss of life, personal injury, damage to property or any other loss or injury whatsoever (collectively, the "Losses"), arising from or out of any occurrence in, on, or over the Premises (including the occupancy and use by the Tenant of the Premises, or any part thereof, except as hereinafter provided) caused or arising, directly or indirectly, in whole or in part, by any acts or omissions permitted or done by the Tenant or by anyone permitted to be on the Premises by the Tenant, (and without limiting the generality thereof any contractors retained, either expressly or impliedly by Tenant or on behalf of the Tenant) including, without limitation, Losses related to Hazardous Substances. If the Landlord shall be made a party to any proceeding commenced by or against the Tenant, the Tenant shall protect, indemnify and hold harmless the Landlord and shall pay all costs, expenses and professional fees (on a solicitor and client basis) incurred or paid by the Landlord in connection with such proceeding. The Tenant shall also pay all such costs, expenses and professional fees that may be incurred or paid by the Landlord in interpreting, amending or enforcing the terms, covenants and conditions in this Article, unless a court shall decide otherwise.

The provisions set out in this Clause shall survive the expiration or earlier termination of the Term of this Lease.

8.5 Representations and Warranties of Landlord. The Landlord represents, warrants and covenants to the Tenant as follows:

- (a) the Premises are in compliance with all laws, by-laws, orders, ordinances, rulings, regulations, certificates, approvals, consents and directives of any applicable federal, provincial or municipal government, governmental department, agency or regulatory authority or any court of competent jurisdiction relating to: (i) pollution or the protection of human health or the environment; (ii) dealing with filings, registrations, emissions, discharges, spills, releases or threatened releases of Hazardous Substances or materials containing Hazardous Substances; and/or (iii) regulating the import, storage, distribution, labelling, sale, use, handling, transport or disposal of a Hazardous Substance (collectively "Environmental Laws") and does not contain any hazardous waste, asbestos, PCBs or underground storage tanks or any other Hazardous Substances, other than in compliance with all Environmental Laws;

- (b) there are no outstanding governmental orders, notices of violation, deficiencies notices or outstanding files with respect to Environmental Laws affecting the Premises;
- (c) the Premises are not located on land that is a former waste disposal site or landfill site;
- (d) the Landlord has delivered to the Tenant copies of all existing environmental reports, studies, tests and assessments relating to the Premises that are in the Landlord's possession or control;
- (e) the Landlord will comply with all applicable Environmental Laws in respect of its ownership, operation and management of the Premises;
- (f) the Landlord has not given, nor does it have any obligation to give, nor has it received, any notice or claim or communication regarding any past, present or planned storage, disposal, presence, release or spill of any contaminant that, in the Landlord's judgment, did or will affect the Premises; and
- (g) the Landlord will give notice to the Tenant of any spills or illegal discharges of a contaminant if, in the Landlord's judgment, the Tenant is or will be affected.

8.6 Waste, Nuisance, Overloading. The Tenant shall not do or suffer any waste, damage, disfiguration or injury to the Premises, nor permit or suffer any overloading of the floors, roof deck, walls or any other part of the Property, and shall not use or permit to be used any part of the Premises for any illegal or unlawful purpose or any dangerous, noxious or offensive trade or business, and shall not cause or permit any nuisance in, at or on the Premises.

ARTICLE 9

MAINTENANCE, REPAIRS AND ALTERATIONS OF PREMISES

9.1 Maintenance, Repair and Cleaning of Premises. Except as set out in this Article 9, the Tenant shall, at its own expense and cost, operate, maintain and keep in good and substantial repair, order and condition the Premises and all parts thereof (including, without limitation, all plumbing, drains, electrical and other utility services within or exclusively serving the Premises), save and except repairs required to be made by the Landlord pursuant to Section 7.1. All repairs shall be in all respects equal in quality and workmanship to the original work and materials in the Premises and shall meet the requirements of all authorities having jurisdiction and the insurance underwriters.

9.2 Inspection and Repair on Notice. The Landlord, its servants, agents and contractors shall be entitled to enter upon the Premises at any time without notice for the purpose of making emergency repairs, and during Normal Business Hours on reasonable prior written notice, for the purpose of inspecting and making repairs, alterations or improvements to the Premises or to the Property, or for the purpose of having access to the under floor ducts, or to the access panels to

mechanical shafts (which the Tenant agrees not to obstruct). The Tenant shall not be entitled to compensation for any inconvenience, nuisance or discomfort occasioned thereby. The Landlord, its servants, agents and contractors may at any time, and from time to time, on reasonable prior written notice, enter upon the Premises to remove any article or remedy any condition which, in the opinion of the Landlord, would likely lead to the cancellation of any policy of insurance. The Landlord shall take reasonable precautions and attempt to schedule such work so as not to unreasonably interfere with the operation of the Tenant's business and to minimize interference with the Tenant's use and enjoyment of the Premises. The Tenant shall promptly effect all repairs necessitated by the Tenant's negligence or wilful misconduct or the negligence or wilful misconduct of the Tenant's agents, servants, contractors, invitees, employees or others for whom the Tenant is in law responsible.

9.3 Repair where Tenant at Fault. If the Property, including the Premises, or any furnaces, boilers, engines, controls, pipes and other apparatus used for the purpose of heating or air-conditioning the Property, the water and drainage pipes, the electric lighting, any other equipment or the roof or outside walls of the Property are put in a state of disrepair or are damaged or destroyed through the negligence, carelessness or misuse of the Tenant, its servants, agents, employees or anyone permitted by it to be in the Property, the expense of the necessary repairs, replacements or alterations shall be borne by the Tenant and paid to the Landlord forthwith on demand.

9.4 Alterations. The Tenant will not make or erect in or to the Premises any installations, alterations, additions or partitions without first submitting drawings and specifications to the Landlord and obtaining the Landlord's prior written consent, which the Landlord shall not unreasonably withhold. The Tenant must further obtain the Landlord's prior written consent to any change or changes in such drawings and specifications. The Tenant will pay to the Landlord the Landlord's reasonable out-of-pocket costs of having its architects approve such drawings and specifications and any changes. Such work shall be performed by qualified contractors engaged by the Tenant (and approved by the Landlord), but in each case only under a written contract approved in writing by the Landlord and subject to all reasonable conditions which the Landlord may impose, provided nevertheless that the Landlord may, at its option, require that the Landlord's contractors be engaged for any structural, mechanical or electrical work. Any changes to the lighting undertaken by the Tenant as part of an approved alteration must result in energy efficient lighting compatible with the Property standard. Without limiting the generality of the foregoing, any work performed by or for the Tenant shall be performed by competent workers whose labour union affiliations are not incompatible with those of any workers who may be employed in the Property by the Landlord, its contractors or subcontractors. The Tenant shall submit to the Landlord's reasonable supervision over construction and promptly pay to the Landlord's or the Tenant's contractors, as the case may be, when due, the cost of all such work and of all materials, labour and services involved therein and of all decoration and all changes to the Property, its equipment or services, necessitated thereby.

9.5 Signs. The Tenant shall not paint, display, inscribe, place or affix any sign, picture, advertisement, notice, lettering or direction on any part of the outside of the Property or that is visible from the outside of the Property without the prior consent of the Landlord, not to be unreasonably withheld. The Landlord may prescribe a uniform pattern of identification signs for tenants.

9.6 Construction Liens. If any construction or other lien or order for the payment of money shall be filed against the Property by reason of or arising out of any labour or material furnished to the Tenant or to anyone claiming through the Tenant, the Tenant, within five (5) days after receipt of notice of the filing thereof, shall cause the same to be discharged by bonding, deposit, payment, court order or otherwise. The Tenant shall defend all suits to enforce such liens, or orders, against the Tenant, at the Tenant's sole expense. The Tenant indemnifies the Landlord against any expense or damage incurred as a result of such liens or orders.

9.7 Removal of Improvements and Fixtures. All Leasehold Improvements shall immediately on their placement become the Landlord's property, without compensation to the Tenant. Except as otherwise agreed by the Landlord in writing, no Leasehold Improvements or trade fixtures shall be removed from the Premises by the Tenant, either during or on the expiry or earlier termination of the Term except that:

- (a) the Tenant may, during the Term, in the usual course of its business, remove its trade fixtures, provided that the Tenant is not in default under this Lease, and at the end of the Term, the Tenant shall remove its trade fixtures; and
- (b) the Tenant shall, at its sole cost, remove such of the Leasehold Improvements as the Landlord shall require to be removed, such removal to be completed on or before the end of the Term.

9.8 Repair of Damage. The Tenant shall, at its own expense, repair any damage caused to the Property by the Leasehold Improvements or trade fixtures or the removal thereof. In the event that the Tenant fails to remove its trade fixtures prior to the expiry or earlier termination of the Term, such trade fixtures shall, at the option of the Landlord, become the property of the Landlord and may be removed from the Premises and sold or disposed of by the Landlord in such manner as it deems advisable. For greater certainty, the Tenant's trade fixtures shall not include any HVAC Equipment serving the Premises or light fixtures. Notwithstanding anything in this Lease, the Landlord shall be under no obligation to repair or maintain the Tenant's installations.

9.9 Surrender of Premises. At the expiration or earlier termination of this Lease, the Tenant shall peaceably surrender and give up to the Landlord vacant possession of the Premises in the same condition and state of repair as the Tenant is required to maintain the Premises throughout the Term and in accordance with its obligations in Section 9.7.

ARTICLE 10 INSURANCE AND INDEMNITY

10.1 Tenant's Insurance.

(1) The Tenant shall, at its sole cost and expense, take out and maintain in full force and effect, at all times throughout the Term, the following insurance:

- (a) "All Risks" insurance on property of every description and kind owned by the Tenant, or for which the Tenant is legally liable, or which is installed by or on behalf of the Tenant, within the Premises or on the Property, including, without limitation, stock-in-trade, furniture, equipment, partitions, trade fixtures and Leasehold Improvements, in an amount not less than the full replacement cost thereof from time to time;
- (b) general liability and property damage insurance, including personal liability, contractual liability, tenants' legal liability, non-owned automobile liability, and owners' and contractors' protective insurance coverage with respect to the Premises and the Common Areas, which coverage shall include the business operations conducted by the Tenant and any other person on the Premises. Such policies shall be written on a comprehensive basis with coverage for any one occurrence or claim of not less than five million dollars (\$5,000,000) or such higher limits as the Landlord may reasonably require from time to time;
- (c) when applicable, broad form comprehensive boiler and machinery insurance on a blanket repair and replacement basis, with limits for each accident in an amount not less than the full replacement costs of the property, with respect to all boilers and machinery owned or operated by the Tenant or by others (other than the Landlord) on behalf of the Tenant in the Premises or relating to or serving the Premises;
- (d) business interruption insurance in an amount sufficient to cover the Tenant's Rent for a period of not less than twelve (12) months;
- (e) plate glass insurance with respect to all glass windows and glass doors in or on the Premises for the full replacement value thereof; and
- (f) such other forms of insurance as may be reasonably required by the Landlord and any Mortgagee from time to time.

(2) All such insurance shall be with insurers and shall be on such terms and conditions as the Landlord reasonably approves. The insurance described in Sections 10.1(a) and 10.1(c) shall name as loss payee the Landlord and anyone else with an interest in the Premises from time to time designated in writing by the Landlord, and shall provide that any proceeds recoverable in the event of damage to Leasehold Improvements shall be payable to the Landlord. The insurance described in Sections 10.1(b) and 10.1(d) shall name as an additional insured the Landlord and anyone else with an interest in the Property from time to time designated in writing by the Landlord. The Landlord agrees to make available such proceeds toward repair or replacement of the insured property if this Lease is not terminated pursuant to the terms of this Lease. All public liability insurance shall contain a provision for cross-liability or severability of interest as between the Landlord and the Tenant.

(3) All of the foregoing property policies shall contain a waiver of any right of subrogation or recourse by the Tenant's insurers against the Landlord or the Landlord's mortgagees, their

contractors, agents and employees, whether or not any loss is caused by the act, omission or negligence of the Landlord, its mortgagees, their contractors, agents or employees. The Tenant shall obtain from the insurers under such policies undertakings to notify the Landlord in writing at least thirty (30) days prior to any cancellation thereof. The Tenant shall furnish to the Landlord on written request, certificates of all such policies. The Tenant agrees that if it fails to take out or to keep in force such insurance or if it fails to provide a certificate of every policy and evidence of continuation of coverage as herein provided, the Landlord shall have the right to take out such insurance and pay the premium therefor and, in such event, the Tenant shall pay to the Landlord the amount paid as premium plus fifteen percent (15%), which payment shall be deemed to be Additional Rent payable on the first day of the next month following payment by the Landlord.

10.2 Landlord's Insurance. The Landlord shall provide and maintain insurance on the whole of the Property against loss, damage or destruction caused by fire and extended perils under a standard extended form of fire insurance policy in such amounts and on such terms and conditions as would be carried by a prudent owner of a similar building, having regard to the size, age and location of the Property. The amount of insurance to be obtained shall be determined at the sole discretion of the Landlord. The Landlord may maintain such other insurance in respect of the Property and its operation and management as the Landlord determines, acting reasonably. The Tenant shall not be an insured under the policies with respect to the Landlord's insurance, nor shall it be deemed to have any insurable interest in the property covered by such policies, or any other right or interest in such policies or their proceeds.

10.3 Increase of Landlord Premiums. If the occupancy of the Premises, the conduct of business in the Premises, or any acts or omissions of the Tenant in the Property or any part thereof causes or results in any increase in premiums for the insurance carried from time to time by the Landlord with respect to the Property, the Tenant shall pay any such increase in premiums as Additional Rent forthwith after invoices for such additional premiums are rendered by the Landlord. In determining whether increased premiums are caused by or result from the use and occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Property showing the various components of such rate shall be conclusive evidence of the several items and charges which make up such rate. The Tenant shall comply promptly with all requirements and recommendations of the Insurer's Advisory Organization of Canada (or any successor thereof), or of any insurer now or hereafter in effect, pertaining to or affecting the Premises.

10.4 Tenant Indemnity. The Tenant will indemnify the Landlord and save it harmless from any and all losses or claims, actions, demands, liabilities and expenses in connection with loss of life, personal injury and/or damage to or loss of property: (a) arising out of any occurrence in or about the Premises; (b) occasioned or caused wholly or in part by any act or omission of the Tenant or anyone for whom it is in law responsible; or (c) arising from any breach by the Tenant of any provision of this Lease.

10.5 Mutual Release.

(1) Each of the Landlord and the Tenant releases the other and waives all claims against the other and those for whom the other is in law responsible with respect to occurrences insured against or required to be insured against by the releasing party, whether any such claims arise as a result of the negligence or otherwise of the other or those for whom it is in law responsible, subject to the following:

- (a) such release and waiver shall be effective only to the extent of proceeds of insurance received by the releasing party or proceeds which would have been received if the releasing party had obtained all insurance required to be obtained by it under this Lease (whichever is greater) and, for this purpose, deductible amounts shall be deemed to be proceeds of insurance received (subject to the right of the Landlord to include such deductible amounts in Operating Costs); and
- (b) to the extent that both parties have insurance or are required to have insurance for any occurrence, the Tenant's insurance shall be primary.

(2) Notwithstanding the foregoing or anything else herein contained, in no event, whether or not the result of the wilful act or the negligence of the Landlord, its agents, officers, employees or others for whom it is legally responsible, and irrespective of any insurance that may or may not be carried or required to be carried, shall the Landlord be liable for:

- (a) damage to property of the Tenant or others located on the Premises;
- (b) any injury or damage to persons or property resulting from fire, explosion, steam, water, rain, snow or gas which may leak into or issue or flow from any part of the Property or from the water, steam or drainage pipes or plumbing works of the Property or from any other place or quarter;
- (c) any damage caused by or attributable to the condition or arrangement of any electrical or other wiring;
- (d) any damage caused by anything done or omitted to be done by any other tenant of the Property; or
- (e) any indirect or consequential damages suffered by the Tenant.

ARTICLE 11 ASSIGNMENT AND SUBLETTING

11.1 Assignment, Subletting. The Tenant shall not effect any Transfer without the prior written consent of the Landlord, which shall not be unreasonably withheld. No consent to any Transfer shall relieve the Tenant from its obligation to pay Rent and to perform all of the covenants, terms and conditions herein contained. In the event of a Transfer, the Landlord may collect Rent or sums on account of Rent from the Transferee and apply the net amount collected

to the Rent payable hereunder, but no such Transfer or collection or acceptance of the Transferee as tenant, shall be deemed to be a waiver of this covenant.

11.2 Landlord's Consent. If the Tenant desires to effect a Transfer, then and so often as such event shall occur, the Tenant shall make its request to the Landlord in writing. The Tenant's request shall contain the information required by Section 11.3 of this Lease, and the Landlord shall, within fourteen (14) days after receipt of such request, notify the Tenant in writing either that: (a) the Landlord consents or does not consent, as the case may be; or (b) the Landlord elects to cancel and terminate this Lease if the request is to assign the Lease or to sublet or otherwise transfer all of the Premises or, if the request is to sublet or otherwise transfer a portion of the Premises only, to cancel and terminate this Lease with respect to such portion. If the Landlord elects to cancel this Lease as aforesaid and so advises the Tenant in writing, the Tenant shall then notify the Landlord in writing within fifteen (15) days thereafter of the Tenant's intention either to refrain from such Transfer or to accept the cancellation of the Lease (in whole or in part, as the case may be). Failure of the Tenant to deliver notice to the Landlord within such fifteen (15) day period advising of the Tenant's desire to refrain from such Transfer shall be deemed to be an acceptance by the Tenant of the Landlord's cancellation of this Lease (in whole or in part, as the case may be). Any cancellation of this Lease pursuant to this Section 11.2 shall be effective on the later of the date originally proposed by the Tenant as being the effective date of the Transfer and the last day of the month sixty (60) days following the date of the Landlord's notice to cancel this Lease.

11.3 Requests for Consent. Requests by the Tenant for the Landlord's consent to a Transfer shall be in writing and shall be accompanied by the name, address, telephone numbers, business experience, credit and financial information and banking references of the Transferee, and shall include a true copy of the document evidencing the proposed Transfer, and any agreement relating thereto. The Tenant shall also provide such additional information pertaining to the Transferee as the Landlord may reasonably require. The Landlord's consent shall be conditional on the following:

- (a) the Tenant remaining fully liable to pay Rent and to perform all of the covenants, terms and conditions herein contained;
- (b) the Landlord being satisfied, acting reasonably, with the financial ability and good credit rating and standing of the Transferee and the ability of the Transferee to carry on the permitted use;
- (c) the Tenant having regularly and duly paid Rent and performed all the covenants contained in this Lease;
- (d) the Transferee having entered into an agreement with the Landlord agreeing to be bound by all of the terms, covenants and conditions of this Lease;
- (e) the Tenant paying to the Landlord, prior to receiving such consent, an administrative fee and all reasonable legal fees and disbursements incurred by the Landlord in connection with the Transfer; and

- (f) the Tenant paying to the Landlord, as Additional Rent, all excess rent and other profit earned by the Tenant in respect of the Transfer.

11.4 Change of Control. Any transfer or issue by sale, assignment, bequest, inheritance, operation of law, or other disposition, or by subscription, of any part or all of the corporate shares of the Tenant or any other corporation which would result in any change in the effective direct or indirect control of the Tenant, shall be deemed to be a Transfer, and the provisions of this Article 11 shall apply *mutatis mutandis*. The Tenant shall make available to the Landlord or to its lawful representatives such books and records for inspection at all reasonable times in order to ascertain whether there has, in effect, been a change in control. This provision shall not apply if the Tenant is a public company or is controlled by a public company listed on a recognized stock exchange and such change occurs as a result of trading in the shares of a corporation listed on such exchange.

11.5 No Advertising. The Tenant shall not advertise that the whole or any part of the Premises is available for assignment or sublease, and shall not permit any broker or other person to do so unless the text and format of such advertisement is approved in writing by the Landlord. No such advertisement shall contain any reference to the rental rate of the Premises.

11.6 Assignment by Landlord. In the event of the sale or lease by the Landlord of its interest in the Property or any part or parts thereof, and in conjunction therewith the assignment by the Landlord of this Lease or any interest of the Landlord herein, the Landlord shall be relieved of any liability under this Lease in respect of matters arising from and after such assignment.

11.7 Status Certificate. The Tenant shall, on ten (10) days' notice from the Landlord, execute and deliver to the Landlord and/or as the Landlord may direct a statement as prepared by the Landlord in writing certifying the following: (a) that this Lease is unmodified and in full force and effect, or, if modified, stating the modifications and that the same is in full force and effect as modified; (b) the amount of the Basic Rent then being paid; (c) the dates to which Basic Rent, by instalments or otherwise, and Additional Rent and other charges have been paid; (d) whether or not there is any existing default on the part of the Landlord of which the Tenant has notice; and (e) any other information and particulars as the Landlord may reasonably request.

11.8 Subordination and Non-Disturbance. This Lease and all of the rights of the Tenant hereunder are and shall at all times be subject and subordinate to any and all Mortgages and any renewals or extensions thereof, now or hereinafter in force against the Premises. Upon the request of the Landlord, the Tenant shall promptly subordinate this Lease and all its rights hereunder in such form or forms as the Landlord may require to any such Mortgage or Mortgages, and to all advances made or hereinafter to be made on the security thereof and will, if required, attorn to the holder thereof. No subordination by the Tenant shall have the effect of permitting a Mortgagee to disturb the occupation and possession by the Tenant of the Premises or of affecting the rights of the Tenant pursuant to the terms of this Lease, provided that the Tenant performs all of its covenants, agreements and conditions contained in this Lease and contemporaneously executes a document of attornment as required by the Mortgagee.

ARTICLE 12 QUIET ENJOYMENT

12.1 Quiet Enjoyment. The Tenant, on paying the Rent hereby reserved, and performing and observing the covenants and provisions herein required to be performed and observed on its part, shall peaceably enjoy the Premises for the Term.

ARTICLE 13 DAMAGE AND DESTRUCTION

13.1 Damage or Destruction to Premises. If the Premises or any portion thereof are damaged or destroyed by fire or by other casualty, Rent shall abate in proportion to the area of that portion of the Premises which, in the opinion of the Landlord's architect or professional engineer, is thereby rendered unfit for the purposes of the Tenant until the Premises are repaired and rebuilt, and the Landlord shall repair and rebuild the Premises. The Landlord's obligation to repair and rebuild shall not include the obligation to repair and rebuild any chattel, fixture, leasehold improvement, installation, addition or partition in respect of which the Tenant is required to maintain insurance hereunder, or any other property of the Tenant. Rent shall recommence to be payable one (1) day after the Landlord notifies the Tenant that the Tenant may reoccupy the Premises for the purpose of undertaking its work.

13.2 Rights to Termination. Notwithstanding Section 13.1:

- (a) if the Premises or any portion thereof are damaged or destroyed by any cause whatsoever and cannot, in the opinion of the Landlord's architect or professional engineer, be rebuilt within one hundred and twenty (120) days of the damage or destruction, the Landlord may, instead of rebuilding the Premises, terminate this Lease by giving to the Tenant within thirty (30) days after such damage or destruction notice of termination and thereupon rent and other payments hereunder shall be apportioned and paid to the date of such damage or destruction and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord; and
- (b) if the Property shall, at any time, be wholly or partially destroyed or damaged (whether or not the Premises have been affected) to the extent that twenty-five percent (25%) or more of the gross floor area of the Property has become unfit for use, the Landlord may elect, within thirty (30) days from the date of such damage, to terminate this Lease on thirty (30) days' notice to the Tenant, in which event rent shall remain payable until the date of termination (unless it has abated under Section 13.1).

13.3 Certificate Conclusive. Any decisions regarding the extent to which the Premises or any portion of the Property has become unfit for use shall be made by an architect or professional engineer appointed by the Landlord, whose decision shall be final and binding on the parties.

13.4 Insurance Proceeds. Notwithstanding Sections 13.1 and 13.2, in the event of damage or destruction occurring by reason of any cause in respect of which proceeds of insurance are substantially insufficient to pay for the costs of rebuilding the Property or the Premises, or are not payable to or received by the Landlord, or in the event that any mortgagee or other person entitled thereto shall not consent to the payment to the Landlord of the proceeds of any insurance policy for such purpose, or in the event that the Landlord is not able to obtain all necessary governmental approvals and permits to rebuild the Property or the Premises, the Landlord may elect, on written notice to the Tenant, within thirty (30) days of such damage or destruction, to terminate this Lease, and the Tenant shall immediately deliver up vacant possession of the Premises to the Landlord.

13.5 Landlord's Work. In performing any reconstruction or repair, the Landlord may effect changes to the Property and its equipment and systems and minor changes in the location or area of the Premises. The Landlord shall have no obligation to grant to the Tenant any Tenant's allowances to which it may have been entitled at the beginning of the Term, and shall have no obligation to repair any damage to Leasehold Improvements or the Tenant's fixtures.

ARTICLE 14

DEFAULT

14.1 Default and Right to Re-enter. Any of the following constitutes an Event of Default under this Lease:

- (a) any Rent is not paid on the date when it is due;
- (b) the Tenant has breached any of its obligations in this Lease and, if such breach is capable of being remedied and is not otherwise listed in this Section 14.1, after notice in writing from the Landlord to the Tenant:
 - (i) the Tenant fails to remedy such breach within ten (10) days (or such shorter period as may be provided in this Lease); or
 - (ii) if such breach cannot reasonably be remedied within ten (10) days (or such shorter period), the Tenant fails to commence to remedy such breach within ten (10) days of such breach, or thereafter fails to proceed diligently to remedy such breach;
- (c) the Tenant or any Indemnifier becomes bankrupt or insolvent or takes the benefit of any statute for bankrupt or insolvent debtors or makes any proposal, an assignment or arrangement with its creditors, or any steps are taken or proceedings commenced by any person for the dissolution, winding-up or other termination of the Tenant's existence or the liquidation of its assets;
- (d) a trustee, receiver, receiver/manager or a person acting in a similar capacity is appointed with respect to the business or assets of the Tenant or any Indemnifier;

- (e) the Tenant or any Indemnifier makes a sale in bulk of all or a substantial portion of its assets, other than in conjunction with an assignment or sublease approved by the Landlord;
- (f) this Lease or any of the Tenant's assets are taken under a writ of execution and such writ is not stayed or vacated within fifteen (15) days after the date of such taking;
- (g) the Tenant makes an assignment or sublease, other than in compliance with the provisions of this Lease;
- (h) the Tenant abandons or attempts to abandon the Premises or the Premises become vacant or substantially unoccupied for a period of five (5) consecutive days or more without the consent of the Landlord;
- (i) the Tenant moves or commences, attempts or threatens to move its trade fixtures, chattels and equipment out of the Premises; or
- (j) any insurance policy covering any part of the Property is, or is threatened to be, cancelled or adversely changed (including a substantial premium increase) as a result of any action or omission by the Tenant or any person for whom it is legally responsible;

14.2 Default and Remedies. If and whenever an Event of Default occurs, then, without prejudice to any other rights which it has pursuant to this Lease or at law, the Landlord shall have the following rights and remedies, which are cumulative and not alternative:

- (a) to terminate this Lease by notice to the Tenant or to re-enter the Premises and repossess them and, in either case, enjoy them as of its former estate, and to remove all persons and property from the Premises and store such property at the expense and risk of the Tenant or sell or dispose of such property in such manner as the Landlord sees fit without notice to the Tenant. If the Landlord enters the Premises without notice to the Tenant as to whether it is terminating this Lease under this Section 14.2(a) or proceeding under Section 14.2(b) or any other provision of this Lease, the Landlord shall be deemed to be proceeding under Section 14.2(b), and the Lease shall not be terminated, nor shall there be any surrender by operation of law, but the Lease shall remain in full force and effect until the Landlord notifies the Tenant that it has elected to terminate this Lease. No entry by the Landlord during the Term shall have the effect of terminating this Lease without notice to that effect to the Tenant;
- (b) to enter the Premises as agent of the Tenant to do any or all of the following: (i) relet the Premises for whatever length and on such terms as the Landlord, in its discretion, may determine and to receive the rent therefor; (ii) take possession of any property of the Tenant on the Premises, store such property at the expense

and risk of the Tenant, and sell or otherwise dispose of such property in such manner as the Landlord sees fit without notice to the Tenant; (iii) make alterations to the Premises to facilitate their reletting; and (iv) apply the proceeds of any such sale or reletting first, to the payment of any expenses incurred by the Landlord with respect to any such reletting or sale, second, to the payment of any indebtedness of the Tenant to the Landlord other than Rent, and third, to the payment of Rent in arrears, with the residue to be held by the Landlord and applied to payment of future Rent as it becomes due and payable, provided that the Tenant shall remain liable for any deficiency to the Landlord;

- (c) to remedy or attempt to remedy any default of the Tenant under this Lease for the account of the Tenant and to enter upon the Premises for such purposes. No notice of the Landlord's intention to remedy or attempt to remedy such default need be given to the Tenant unless expressly required by this Lease, and the Landlord shall not be liable to the Tenant for any loss, injury or damages caused by acts of the Landlord in remedying or attempting to remedy such default. The Tenant shall pay to the Landlord all expenses incurred by the Landlord in connection therewith;
- (d) to recover from the Tenant all damages, costs and expenses incurred by the Landlord as a result of any default by the Tenant including, if the Landlord terminates this Lease, any deficiency between those amounts which would have been payable by the Tenant for the portion of the Term following such termination and the net amounts actually received by the Landlord during such period of time with respect to the Premises; and
- (e) to recover from the Tenant the full amount of the current month's Rent together with the next three (3) months' instalments of Rent, all of which shall immediately become due and payable as accelerated rent.

14.3 Distress. Notwithstanding any provision of this Lease or any provision of any applicable legislation, none of the goods and chattels of the Tenant on the Premises at any time during the Term shall be exempt from levy by distress for Rent in arrears, and the Tenant waives any such exemption. If the Landlord makes any claim against the goods and chattels of the Tenant by way of distress, this provision may be pleaded as an estoppel against the Tenant in any action brought to test the right of the Landlord to levy such distress.

14.4 Costs. The Tenant shall pay to the Landlord all damages, costs and expenses (including, without limitation, all legal fees on a solicitor-and-client basis) incurred by the Landlord in enforcing the terms of this Lease, or with respect to any matter or thing which is the obligation of the Tenant under this Lease, or in respect of which the Tenant has agreed to insure or to indemnify the Landlord.

14.5 Remedies Cumulative. Notwithstanding any other provision of this Lease, the Landlord may from time to time resort to any or all of the rights and remedies available to it in the event of any default hereunder by the Tenant, either by any provision of this Lease, by statute or common

law, all of which rights and remedies are intended to be cumulative and not alternative. The express provisions contained in this Lease as to certain rights and remedies are not to be interpreted as excluding any other or additional rights and remedies available to the Landlord by statute or common law.

ARTICLE 15 GENERAL

15.1 Entry. Provided that the Tenant has not exercised any option to extend this Lease as provided herein, the Landlord shall be entitled, at any time during the last nine (9) months of the Term:

- (a) without notice to or consent by the Tenant, to place on the exterior of the Premises, the Landlord's usual notice(s) that the Premises are for rent; and
- (b) on reasonable prior notice, to enter upon the Premises during Normal Business Hours for the purpose of exhibiting same to prospective tenants.

The Landlord may enter the Premises at any time during the Term on reasonable notice for the purpose of exhibiting the Premises to prospective Mortgagees and/or purchasers or for the purpose of inspecting the Premises.

15.2 Force Majeure. Notwithstanding any other provision contained herein, in the event that either the Landlord or the Tenant should be delayed, hindered or prevented from the performance of any act required hereunder by reason of any unavoidable delay, including strikes, lockouts, unavailability of materials, inclement weather, acts of God or any other cause beyond its reasonable care and control, but not including insolvency or lack of funds, then performance of such act shall be postponed for a period of time equivalent to the time lost by reason of such delay. The provisions of this Section 15.2 shall not under any circumstances operate to excuse the Tenant from prompt payment of Rent and/or any other charges payable under this Lease.

15.3 Effect of Waiver or Forbearance. No waiver by any party of any breach by any other party of any of its covenants, agreements or obligations contained in this Lease shall be or be deemed to be a waiver of any subsequent breach thereof or the breach of any other covenants, agreements or obligations nor shall any forbearance by any party to seek a remedy for any breach by any other party be a waiver by the party so forbearing of its rights and remedies with respect to such breach or any subsequent breach. The subsequent acceptance of Rent by the Landlord shall not be deemed a waiver of any preceding breach by the Tenant of any term, covenant or condition regardless of the Landlord's knowledge of such preceding breach at the time of the acceptance of such Rent. All Rent and other charges payable by the Tenant to the Landlord hereunder shall be paid without any deduction, set-off or abatement whatsoever, and the Tenant waives the benefit of any statutory or other right in respect of abatement or set-off in its favour at the time hereof or at any future time.

15.4 Notices. Any notice, delivery, payment or tender of money or document(s) to the parties hereunder may be delivered personally or sent by prepaid registered or certified mail or prepaid courier to the address for such party as set out below, as applicable, and any such notice, delivery or payment so delivered or sent shall be deemed to have been given or made and received on delivery of the same or on the third business day following the mailing of same, as the case may be. Each party may, by notice in writing to the others from time to time, designate an alternative address in Canada to which notices given more than ten (10) days thereafter shall be addressed.

To the Landlord at the following address:

1533 Barrington, Halifax, Nova Scotia

To the Tenant at the address of the Premises or the following address:

1682 Hollis Street, Halifax, Nova Scotia.

To the Indemnifier at the address of the Premises or the following address:

N/A

Notwithstanding the foregoing, any notice, delivery, payment or tender of money or document(s) to be given or made to any party hereunder during any disruption in the service of the Canada Post Office shall be deemed to have been received only if delivered personally or sent by prepaid courier.

15.5 Registration. Neither the Tenant nor anyone on the Tenant's behalf or claiming under the Tenant (including any Transferee) shall register this Lease or any Transfer against the Property. The Tenant may register a notice or caveat of this Lease provided that: (a) a copy of the Lease is not attached; (b) no financial terms are disclosed; (c) the Landlord gives its prior written approval to the notice or caveat; and (d) the Tenant pays the Landlord's reasonable costs on account of the matter. The Landlord may limit such registration to one or more parts of the Property. Upon the expiration or earlier termination of the Term, the Tenant shall immediately discharge or otherwise vacate any such notice or caveat. If any part of the Property which, in the opinion of Landlord, is surplus is transferred, the Tenant shall forthwith, at the request of the Landlord, discharge or otherwise vacate any such notice or caveat as it relates to such part. If any part of the Property is made subject to any easement, right-of-way or similar right, the Tenant shall immediately, at the request of the Landlord, postpone its registered interest to such easement, right-of-way or similar right.

15.6 Number, Gender, Effect of Headings. Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include firms and corporations and *vice versa*. The division of this Lease into Articles and Sections and the insertion of headings are for convenience of reference only, and shall not affect the construction or interpretation of this Lease.

15.7 Severability, Subdivision Control. If any Article or Section or part or parts of an Article or Section in this Lease is or is held to be illegal or unenforceable, it or they shall be considered separate and severable from the Lease and the remaining provisions of this Lease shall remain in full force and effect and shall be binding on the Landlord and the Tenant as though such Article or Section or part or parts thereof had never been included in this Lease. It is an express condition of this Lease that the subdivision control provisions of the applicable provincial legislation be complied with, if necessary. If such compliance is necessary, the Tenant covenants and agrees to diligently proceed, at its own expense, to obtain the required consent and the Landlord agrees to cooperate with the Tenant in bringing such application.

15.8 Entire Agreement. There are no covenants, representations, warranties, agreements or other conditions expressed or implied, collateral or otherwise, forming part of or in any way affecting or relating to this Lease, save as expressly set out or incorporated by reference herein and this Lease constitutes the entire agreement duly executed by the parties, and no amendment, variation or change to this Lease shall be binding unless the same shall be in writing and signed by the parties.

15.9 Successors and Assigns. The rights and liabilities of the parties shall enure to the benefit of their respective heirs, executors, administrators, successors and assigns, subject to any requirement for consent by the Landlord hereunder.

15.10 Confidentiality. The contents, terms and conditions of this Lease shall be kept strictly confidential by the Tenant. The Tenant shall not, under any circumstances, discuss or reveal the details of this Lease with any arm's-length parties including, but not limited to, any other tenants in the Property, prospective tenants, real estate agents or others except the Tenant's legal and financial advisors, any *bona fide* Transferee, and except as may be required by law.

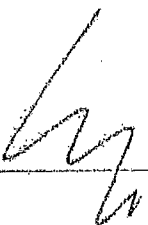
15.11 Personal Information. Any Tenant or Indemnifier that is an individual person consents to the collection and use of their personal information, as provided directly or collected from third parties, for the purposes of the Landlord considering the Tenant's offer in respect of this Lease and determining the suitability of the Tenant or Indemnifier, as applicable, (both initially and on an on-going basis), including the disclosure of such information to existing and potential lenders, investors and purchasers.

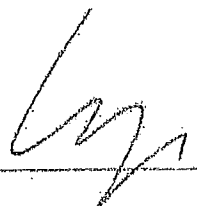
15.12 Indemnification Agreement. The Indemnifier agrees to execute and be bound by the Indemnity Agreement attached as N/A.

15.13 Option to Renew. Provided the Tenant is not in default of this Lease and the Tenant gives the Landlord written notice to renew not less than 6 months prior to the expiry of this Lease the Tenant shall have the right to renew for a further 5 year Term provided. Renewal shall be on the same Terms and conditions save for Rent, which shall be determined by the market.

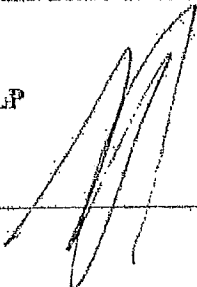
IN WITNESS WHEREOF the parties have duly executed this Lease as of the day and year first above written.

WITNESS





Ruby LLP


Per: 
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I/We have the authority to bind
the Corporation

Comvest Commercial R/E Inc.

Per: 
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the
corporation

Per: _____
Name: _____
Title: _____

c/s

Per: _____
Name: _____
Title: _____

I/We have the authority to bind
the Corporation

[Attach Schedules "A" (Landlord's Work), "B" (Tenant's Work), "C" (Floor Plan)]

SCHEDULE "A"

LANDLORD'S WORK

- Stairs into the Premises
- Washrooms ~~unisex~~
- Ventilation
- Demising Walls
- Roughed in plumbing for dishwasher
- Private Room Enclosure

1. The landlord covenants and agrees to complete the above work, at the Landlords cost and expense, to the Premises in a good and workman like manor in accordance with local building by-laws and codes.
2. In addition to the foregoing, the landlord shall ensure that the mechanical, heating, air conditioning, plumbing and electrical equipment in and serving the Premises are in good repair and proper working order as at the date of possession of the leased premises.

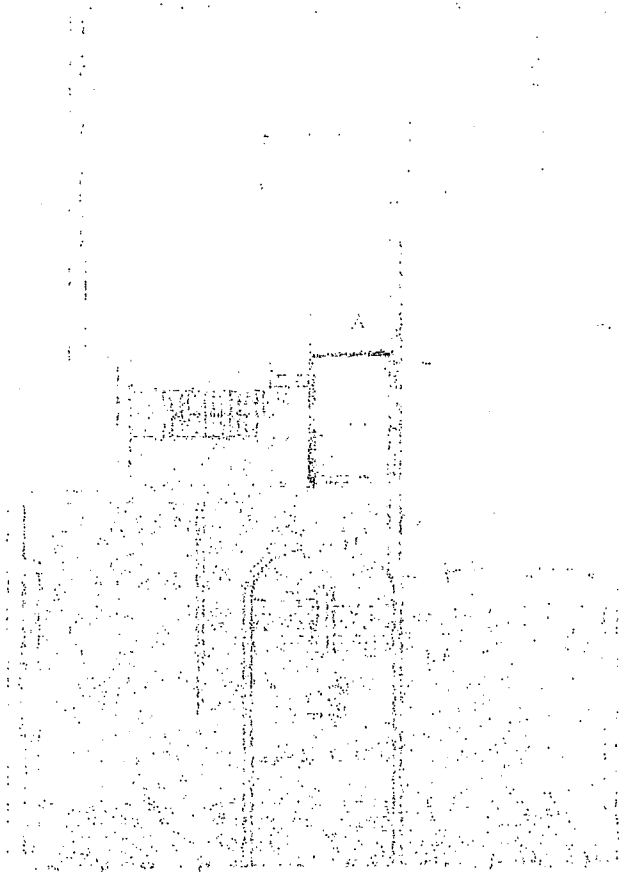
SCHEDULE "B"

TENANT'S WORK

- All work required to prepare Premises for its intended use, excluding Schedule "A" Landlord's work

SCHEDULE "C"

FLOOR PLAN



J

Exhibit Stamp

Hfx No. 539955

This is Exhibit "J" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

MORTGAGE

PRINCIPAL TERMS

THIS MORTGAGE made as of the 16th day of July, 2020

BETWEEN:

ANNAPOLIS MANAGEMENT, INC. in its capacity as general partner of **RUBY, LLP**
(the "Mortgagor")

OF THE FIRST PART

AND:

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY
(the "Mortgagee")

OF THE SECOND PART

AND:

STEVE CARYI
(the "Guarantor")

OF THE THIRD PART

1. **WITNESSETH** that in the consideration of the sum of the Principal Sum (as hereinafter defined) of lawful money of Canada the Mortgagor hereby charges to the Mortgagee the lands and premises described in Schedule A annexed hereto (the "**Mortgaged Premises**").

2. **PAYMENT PROVISIONS**

The following provisions will apply to this Mortgage:

Principal Sum: \$4,000,000.00 in lawful money of Canada advanced by the mortgagee to the mortgagor (the "**Principal Sum**").

Interest Rate: 3.95% per annum (the "**Interest Rate**")

How Interest Calculated: half-yearly not in advance, as well after as before maturity of this mortgage, and both before and after default and judgment, until paid.

Interest Adjustment Date: August 1, 2020 (the "**Interest Adjustment Date**")

Term: 18 months

Payments: Prior to the Interest Adjustment Date, interest at the aforesaid Interest Rate on the principal amounts from time to time advanced, computed from the respective dates of such advances, shall become due and payable and be paid on the Interest Adjustment Date. The mortgagee may require payment of interest

at the Interest Rate, calculated in the manner required under this Mortgage, on the principal amounts advanced from time to time, computed from the respective dates of such advances, to become due and payable and be paid on monthly instalments on the same day of each and every month thereafter and the balance, if any, of the aforesaid interest on the principal amounts advanced shall become due and payable and be paid on the Interest Adjustment Date. At the option of the mortgagee, interest so due and payable may be deducted from such advances. After the Interest Adjustment Date, the Principal Sum, together with interest at the aforesaid Interest Rate, computed from the Interest Adjustment Date, shall become due and payable and be paid in consecutive monthly instalments of \$13,059.61 each (which include principal and interest) on the Payment Dates stipulated herein.

Payment Dates : From and including the 1st day of September, 2020 and thereafter on the 1st day of each and every month in each and every year (the "**Payment Dates**") to and including the Maturity Date, and the balance, if any, of the Principal Sum and interest thereon shall become due and payable and be paid on the Maturity Date.

Maturity Date: February 1, 2022 (the "**Maturity Date**")

Place of Payment: at such office or branch of the mortgagee as the mortgagee may designate from time to time.

3. TERMS AND CONDITIONS

The terms, conditions and covenants set out in Schedule B annexed hereto are incorporated by reference and form part of this Mortgage and each person who signs this Mortgage is bound to them. Words defined in Schedule B have the meanings set out therein when used in this Mortgage including Schedule B.

4. SPOUSAL CONSENT

If applicable, the spouse of the Mortgagor consents to this Mortgage and conveys to the Mortgagee all the right, title and interest of such spouse in the Mortgaged Premises, subject to the provisions for payment described in this Mortgage.

5. ACKNOWLEDGMENT

Each person who signs this Mortgage acknowledges receipt of a copy.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Mortgagor and Guarantor have properly executed this Mortgage as of the day and year first written above.



Witness

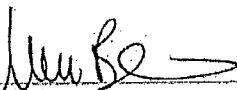
ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per: _____

Name: Steve Caryl

Title: President

I/We have the authority to bind the Mortgagor



Witness



Steve Caryl, Guarantor

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of July, 2020, **ANNAPOLIS MANAGEMENT, INC.**, in its capacity as general partner of **RUBY, LLP**, one of the parties to the foregoing mortgage executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.



Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of July, 2020, **STEVE CARYI**, one of the parties to the foregoing mortgage executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.



Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

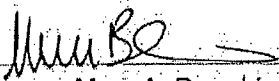
CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

I, Steve Caryi, of Winter Park, Florida, make oath and say that:

1. I am the President of **ANNAPOLIS MANAGEMENT, INC.** (the "**Corporation**"), general partner of **RUBY, LLP** (the "**Partnership**"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within mortgage has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "**Matrimonial Home**" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova
Scotia this 28th day of July, 2020 before
me:



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steve Caryi

CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

I, Steven Caryl, of Winter Park, Florida, make oath and say that:

I acknowledge that I executed the foregoing instrument under seal on the date of this affidavit.

2. This acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the *Land Registration Act* as the case may be, for the purpose of registering the instrument.
3. I am nineteen years of age or older and am not a non-resident of Canada under the *Income Tax Act* (Canada).
4. For the purpose of this Affidavit "spouse" means either of two people who:
 - (i) are married to each other;
 - (ii) are married to each other by a marriage that is voidable and has not been annulled by a judgment of nullity;
 - (iii) have gone through a form of marriage with each other, in good faith, that is void and are cohabiting or have cohabited within the preceding year; or
 - (iv) is a party to a registered domestic-partner declaration made in accordance with Section 53 of the *Vital Statistics Act* but does not include a former domestic partner.
5. I am a spouse and my spouse has never occupied the lands as a matrimonial home, or at all. I have no other spouse or any former Domestic partner with rights contemplated by Section 55 of the *Vital Statistics Act* or any former spouse with the rights contemplated by the *Matrimonial Property Act*.

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova
Scotia this 25th day of July, 2020 before
me:



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia


Steve Caryl

Schedule A

Mortgaged Premises – Legal Description

PID 00003228

All that certain lot piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.

Schedule B

Additional Terms and Conditions

The following additional terms and conditions are attached as Schedule B to the Mortgage and are considered to be included in and form a part of the Mortgage.

1. Definitions and Interpretation

1.1. In this Mortgage:

- (a) **"Condominium Corporation"** has the meaning set out in section 20.1(a).
- (b) **"Environmental Claim"** means enforcement or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws, together with claims made or threatened by any third party against the Mortgagor or in respect of the Mortgaged Premises relating to the environment, health, safety, any Hazardous Materials or any Environmental Laws.
- (c) **"Environmental Law"** means laws, by-laws, rules, ordinances, regulations, notices, approvals, orders, licenses, permits, standards, guidelines and policies from time to time of any level of government or other authorized agency relating to the environment, health, safety or any Hazardous Materials.
- (d) **"Event of Default"** has the meaning set out in section 11.1.
- (e) **"Guarantor"** means the guarantor identified in the principal terms of this Mortgage and its heirs, executors, administrators, successors and assigns.
- (f) **"Guarantee"** means the guarantee provided in section 18.
- (g) **"Guaranteed Amount"** has the meaning set out in section 18.2(a).
- (h) **"Guaranteed Covenants"** has the meaning set out in section 18.2(b).
- (i) **"Guaranteed Obligations"** has the meaning set out in section 18.2.
- (j) **"Hazardous Materials"** means wastes, materials and substances the storage, manufacture, disposal, treatment, generation, use or transport of which is prohibited, controlled or licensed under any Environmental Law, or the remediation or release of which into the environment is likely, immediately or in the future, to cause harm or degradation to any of the Mortgaged Premises or the environment, including contaminants, pollutants, corrosive substances, toxic substances, special wastes, substances deleterious to fish or wildlife, explosives, radioactive materials, asbestos, urea formaldehyde, and compounds known as chlorobiphenyls.
- (k) **"Leases"** has the meaning set out in section 19.1.
- (l) **"Mortgage"** means, collectively, the principal terms of this Mortgage, any schedules that are attached to this Mortgage, including, but not limited to, this set of additional terms and conditions attached as Schedule B.
- (m) **"Mortgaged Premises"** has the meaning set out in section 3.1.

- (n) **"Mortgagee"** means Assumption Mutual Life Insurance Company and its successors and assigns.
- (o) **"Mortgagor"** means the mortgagor identified in the principal terms of this Mortgage and its heirs, executors, administrators, successors and assigns.
- (p) **"Secured Obligations"** has the meaning set out in section 2
- (q) **"Taxes"** has the meaning set out in section 4.1(e).
- (r) **"Unit Charges"** has the meaning set out in section 20.1(b).

1.2. In this Mortgage:

- (a) Capitalized words and expressions used in this Schedule B but not defined in this Schedule B have the meaning given to them in the principal terms of the Mortgage.
- (b) Where the context so requires, wording importing the singular include the plural and vice-versa, and wording importing the masculine gender includes the feminine and neuter genders and vice-versa.

2. **Secured Obligations and Application of Payments**

2.1. In consideration of the Principal Sum lent by the Mortgagee to the Mortgagor, the Mortgagor promises to pay to the Mortgagee:

- (a) the Principal Sum outstanding from time to time;
- (b) interest on the Principal Sum calculated as provided for in this Mortgage, both after as well as before maturity, default and/or judgment;
- (c) protective disbursements as provided for in section 10;
- (d) interest on interest past due at the Interest Rate and calculated in the same manner as interest on the Principal Sum;
- (e) interest on each protective disbursement from the day the protective disbursement is made, at the Interest Rate and calculated in the same manner as interest on the Principal Sum; and
- (f) the Mortgagee's then current administration fee for the following services and interest thereon at the Interest Rate and calculated in the same manner as interest on the Principal Sum:
 - (i) an administration fee for each statement of the Mortgage account provided by the Mortgagee at the request of the Mortgagor or the Mortgagor's solicitor or agent;
 - (ii) a processing fee for each renewal of the Mortgage;
 - (iii) an administration fee for each cheque given to the Mortgagee by the Mortgagor or produced under the authorized chequing direction of the Mortgagor, or for each authorized direct debit to an account of the Mortgagor which is not honoured or not accepted by the financial institution;

(iv) an administration fee for placement of insurance coverage upon cancellation or lapse of an insurance policy and the neglect or failure of the Mortgagor to provide proof of replacing coverage; and

(v) a processing fee on repayment of the Mortgage,

it being agreed between the Mortgagor and the Mortgagee that the amount of each such fee is a liquidated amount to cover the administrative costs of the Mortgagee and not a penalty.

All of the foregoing are referred to as the "**Secured Obligations**".

2.2. Monies received by the Mortgagee under this Mortgage shall be applied as follows:

- (a) first, to bring into good standing any accounts in which funds are held pending payment to this parties or amounts that are debited in respect of this Mortgage; including tax accounts, if any;
- (b) second, to interest as provided for in section 2.1(b);
- (c) third, to the Principal Sum then outstanding.

2.3. Notwithstanding section 2.2, if the Mortgagor is in default under this Mortgage, the Mortgagee may apply any payments received during the period of default in whatever order it may elect as between the Secured Obligations.

2.4. The Mortgagor acknowledges and agrees that there is no privilege or right vested in the Mortgagor to prepay or to accelerate prepayment of the monies advanced under this Mortgage to a date or dates earlier than the Maturity Date.

3. Security

3.1. The Mortgaged Premises shall be deemed to include all buildings belonging or in any manner appertaining including all erections and improvements, and, without limiting the general nature of the foregoing, shall be deemed to include all buildings, fences, heating, piping, plumbing, aerals, air-conditioning, ventilation, lighting and water heating equipment, cooking and refrigeration equipment, cleaning and drying equipment, window blinds, radiators and covers, fixed mirrors, fitted blinds, storm windows and storm doors, window screens and screen doors, shutters and awnings, floor coverings, and all related apparatus and equipment, and all improvements, fixed or otherwise and even though not attached otherwise than by their own weight, now or hereafter put upon the Mortgaged Premises.

4. Covenants of the Mortgagor

4.1. The Mortgagor covenants and agrees with the Mortgagee:

- (a) Title – The Mortgagor has a good title in fee simple to the Mortgaged Premises and the right to convey the Mortgaged Premises as hereby conveyed.
- (b) First Mortgage – The Mortgage constitutes a first charge on the Mortgaged Premises, except for any encumbrance that the Mortgagee approves in writing in advance.

(c) Further Assurances – The Mortgagor shall, at its expense, provide such further assurances as the Mortgagee may reasonably require.

- (d) **Payment** – The Mortgagor shall pay the Secured Obligations payable under this Mortgage in the manner set out in this Mortgage.
- (e) **Taxes** – The Mortgagor shall pay all taxes, rates and assessment chargeable against or upon the Mortgaged Premises (the "Taxes") as and when they become due and payable and shall provide the Mortgagee with receipts confirming same as the Mortgagee may require. The Mortgagor shall also transmit to the Mortgagee the assessment notices, tax bills and other notices affecting the imposition of Taxes, forthwith after the receipt of same by the Mortgagor.
- (f) **Insurance** – The Mortgagor shall purchase and maintain insurance in favour of the Mortgagee on every building and structure, including all fixed improvements and chattels, now or hereafter located or erected on the Mortgaged Premises, as more specifically set out in section 8.
- (g) **Repair and Waste** – The Mortgagor shall keep the Mortgaged Premises in good condition and repair.
- (h) **Alterations** – The Mortgagor shall not make nor permit any demolition, alterations or additions to the Mortgaged Premises without the prior written consent of the Mortgagee, and shall not use the lands, buildings and improvements on the Mortgaged Premises or permit them to be used without the written consent of the Mortgagee for a purpose other than as disclosed to the Mortgagee on or before the date of this Mortgage.
- (i) **No Transfer** – The Mortgagor shall not sell, convey, or transfer all or part of the Mortgaged Premises, or enter into an agreement to do any of the foregoing, without the prior written approval of the Mortgagee, in its sole discretion.
- (j) **Parking Area** – If a parking area forms part of the Mortgaged Premises, the Mortgagor shall not allow or cause the parking area to be used for any purpose other than the parking of motor vehicles on a daily basis, except with the prior written approval of the Mortgagee.
- (k) **Discharge of Debt or Obligation** – The Mortgagor shall discharge:
 - (i) any debt or obligation that forms a lien, charge or other encumbrance on the Mortgaged Premises or any part of them or that may be the subject of a demand upon the Mortgagee or an agent of the Mortgage in the event the Mortgagee enforces one of the remedies; and
 - (ii) any debt or obligation in respect of which the Mortgaged Premises or any part of them may be deemed to be held in trust; and
 - (iii) generally, any debt or obligation that may affect the net amount the Mortgagee can realize through enforcement of one of the remedies.
- (l) **Construction** – The Mortgagor shall not allow or cause any building being erected on the Mortgaged Premises to remain unfinished, nor allow that no work be done on such building for a period of 10 days.
- (m) **Property Management** – The Mortgagor shall, at the Mortgagee's request, retain the services of a professional independent property management firm for the management of the Mortgaged Premises. The Mortgagor may not retain the services of a property management firm without the Mortgagee's prior approval.

- (n) **Quiet Enjoyment** – On default, the Mortgagee may enter and have quiet enjoyment of the Mortgaged Premises.
- (o) **Compliance with Laws** – The Mortgagor shall at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including, without limiting the general nature of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped areas, environmental pollution, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and restrictions affecting the Mortgaged Premises; and the Mortgagor shall from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance.
- (p) **Books and Records** – The Mortgagor shall maintain proper records and books of account with respect to the revenues and expenditures arising from or out of the Mortgaged Premises, and shall not alter or destroy them or allow an incorrect entry therein.
- (q) **Financial Statements with Respect to the Mortgaged Premises** – If the Mortgaged Premises are used for rental purposes, the Mortgagor shall, within 60 days of the end of each calendar year, deliver to the Mortgagee detailed financial statements of the income and expenses of the Mortgaged Premises, including a current rent roll, for each calendar year. The statements shall be prepared by a chartered accountant acceptable to the Mortgagee.
- (r) **Financial Statements** – If they are bodies corporate, the Mortgagor and Guarantor shall, within 120 days of the year end of their business, deliver to the Mortgagee annual financial statements accurately stating the assets and liabilities and the income and expenses of their business and such other information as the Mortgagee may direct, and containing, if the Mortgagee so requests, the opinion of an independent, qualified auditor. The Mortgagor shall also provide such other additional financial information as may be requested by the Mortgagee from time to time.
- (s) **Financial Statements** – If they are individuals, the Mortgagor and Guarantor shall, by May 30 of each year, deliver to the Mortgagee a statement of net worth, a copy of current tax returns and a copy of Revenue Canada assessment notices. The Mortgagor shall also provide such other additional financial information as may be requested by the Mortgagee from time to time.
- (t) **Extensions of Time** – No extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor, or any other dealings with the owner of the Mortgaged Premises, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for payment of the amounts hereby secured.
- (u) **Access** – The Mortgagor shall do all acts necessary to give the Mortgagee access from time to time to the Mortgaged Premises, all property in control of the Mortgagor and all books and records of the Mortgagor.

5. Real Property Taxes

- 5.1. The Mortgagee may, at its discretion, deduct from the final advance of the Principal Sum an amount sufficient to pay the Taxes that have become or will become due and payable on that date or the Interest Adjustment Date (as the case may be).
- 5.2. After the Interest Adjustment Date, the Mortgagee may require that the Mortgagor pay in monthly instalments on the Payment Dates, sums sufficient, in the Mortgagee's opinion, to enable the Mortgagee to pay the Taxes on or before the due date for payment thereof.
- 5.3. The Mortgagee may allow the Mortgagor interest on any balances standing in the mortgage account from time to time to the credit of the Mortgagor for payment of Taxes, at a rate per annum, and at such times, as the Mortgagee may determine in its sole discretion, and the Mortgagor shall be charged interest, at the Interest Rate, on the debit balance, if any, for Taxes in the mortgage account outstanding after payment of Taxes by the Mortgagee, until such debit balance is fully repaid, and

6. Construction

- 6.1. In the event that the Mortgagor erects buildings upon the Mortgaged Premises:
 - (a) The Mortgagor agrees that it will proceed with due diligence with the erection and completion of the said buildings in accordance with the plans and specifications thereof approved or to be approved by the Mortgagee and any mortgage default insurer that has insured this Mortgage;
 - (b) The Mortgagee may, in its absolute discretion, advance the Principal Sum under this Mortgage in such amounts from time to time as the inspector or valuator of the Mortgagee may approve and the Mortgagee may deem proper, it being the intention that the Principal Sum may be advanced as the buildings progress in such amounts as the Mortgagee may in its absolute discretion deem prudent;
 - (c) The Mortgagee shall be at liberty to retain out of any and all advances made such sums as it may deem necessary to cover any liens for work or labour done or materials or services provided in or for the said buildings until any and all such liens are discharged, and the Mortgagee may also retain out of any and all advances made a sum sufficient to provide for and indemnify it against such liens which may exist or be claimed; and it shall not be liable or responsible to the Mortgagor for the validity or correctness of any such claim;
 - (d) In case the Mortgagor should fail in the erection of the said buildings or should neglect to carry on the work of erecting said buildings with reasonable diligence, the Mortgagee may, at its absolute discretion, enter upon the Mortgaged Premises with power, to alter the plans and specifications if it deems it necessary to do so in order to complete the said buildings, and may complete the same and apply all or any unadvanced portion of the Principal Sum towards payment of the costs (and interest thereon, if any) of completing the buildings, without thereby becoming liable as mortgagee in possession. If it is unable to properly complete the building(s) with the unadvanced portion of the Principal Sum, and its advances or lays out any further sum therefore, such further sum shall be deemed to be a further advance under this Mortgage and shall bear interest at the Interest Rate, and shall immediately be repayable by the Mortgagor and shall be added to the monies secured by this Mortgage and shall be a charge on the Mortgaged Premises;

- (e) In case of such default in the erection of the buildings, or in case any lien is registered against the Mortgaged Premises, the monies secured by this Mortgage shall, at the option of the Mortgagee immediately become due and payable and the Mortgagee may (whether it proceeds with the completion of the buildings as above mentioned or not) exercise its remedies under this Mortgage; and
- (f) This Mortgage shall take effect forthwith upon the execution of this Mortgage by the Mortgagor, and the expenses of the examination of the title and of this Mortgage and valuation are to be secured by this Mortgage in the event of the whole or any balance of the Principal Sum not being advanced, the same to be a charge upon the Mortgaged Premises and shall immediately become due and payable with interest at the stipulated Interest Rate and in default all remedies under this Mortgage or at law shall be exercisable by the Mortgagee.

7. Residential Real Property

7.1. Notwithstanding anything contained in this Mortgage to the contrary, if the Mortgaged Premises are occupied or are used as a residential rental property, the Mortgagor represents and warrants to the Mortgagee that with respect to the Mortgaged Premises, except as permitted under laws applicable to residential housing:

- (a) No demolition, conversion, renovation, repair or severance has taken place with respect to any part of the Mortgaged Premises;
- (b) there have been no increases in the rental charged for residential rental unit or units on the Mortgaged Premises except as permitted by law;

and, as provided in laws applicable to residential housing:

- (c) all rents charged with respect to the Mortgaged Premises or any part thereof are lawful rents and all required rebates have been paid;
- (d) all required filings have been made and were timely, accurate and complete;

and, pursuant to laws applicable to residential housing:

- (e) no applications, investigations or proceedings have been commenced or made; and
- (f) there are no outstanding orders or decisions made by any ministry, board or commission with respect to the Mortgaged Premises or any residential rental unit or units on the Mortgaged Premises.

7.2. The Mortgagor further agrees to comply with the provisions of all laws applicable to residential housing during the term of the Mortgage. In the event of a breach of this covenant or in the event that any of the representations and warranties contained in this provision are false, the outstanding principal amount and any accrued interest shall, at the option of the Mortgagee, become immediately due and payable.

8. Insurance

8.1. The amount of property insurance required under section 4.1(f) shall be at least equal to the full replacement value of the Mortgaged Premises on a new construction basis for each and every existing building or for any building being built, during construction and after construction, and each policy shall include a specific endorsement covering 100%

replacement cost of all such buildings, structures, improvements and chattels now or hereafter erected on the Mortgaged Premises (the "full replacement cost endorsement"). Each insurance policy shall be in a form acceptable to the Mortgagee. Without limiting the foregoing, such policy or policies shall include, as a minimum, the following coverages and conditions:

- (a) Broad Form or All Risks property insurance, including coverage for collapse, earthquake, flood, sewer back-up and water escape and by-laws, each being subject to the full replacement cost endorsement;
- (b) Equipment breakdown insurance providing coverage on a comprehensive basis and insuring all objects on a blanket basis, including production machinery coverage and repair or replacement options;
- (c) Commercial general liability insurance in an amount no less than \$5,000,000 per occurrence and in the aggregate, and insuring against claims arising out of the premises and operations of the Mortgagor, including, without limitation, non-owned automobile coverage;
- (d) Business interruption insurance, written on Profits form or Actual Loss Sustained form. In the event that Mortgaged Premises are entirely leased to one or more third parties, Rental Income/Rental Value insurance is acceptable. Such coverages shall provide for a minimum 12 month indemnity period.

8.2. Each property insurance policy shall provide that every loss, if any, shall be payable to the Mortgagee as its interest may appear in accordance with this Mortgage, subject to the Insurance Bureau of Canada approved Standard Mortgage Clause or similar clause approved by the Mortgagee. The Mortgagor shall forthwith assign, transfer and deliver to the Mortgagee the insurance policy or policies and all renewal receipts thereto appertaining. No insurance shall be carried on improvements or buildings on the Mortgaged Premises other than such as is made payable to the Mortgagee in accordance with the provisions of this paragraph. The Mortgagor shall not do or omit or cause or suffer anything to be done, omitted, caused or suffered whereby the insurance policy or policies, as aforesaid, may be voided or become void. The Mortgagor shall pay all premiums and sums of money necessary for such purposes promptly as the same shall become due and shall deliver proof of renewal to the Mortgagee at least 15 days prior to the expiration of any insurance policy.

8.3. Forthwith on the happening of any loss or damage, the Mortgagor shall furnish at his own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies. The production of this Mortgage shall be sufficient authority for such insurance company to pay every such loss to the Mortgagee, and such insurance company is hereby directed thereupon to pay the same to the Mortgagee. Any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Mortgaged Premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Premises or be applied or paid partly in one way and partly in another, or it may be applied, at the sole discretion of the Mortgagee, in whole or in part on the Mortgage debt or any part thereof whether due or not then due.

8.4. All cancellation clauses in the above referenced policies, including those contained in the mortgage clause insurance endorsement, are to provide for at least 30 days prior notice to the Mortgagee of such cancellation. Such policies shall also provide that the Mortgagee shall receive at least 30 days prior notice of any material alteration of such policy. The Mortgagor shall direct its insurer(s) to provide certified copies of the policies of insurance to the Mortgagee.

9. Environmental Matters

9.1. The Mortgagor represents, covenants and agrees that:

- (a) the Mortgagor is not aware of any environmental risks or liabilities in connection with the Mortgaged Premises which have not been disclosed to the Mortgagee and approved by the Mortgagee in writing, including, without limiting the generality of the foregoing, the presence of Hazardous Materials in, on or under the Mortgaged Premises;
- (b) the operations on the Mortgaged Premises are and shall be kept in compliance with all Environmental Laws;
- (c) the Mortgagor possesses and shall maintain all environmental licences, permits and other governmental approvals as may be necessary for the conduct of its business;
- (d) the Mortgaged Premises are and shall remain free of environmental damage or contamination;
- (e) the Mortgagor shall provide the Mortgagee with copies of all communications from or to any person relating to Environmental Laws and any Environmental Claims in connection with the Mortgaged Premises that become known to the Mortgagor, and all environmental studies or assessments prepared for the Mortgagor, and the Mortgagor consents to the Mortgagee contacting and making enquiries of environmental officials or assessors;
- (f) the Mortgagor shall advise in writing the Mortgagee immediately upon becoming aware of any situation which would or could cause any of the representations and covenants contained in this section 9.1 to become untrue; and
- (g) the Mortgagor shall not permit or create, nor allow anyone else to permit or create, any circumstance on the Mortgaged Premises which would or could constitute a violation of an Environmental Law.

9.2. The Mortgagor agrees to assume and be responsible for any and all environmental liabilities relating to the Mortgaged Premises, including any liability for the clean-up of any Hazardous Materials in, on or under the Mortgaged Premises, and the Mortgagor agrees to save harmless and indemnify the Mortgagee and any receiver and the Mortgagee's respective directors, officers, employees and agents, direct and indirect successors and assigns, and the Mortgagee's interest in the Mortgaged Premises, from any against any and all claims, demands, liabilities, losses, damages and expenses, including legal fees and expenses on a solicitor and client basis, suffered by any of such persons arising out of or in connection with any and all environmental liabilities relating to the Mortgaged Premises. The Mortgagor's liability will arise upon the earlier of the discovery of any Hazardous Materials and the institution of any Environmental Claims, and will not be dependent upon the realization of any loss or damage or the determination of any liability. This indemnity and the Mortgagor's liability hereunder will survive after this Mortgage and the charges created hereby have been discharged.

10. Protective Disbursements

10.1. The Mortgagee may, without notifying the Mortgagor, purchase any material or service and make any payments to preserve, protect or enhance the Mortgaged Premises or to remedy any default by the Mortgagor in respect of any promise or covenant contained in

this Mortgage and, without restricting the generality of the foregoing, the Mortgagee may make such purchases or payments to:

- (a) retire fees, expenses and borrowings or a receiver;
- (b) acquire insurance against direct damage, liability to third parties or any other risk associated with the lands on such terms and at such limits as the Mortgagee may find advisable;
- (c) discharge any lien, mortgage or encumbrance which, in the opinion of the Mortgagee, has priority over this Mortgage;
- (d) improve the title of the Mortgagee or of any purchaser of the Mortgaged Premises who purchases them through a sale having the effect of foreclosing the Mortgagor's interest in the Mortgaged Premises or who purchases them from the Mortgagee after the Mortgagor's interest in the Mortgaged Premises has been foreclosed;
- (e) discharge any debt or obligation which the Mortgagee may find should be discharged in order to better market, sell or protect the Mortgaged Premises;
- (f) cause the Mortgaged Premises to be appraised, surveyed or subdivided;
- (g) cause the Mortgagor's books and records to be audited and the financial health of the Mortgagor's business to be investigated;
- (h) retire the fees, commission or expenses of any agent retained by the Mortgagee to market the Mortgaged Premises;
- (i) retire all costs and expenses, including legal fees on a solicitor and client basis, in relation to the preparation, execution and delivery of this Mortgage and any amendment or discharge of it, in relation to the collection of any amount due hereunder and in relation to the enforcement of any remedy including the actual fees and expenses of solicitors who act on behalf of the Mortgagee in proceedings for the appointment of a receiver, foreclosure and sale, judicial sale, sale by power of sale or possession of the Mortgaged Premises;
- (j) pay the fees and expenses of a trustee in bankruptcy in the event of the bankruptcy of the Mortgagor, should the Mortgagee determine to make itself liable for such; and
- (k) retire all costs and expenses, including fees on a solicitor and client basis, in respect of any suit concerning this Mortgage, any lands that may be mortgaged hereunder, the Mortgagee's title to the Mortgaged Premises, or the priority of the Mortgagee's interest in the Mortgaged Premises.

10.2. A purchase or payment mentioned in this section 10 is referred to in this Mortgage as a "protective disbursement". The Mortgagee is not obliged to make any protective disbursement. All protective disbursements, including solicitor and client fees and expenses upon foreclosure and sale, are secured by this Mortgage and are payable out of the proceeds of the exercise of any remedy, notwithstanding that the Mortgagee's liability for the protective disbursement arises after or is discharged after a sale of the lands.

11. Acceleration

11.1. If any of the following occur (each an "Event of Default"), all of the money hereby secured remaining unpaid shall, at the option of the Mortgagee without notice to the Mortgagor, become due and payable:

- (a) the Mortgagor or any of its assets become subject to the control of a third party through bankruptcy, receivership, distress, winding up, execution, foreclosure or other process;
- (b) the Mortgagor fails to make any payment when due hereunder;
- (c) the Mortgagor breaches any promise or covenant made herein;
- (d) the Mortgagor fails in the performance of any promise or covenant contained in any other mortgage or charge registered against the Mortgaged Premises;
- (e) the Mortgagor fails in the performance of any promise or covenant contained any other existing or future security or agreement in favour of the Mortgagee related to the Mortgaged Premises; or
- (f) the Mortgagee, in its discretion, determines that the Mortgaged Premises or any part of them or any structure is in danger of being or has been seized, sold removed, assigned, liquidated, destroyed, lost or otherwise taken out of the control of the Mortgagor or the Mortgagee.

11.2. If, in respect of an Event of Default, the Mortgagee chooses not to exercise the option hereby given to it or waives its right to call in the balance of the loan, such does not constitute a waiver of the Mortgagee's rights under this section in respect of any other default.

12. Notice Respecting Default and Enforcement

12.1. The Mortgagee may exercise any remedy or remedies immediately, upon the happening of any Event of Default without making a demand for payment or giving time for payment or notifying the Mortgagor of the Mortgagee's intention to exercise the remedy or remedies. If the Mortgagee chooses to notify the Mortgagor or such an intention or to demand payment, it shall not thereby be taken to have waived its rights under this section or to have subjected itself to a duty to give a reasonable notice to the Mortgagor respecting the Mortgagee's intention or to give the Mortgagor reasonable time for payment.

13. Remedies

13.1. On the happening of any Event of Default, the Mortgagee may immediately thereupon seek or exercise any remedy as may be available to it in law or equity and it may exercise any of the following remedies:

- (a) Possession – The Mortgagee may take possession of the Mortgaged Premises or any part of them and upon doing so the Mortgagee may do such things as it deems advisable in order to maintain, protect or preserve the Mortgaged Premises, it may make improvements or alterations to the Mortgaged Premises and the Mortgagee may lease the Mortgaged Premises to third parties on such terms as the Mortgagee deems advisable;

- (b) **Power of Sale** – The Mortgagee may, on giving the minimum notice required by law, sell the Mortgaged Premises by way of public auction, private sale, tender or any other method as the Mortgagee may choose and according to such terms as the Mortgagee may choose to accept and any conveyance by the Mortgagee pursuant to this power conveys to the purchaser the right, title, interest, property and demand of the Mortgagor at the time of the making of this Mortgage or any time since and that of any person claiming by, through, from or under the Mortgagor of, in and to the Mortgaged Premises sold;
- (c) **Judgment** – The Mortgagee may sue the Mortgagor or any person jointly liable with it or any Guarantor and recover judgment, without having exhausted the other remedies available to it and no other remedy or right of the Mortgagee merges in any such judgment;
- (d) **Receivership** – The Mortgagee may appoint a receiver, including a receiver manager, of the Mortgaged Premises, and in doing so the Mortgagee may appoint any person it chooses including one of the Mortgagee's employees, and the Mortgagee may remove and replace the person so appointed. A receiver appointed by the Mortgagee is the agent of the Mortgagor and its actions are binding upon the Mortgagor and not upon the Mortgagee. Notwithstanding that the receiver is the agent of the Mortgagor, the Mortgagee may instruct the receiver as regards the exercise of its powers and the discharge of its duties, and the Mortgagee may make such arrangements as it may choose in respect of the receiver's expenses and fees; and

13.2. In this Mortgage, the term "remedies" means the remedies prescribed in this section 13 and such other remedies as the Mortgagee may have in law or equity, including, but not limited to, taking proceedings in any court of competent jurisdiction for the sale or foreclosure of the Mortgaged Premises or any part thereof, or taking any other action, suit, remedy or proceeding authorized or permitted under this Mortgage or by applicable laws. The remedies are cumulative; the exercise of one does not preclude the use of others. The Mortgagee may exercise any of the remedies against the Mortgaged Premises in whole or in part, it may enforce one remedy against one part of the Mortgaged Premises and other remedies against other parts and it may abandon or discharge whatever parts of the Mortgaged Premises as it chooses. Where the exercise of a remedy involves the sale of the lands or part of them, the party making the sale may accept cash, credit or part cash and part credit and, if a sale is made on credit, the Mortgagee need apply, in reduction of the Secured Obligations, only such payments as are actually made.

14. Receivership

14.1. Any receiver appointed under this Mortgage may:

- (a) exercise any of the powers of the Mortgagee pursuant to this Mortgage, save for the appointment of a receiver, and make any protective disbursements as the mortgagee may make under section 10;
- (b) carry on any business for which the Mortgaged Premises are used and conduct the affairs of the Mortgagor in respect of such business;
- (c) do any act or thing as could be authorized by the board of directors or the shareholders of the corporation if the Mortgagor is a corporation;
- (d) ~~do all things necessary to control the Mortgaged Premises, manage them or produce income from them;~~

- (e) where the Mortgagee holds security over personal property in respect of any of the Secured Obligations and the Mortgagee has not appointed an agent or receiver under such security, do any act or thing that may be done by an agent or receiver under such security but, in so doing or acting, the receiver is agent of the Mortgagor as provided in section 13.1(d);
- (f) borrow money to carry on any business for which the Mortgaged Premises are used, to carry out any power of the receiver or for protective disbursements;
- (g) retain and instruct counsel, real estate agents, appraisers, property managers and any person who the receiver may find to be helpful in the discharge of its powers; and
- (h) generally, do anything it finds to be necessary for the orderly management or liquidation of the Mortgaged Premises.

14.2. The following conditions shall apply to the appointment of any receiver under this Mortgage:

- (a) The Mortgagee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Mortgaged Premises.
- (b) The appointment of any receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall make the Mortgagee a mortgagee in possession of the Mortgaged Premises.
- (c) No receiver shall be liable to the Mortgagor to account for monies other than monies actually received by him in respect of the Mortgaged Premises, or any part thereof, and out of such monies so received the receiver shall, in the following order, pay:
 - (i) the receiver's aforesaid remuneration;
 - (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's power and authority hereby conferred;
 - (iii) interest, principal and other money which may, from time to time, be or become charged upon the Mortgaged Premises in priority to this Mortgage, including taxes;
 - (iv) to the Mortgagee all interest, principal and other monies due hereunder to be paid in such order as the Mortgagee, at its discretion, shall determine, and thereafter, every receiver shall be accountable to the Mortgagor for any surplus.
- (d) The remuneration and expenses of the receiver shall be paid by the Mortgagor on demand and shall be a charge on the Mortgaged Premises and shall bear interest from the date of demand at the stipulated Interest Rate.
- (e) The statutory declaration of an officer of the Mortgagee as to default under the provisions of this Mortgage and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of

any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

- (f) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Mortgagee may have.

15. Liability Respecting Enforcement of Security

- 15.1. Once the Mortgagee has determined to exercise a remedy or remedies, it may deal with and dispose of the Mortgaged Premises as it may see fit and neither the Mortgagor nor those claiming by, through, from or under it shall maintain any action, advance any claim or rely on any set-off by reason of the order of enforcement of remedies against parts of the Mortgaged Premises, the abandonment or discharge of the Mortgaged Premises or part of them, the Mortgagee's failure to maintain or insure the Mortgaged Premises, the Mortgagee's failure to secure an adequate price for the Mortgaged Premises or anything relating to the manner in which the Mortgaged Premises are dealt with or disposed of. In this section, "mortgagee" includes the receiver.

16. Discharges

- 16.1. Discharge – The Mortgagee shall have a reasonable time after payment of the amounts secured by this Mortgage in full within which to prepare and execute a discharge or assignment of this Mortgage. All legal and other expenses for the preparation, execution and registration of such discharge or assignment shall be borne by the Mortgagor
- 16.2. Partial Release –The Mortgagee may at any time release any part or parts of the Mortgaged Premises or any other security or surety for payment of all or any part of the Secured Obligations or may release the Mortgagor or any other person from any covenant or other liability to pay such amounts or any part thereof, either with or without any consideration therefore, and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee, and without thereby releasing any other part of the Mortgaged Premises, or any other securities or covenants herein contained, it being agreed that notwithstanding any such release, the lands, securities and covenants remaining unreleased shall stand charged with the whole of the monies hereby secured.

17. General

- 17.1. Severability – If at any time any provision of this Mortgage is illegal or invalid under or inconsistent with the provisions of any applicable law or regulation or would by reason of the provisions of any such law or regulation render the Mortgagee unable to collect the amount of any loss sustained by it as a result of making the loan secured by this Mortgage which it would otherwise be able to collect under such law or regulation, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would so render the Mortgagee unable to collect the amount of any such loss.

17.2. Assignment and Binding Effect

- (a) The Mortgagor acknowledges that the Mortgagee may transfer or assign this Mortgage without notice to the Mortgagor. In addition, the Mortgagee may syndicate, securitize or grant participation interests in the Mortgage. The Mortgagor and the Guarantor, if any, agree that the Mortgagee may disclose to a third party any information relating to this Mortgage, including financial

information relating to the Mortgaged Premises, the Mortgagor or the Guarantor as may be required in order to effect the aforementioned transactions.

- (b) This Mortgage is binding upon the Mortgagor, its successor, assigns, heirs, executors and administrators and is granted to and for the benefit of the Mortgagee, its successors and its assigns.

- 17.3. **Preauthorized Debits** – The Mortgagor agrees that all payments to be made under this Mortgage shall, unless otherwise agreed to by the Mortgagee, be made by preauthorized debits and that the Mortgagor shall execute any documents required to permit the preauthorized debits.
- 17.4. **Commitment Letter** – The provisions set forth in any commitment letter or other agreement between the Mortgagor and the Mortgagee relating to the loan secured by this Mortgage will not merge with this Mortgage but shall survive the execution, delivery and registration of this Mortgage.
- 17.5. **Change of Control** – If the Mortgagor is a corporation, the Mortgagor covenants and agrees that the Mortgagor shall supply to the Mortgagee, in a form satisfactory to the Mortgagee, such information relating to the ownership of its shares as the Mortgagee may from time to time require. The Mortgagor shall not, without the prior written consent of the Mortgagee, take or authorize any action that would result in a change of effective control of the majority of the voting shares of the Mortgagor.
- 17.6. **No Prejudice from Failure to Enforce Rights** – No failure by the Mortgagee to enforce any of its rights under this Mortgage shall prejudice such rights or any other rights of the Mortgagee and no performance or payment by the Mortgagee in respect of any breach or default of the Mortgagor shall relieve the Mortgagor from any such breach or default under this Mortgage; and no waiver of any such rights of the Mortgagee shall prejudice such rights in the event of any future default or breach.
- 17.7. **Other Security** – This Mortgage is in addition to, and not in substitution for, any other security held by the Mortgagee and it is understood and agreed that the Mortgagee may pursue its remedies thereunder and hereunder concurrently or successively at its option. Any judgment or recovery hereunder or under any other security held by the Mortgagee for the monies secured by this Mortgage shall not affect the right of the Mortgagee to realize upon this or any other such security.
- 17.8. **Obligations Survive Sale** – No sale or other dealing by the Mortgagor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the amounts secured by this Mortgage.
- 17.9. **Extension of Term** – This Mortgage may be renewed or extended by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrancers, and it shall not be necessary to register any such agreement in order to retain priority for this Mortgage so altered over any instrument registered subsequently to this Mortgage. The Mortgagor shall pay to the Mortgagee the amount of any renewal or extension fee charged by the Mortgagee in connection with the renewal or extension of this Mortgage and all solicitor's charges or commissions, on a solicitor and its own client basis incurred by the Mortgagee in connection with the renewal or extension. Nothing contained in this paragraph shall confer any right of renewal or extension upon the Mortgagor.

18. Guarantee by Guarantor

- 18.1. If there is a Guarantor identified in the principal terms of this Mortgage, this Section 18 shall apply.
- 18.2. In consideration of the Mortgagee making loans, accommodations, advances or other extensions of credit to the Mortgagor, each Guarantor hereby agrees with the Mortgagee as follows.

Each Guarantor hereby:

- (a) guarantees the payment by the Mortgagor to the Mortgagee of all of the Principal Sum and other liabilities of the Mortgagor secured or payable under this Mortgage, present or future covenant, direct or indirect, absolute or contingent, matured or not, including, without limitation, principal, interest, taxes, fees and expenses as and when the same are due and payable under this Mortgage (the "**Guaranteed Amounts**"), including, without limitation, the Secured Obligations; and
- (b) covenants and agrees to perform all other covenants and obligations of the Mortgagor under this Mortgage as and when the same are required to be observed or performed under this Mortgage (the "**Guaranteed Covenants**");

in each case without any demand required to be made. The obligations of the Mortgagor to pay the Guaranteed Amounts and perform and observe the Guaranteed Covenants are hereinafter collectively referred to as the "**Guaranteed Obligations**", and this guarantee is hereinafter referred to as the "Guarantee".

- 18.3. If there is more than one Guarantor, the obligations of the Guarantors hereunder shall be joint and several; and any reference herein to "the Guarantor" is to each and every such Guarantor.
- 18.4. If any monies or amounts expressed to be owing or payable under this Guarantee by the Guarantor are not recoverable from the Guarantor, or any of them, on the footing of a guarantee for any reason whatever, such monies or amounts may be recovered from the Guarantor, or any of them, as a primary obligor and principal debtor in respect of such monies or amounts, regardless of whether such monies or amounts are recoverable from the Mortgagor or would be payable by the Mortgagor to the Mortgagee. For greater certainty, but without restricting the general nature of the foregoing, if the Mortgagee is prevented or restricted from exercising its rights or remedies with respect to any of the Guaranteed Obligations, including, without limitation, the right of acceleration, the right to be paid interest at the Interest Rate in respect of the Guaranteed Obligations or the right to enforce or exercise any other right or remedy with respect to the Guaranteed Obligations, the Guarantor agrees to pay the amount that would otherwise have been due and payable had the Mortgagee been permitted to exercise such rights and remedies in accordance with the terms agreed to between the Mortgagor and Mortgagee; provided, however, that the foregoing characterization of the liability of the Guarantor as that of a primary obligor and principal debtor is not intended and shall not be interpreted to confer on the Guarantor, or any of them, any right, benefit or advantage that the Guarantor would not otherwise have in the absence of such characterization.
- 18.5. Without giving notice to or obtaining the consent or concurrence of any Guarantor, the Mortgagee may:

- (a) grant, at any time, indulgences, waivers or extensions of time for payment of any of the Guaranteed Obligations;

- (b) grant any renewals or extensions of this Mortgage with or without a change in the stipulated Interest Rate or in any other terms or conditions of this Mortgage and whether by express agreement signed by the Mortgagor or otherwise;
- (c) change the interest rate provided in this Mortgage, either during the initial term of this Mortgage or in any subsequent extension or renewal term, whether by way of increase, decrease, or change in the reference rate by which the interest rate is calculated or determined; change from a fixed rate to a variable or floating rate, or from a variable or floating rate to a fixed rate, or otherwise;
- (d) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of this Mortgage in any manner whatever;
- (e) release or discharge from this Mortgage the whole or any part of the Mortgaged Premises;
- (f) accept compositions, compromises or proposals from the Mortgagor or otherwise deal with the Mortgagor or any other person (including without limitation, the Guarantor or any other Guarantor of the Guaranteed Obligations), any security (including, without limitation, this Mortgage) or the Mortgaged Premises as the Mortgagee sees fit, including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Guaranteed Obligations; or
- (g) release or discharge any Guarantor or one or more other co-covenantors or Guarantors or Mortgagors in respect of this Mortgage whether under this Guarantee or otherwise;
- (h) release any subsequent legal or beneficial owner of the Mortgaged Premises from any liability for the Guaranteed Obligations, or any of them, or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Guarantor under this Guarantee, regardless of whether any such action has the effect of amending or varying this Mortgage or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the Guaranteed Obligations. The Guaranteed Obligations and the liability of each Guarantor hereunder shall extend to and include the obligations of the Mortgagor under this Mortgage as so amended, renewed, extended, or varied and the Guaranteed Obligations as so increased, expanded or altered without further action on the part of the Mortgagee or the consent or concurrence of any Guarantor; and for greater certainty and without limiting the foregoing, if the interest rate provided in this Mortgage is increased or otherwise altered, the Guaranteed Obligations and the liability of each Guarantor hereunder shall be extended to and include the obligation of the Mortgagor to pay interest at such increased or altered rate.

18.6. The obligations of the Guarantor hereunder shall be unaffected by:

- (a) any lack or limitation of status or power, disability, incapacity, death, dissolution or other circumstances relating to the Mortgagor, any Guarantor or any other party;
- (b) any irregularity, defect, unenforceability or invalidity in respect of this Mortgage or any indebtedness, liability or other obligation of the Mortgagor or any other party;
- (c) any release or discharge of the Guaranteed Obligations except by reason of their irrevocable payment and satisfaction in full;

- (d) any judgment obtained against the Mortgagor, or the taking, enforcing, exercising or realizing on, or refusing or neglecting to take, enforce, exercise or realize on, or negligence in taking, enforcing, exercising or realizing on, any security (including without limitation any money on deposit and any guarantee) or any right or remedy, from or against the Mortgagor or any other party or their respective assets or releasing or discharging, or failing, refusing or neglecting to maintain, protect, renew or perfect, any security (including without limitation any money on deposit or any guarantee) or any right or remedy;
- (e) any change in the name, control, objects, business, assets, capital structure, or constitution of the Mortgagor or any Guarantor, or any merger or amalgamation of the Mortgagor or any Guarantor under the laws of a jurisdiction other than the jurisdiction under which the Mortgagor or Guarantor was originally formed, or any change in the membership of the Mortgagor or any Guarantor, if a partnership, through the death, retirement or introduction of one or more partners, or otherwise; and each reference to the "Mortgagor" or the "Guarantor" in this Mortgage will be deemed to include each corporation and each partnership resulting from any of the foregoing;
- (f) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of this Mortgage or the Guarantee, or the Mortgagor or any Guarantor;
- (g) any failure on the part of the Mortgagee to perfect, maintain or enforce its rights whether due to its default, negligence or otherwise on the part of the Mortgagee with respect to this Mortgage, or any other security granted to the Mortgagee relating to this Mortgage; and
- (h) any other circumstances whatsoever (with or without notice to or the knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor hereunder, or might otherwise constitute a legal or equitable discharge of a surety or Guarantor;

it being the purpose and intent of each Guarantor that the liabilities and obligations of each Guarantor under this Mortgage shall be absolute and unconditional under any and all circumstances.

- 18.7. Unless and until all Guaranteed Obligations have been irrevocably paid and satisfied in full, the Guarantor shall not be subrogated to any of the rights or claims of the Mortgagee in respect of any of the Guaranteed Obligations, or under any security agreement or guarantee or other instrument which may at any time be held by on or behalf of the Mortgagee, and the Guarantor shall not seek any reimbursement from the Mortgagor.
- 18.8. The obligations of the Guarantor under the Guarantee shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor or any of them under this Mortgage (whether such payment shall have been made by or on behalf of the Mortgagor or the Guarantor or any of them) is rescinded, or is reclaimed from the Mortgagee, upon the insolvency, bankruptcy, liquidation, dissolution or reorganization of the Mortgagor or the Guarantor or any of them, or for any other reason.
- 18.9. The Mortgagee shall have no obligation to enforce any rights or remedies or security or guarantees or to take any other steps against the Mortgagor or any other party or any assets of the Mortgagor or any other party before being entitled to demand payment or performance by any Guarantor of its obligations under this Mortgage. Each Guarantor

hereby waives all benefit of discussion and division. Any Guarantor may, by notice in writing delivered to the manager of the branch or agency of the Mortgagee receiving this instrument, terminate the Guarantor's liability under this Mortgage with effect from and after the date (the "Termination Date") that is 30 days following the date of such notice in respect of Guaranteed Obligations incurred or arising at any time on or after the Termination Date but not in respect of any Guaranteed Obligations incurred, arising or existing before the Termination Date, even though not then matured. Notwithstanding the foregoing, the Mortgagee may fulfil any requirements of the Mortgagor under this Mortgage or any advance of all or part of the Principal Sum requested by the Mortgagor prior to the receipt of such notice and any liabilities of the Mortgagor resulting from such fulfillment shall be added to the Guaranteed Obligations and shall be secured by this Mortgage. Termination of the liability of one or more of the Guarantors shall not affect the liability of any other Guarantor.

18.10. Each Guarantor shall indemnify and save harmless the Mortgagee from and against all losses, damages, costs and expenses which the Mortgagee may sustain, incur or become liable for by reason of:

- (a) the failure, for any reason whatever, of the Mortgagor to pay any amounts expressed to be payable pursuant to the provisions of this Mortgage, regardless of whether the Mortgagor's obligation to pay such amounts is valid or enforceable against the Mortgagor;
- (b) the failure, for any reason whatever, of the Mortgagor to perform any other obligation under this Mortgage; or
- (c) any act, action or proceeding of or by the Mortgagee for or in connection with the recovery of such amounts or the performance of such obligations.

18.11. This Guarantee shall be operative and binding upon every Guarantor hereto upon execution and delivery of this Mortgage by such Guarantor regardless of whether it has been executed by any other proposed Guarantor or Guarantors.

19. Assignment of Rents and Leases

19.1. The Mortgagor does hereby assign and set over unto the Mortgagee as security for the Secured Obligations and for the performance of the covenants contained in the Mortgage all rents and other monies now due and payable or hereafter to become due and payable under every existing and future lease and agreement to lease (the "Leases") the whole or any portion of the Mortgaged Premises secured by the mortgage, together with the benefit of all covenants, agreements and provisos contained in the Leases with full power and authority to demand, collect, sue for, recover, receive and give receipts for the rents and to enforce payment thereof in the name of the Mortgagor, its successors and assigns.

19.2. Nothing contained in this section 19 shall be deemed to have the effect of making the Mortgagee responsible for the collection of any rents and other monies now due and payable or to become due and payable, or for the performance of any covenants, terms and conditions either by the lessor or by the lessee contained or to be contained in the Leases and the Mortgagee shall not, by virtue of this Mortgage, be deemed a Mortgagee in possession of the Mortgaged Premises or any part thereof.

19.3. The Mortgagee shall be liable to account for only such monies as shall actually come into its hands by virtue of this Mortgage, less collection charges, exigible taxes and costs (including solicitor and client costs). Such monies when so received by the Mortgagee

shall be applied on account of the monies from time to time due under the Mortgage and any renewal or extension thereof, or under any agreement collateral thereto.

- 19.4. The said rents and other monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned to the Mortgagee are being taken as collateral security only for the due payment of any sum due under the Mortgage or any renewal or extension thereof or of any Mortgage taken in substitution therefor, either wholly or in part, and none of the rights or remedies of the Mortgagee under the Mortgage shall be delayed or in any way prejudiced by these presents.
- 19.5. Notwithstanding any variation of the terms of the Mortgage or any agreement or arrangement with the Mortgagor or any extension of time for payment or any release of part or parts of the Mortgaged Premises, or of any collateral security, the said rents and monies now due and payable or hereafter to become due and payable hereunder and other benefits hereby assigned or to be assigned shall continue as collateral security until the whole of the monies secured by the Mortgage shall be fully paid and satisfied.
- 19.6. The Mortgagor covenants and agrees from time to time and at all times hereafter, at the request of the Mortgagee, to execute and deliver at the expense of the Mortgagor such further assurances for the better and more perfectly assigning to the Mortgagee all rents and monies now due and payable or hereafter to become payable hereunder, as the Mortgagee shall reasonably advise.
- 19.7. Until default shall have been made in the payment of any installment of principal or of interest as provided in the Mortgage or any renewal or extension thereof or until the breach of any covenants contained in the Mortgage, the Mortgagor shall be entitled to receive all rents or monies payable under the Leases and shall not be liable to account therefor to the Mortgagee, but immediately upon default in payment of either the principal or interest under the Mortgage, or upon a breach on the part of the Mortgagor of any of the covenants contained in the Mortgage, and so often as either may occur, the Mortgagee upon notice to the lessee or to any person or persons liable for payment of any rents or monies under the Leases, shall be entitled to all such rents or monies falling due subsequent to the date of service of such notice.
- 19.8. Notwithstanding this Mortgage, the Mortgagor shall be solely responsible for performing and complying with all the lessor's covenants and other obligations under the terms of the Leases and shall perform, according to the true intent and meaning thereof, all such covenants and obligations contained in the Leases so that the rights and remedies of the Mortgagee shall not be in any way delayed or prejudiced.
- 19.9. The Mortgagee may, but shall not be bound to, institute proceedings for the purpose of enforcing any Leases or collecting the rents or for the purpose of preserving any rights of the Mortgagee, the Mortgagor or any other person, firm or corporation in respect of the same.
- 19.10. The Mortgagee may waive any default or breach of covenant and shall not be bound to serve any notice as hereinbefore set forth upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.

20. Condominium Provisions

- 20.1. If any part the Mortgaged Premises is a condominium unit:

- (a) the Mortgagor shall promptly observe and perform all of its covenants, duties and obligations under or pursuant to the *Condominium Act* (Nova Scotia) and the declaration, by-laws and rules of the condominium corporation created by registration of the declaration and the description relating thereto of which the condominium unit forms part (the "**Condominium Corporation**");
- (b) the Mortgagor will pay promptly when due any and all contributions to common expenses and all other levies, charges and assessments made, assessed or levied by or on behalf of the Condominium Corporation payable in respect of, or charged to the owner of, the Mortgaged Premises (all such common expenses, levies, charges, assessments are called "**Unit Charges**");
- (c) upon request by the Mortgagee from time to time, the Mortgagor shall provide satisfactory proof to the Mortgagee that all Unit Charges have been paid in full;
- (d) if the Mortgagor does not pay any Unit Charges when due, then without limiting any of other rights and remedies of the Mortgagee hereunder or otherwise under Applicable Laws, the Mortgagee may (but shall not be obligated to) pay the same and the amount so paid together with interest thereon at the Interest Rate shall be added to the Loan Indebtedness and shall be secured by the Loan Documents and shall be payable forthwith to the Mortgagee upon demand;
- (e) promptly following receipt thereof, the Mortgagor shall deliver to the Mortgagee copies of every notice, assessment, request, claim or demand, notice of meeting and all other documentation or information of any kind relating to the condominium unit or the Condominium Corporation received by the Mortgagor so that the Mortgagee receives them at least 10 days prior to the date that any response, payment or other action is required;
- (f) any default by the Mortgagor under this section 20.1 (regardless of any action or proceedings taken or proposed by the Condominium Corporation) shall be an immediate Event of Default under this Mortgage;
- (g) the Mortgagor hereby irrevocably assigns to the Mortgagee, and irrevocably authorizes and empowers the Mortgagee to exercise, all rights of the Mortgagor as the owner of the Mortgaged Premises to vote or to consent to all matters relating to the affairs of the Condominium Corporation, provided however that:
 - (i) the Mortgagee may at any time and from time to time give notice in writing to the Mortgagor and to the Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes such notice the Mortgagor may exercise the right to vote or consent in respect of all matters not requiring an unanimous resolution (any such notice may be for an indeterminate period of time or for a specific meeting or matter);
 - (ii) the Mortgagee's right to vote and consent do not impose any obligation on the Mortgagee to consult with the Mortgagor as to the manner in which such right to vote or consent will be exercised or not exercised or to protect the Mortgagor's interests and the Mortgagee shall not be responsible for any exercise or failure to exercise the right to vote or consent; and
 - (iii) neither this assignment and authorization in favour of the Mortgagee nor the exercise by the Mortgagee of the right to vote or consent shall constitute the Mortgagee a chargee or mortgagee in possession nor give

rise to any liability on the part of the Mortgagee or any other Lender Entity;

- (h) the Mortgage includes a mortgage, charge, assignment and sublease in favour of the Mortgagee of any lease or rights to occupy any parking space or spaces in the building of which the Mortgaged Premises forms part demised to or reserved or designated for exclusive use by the Mortgagor or its condominium unit and of any lease or right to exclusive use of any common property or special privileges in respect thereof granted to the Mortgagor or its condominium unit;
- (i) without limiting the obligations of the Mortgagor under section 8, the Mortgagor shall cause the Condominium Corporation to maintain the insurance required by Article 5 of this Mortgage with respect to all of the Mortgaged Premises which is governed by the *Condominium Act* (Nova Scotia) for the benefit of the Mortgagee and shall cause the Condominium Corporation to comply fully with the terms of the required policies of insurance and the insurance provisions of the *Condominium Act* (Nova Scotia) and the declaration, by-laws and rules of the Condominium Corporation;
- (j) in addition to any other Events of Default set out in this Mortgage, it shall be an immediate Event of Default if:
 - (i) the government of the Mortgaged Premises by the Condominium Corporation or any part thereof by the *Condominium Act* (Nova Scotia) is terminated; or
 - (ii) a vote of the Condominium Corporation authorizes the sale of all or substantially of its property or assets or all or any part of its common elements which are all or any part of the Mortgaged Premises, or if any part of such common elements of the Condominium Corporation is expropriated and in the opinion of the Mortgagee, such expropriation has or could reasonably be expected to have a material adverse effect; or
 - (iii) the Condominium Corporation fails to comply with any provision of the *Condominium Act* (Nova Scotia) or the declaration, by-laws or any of the rules of the Condominium Corporation; or
 - (iv) the Condominium Corporation fails to insure the condominium units and the common elements governed by it in accordance with the *Condominium Act* (Nova Scotia) and declaration and by-laws of the Condominium Corporation; or
 - (v) in the Mortgagee's opinion, the Condominium Corporation fails to manage its property and assets in a prudent and business-like manner and in keeping with the highest standards for similar properties in the locality in which the Mortgaged Premises is located.

20.2. Notwithstanding anything contained in section 20.1, the Mortgagee may not exercise the right to vote or consent pursuant to the provisions of section 20.1 unless and until the Mortgagee is a chargee or mortgagee in possession.



Assumption Life

This Assignment of Rents and Leases made this 28th day of July, 2020.

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of
RUBY, LLP

(the "Assignor")

-and-

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY, a body
corporate, with an office located at 770 Main Street, Moncton, New
Brunswick, E1C 1E7

(the "Assignee")

The Assignor assigns to the Assignee, as collateral security, and continuing collateral security, for the repayment of all sums due under a mortgage loan between the Assignee and the Assignor, all present and future leases in relation to the parcel specified above, and all or a portion of the said parcel, and all rents and other amounts due at any time and from time to time under the leases, in accordance with the following terms and conditions:

1.0 DEFINITIONS.

1.1 In this document

- (a) **Assigned Rights and Assigned Right** have the meaning set out in Sections 2.1 and 2.2.
- (b) **Default** has the meaning set out in Section 4.1.
- (c) **Indebtedness** means at any time all of the then indebtedness, liability and obligations, direct or indirect, absolute or contingent, matured or unmatured, liquidated or unliquidated, of the Assignor to the Assignee, secured by the Mortgage.
- (d) **Land** means the lands more particularly described in Schedule "A" attached hereto and, includes without limitation, all buildings, erections, improvements and fixtures thereon.
- (e) **Lease or Leases** means each and all present and future lease or leases, agreements to lease, tenancies and agreements granting a right or licence

to occupy and all amendments, renewals or extensions thereof, in all cases whether written or oral, of premises comprising all or any part of the Land in respect of which the Assignor or its successors and assigns is or becomes the landlord or is the successor of the original landlord.

- (f) **Lessee** means each and every tenant under a Lease and any person responsible for payment of Rents for any part of the Land.
- (g) **Lessor** means the Assignor or other owner from time to time of the Land.
- (h) **Mortgage** means the mortgage executed by the Assignors dated the 28th day of July, 2020 and recorded at the Land Registration Office, Halifax County as Document No. 116750614. The terms, "Assignee" and "Assignor" mean the individuals, firms and/or corporations named as Assignee and Assignor in the Mortgage.
- (i) **Rent or Rents** includes all rent, additional rent, deposits as security or otherwise, revenues, other moneys, issues, monetary benefits, rights and profits, present and future, absolute or contingent derived or to be derived by the Assignor from the Leases or the Land.

2.0 CONSIDERATION AND ASSIGNMENT

2.1 Consideration and Grant

In consideration of the premises, valuable consideration and the sum of One Dollar (\$1.00) now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged) the Assignor does hereby assign, transfer and set over unto the Assignee the Leases, the Rents and all the Assignor's right title, estate and interest in and to each Lease and the full benefit of all covenants and obligations of every Lessee and each and everyone of them and the full benefit and advantage of all covenants and obligations of and all rights against each and every covenantor, guarantor and indemnifier of the Lessee's obligations, all of which are sometimes hereinafter collectively referred to as the "Assigned Rights".

2.2 Separate Assignments

Each amount of Rent and each covenant and obligation relating hereto and under a Lease shall be deemed to be the subject of a separate and individual assignment by the terms hereof. The Assignee may exercise its rights hereunder in respect of each of the Assigned Rights (hereinafter individually called an "Assigned Right") separately and whether or not the Assignee in its discretion exercises such rights in respect of any or all of the other Assigned Rights.

2.3 Performance by Assignor

Nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the Rents or any part thereof or for the performance of any covenants, terms and conditions contained in the Leases to be performed either by the Lessor or the Lessees or any part of them and the Assignee shall not by virtue of these presents be deemed an Assignee in possession of the Land or any part thereof. The Assignee may however, at its option, assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights free of any set-off, deduction or abatement and any money expended by the Assignee in this regard shall form part of the Indebtedness and bear interest at the rate from time to time applicable to the outstanding balance of the Indebtedness.

The Assignee shall be liable to account for only such moneys as shall actually come into its hands by virtue of this Agreement, and such moneys when so received by the Assignee shall be applied in the manner set out in Section 4.6.

2.4 Security

The present assignment and transfer, although absolute and intended to be so, shall be held by the Assignee as continuing collateral security to the Assignee for the payment of the Indebtedness and performance by the Assignor of all of its obligations under the Mortgage, this assignment, and any other security for the Indebtedness held at any time by the Assignee, and upon satisfaction of the Indebtedness and performance of such obligations shall at the Assignor's expense be re-assigned to the Assignor or as it may direct. Notwithstanding any variation of the terms of the Mortgage or any agreements or arrangement with the Assignor or any extension of time for payment or any release of part or parts of the Land, or of any other collateral security, the Leases, Rents and other benefits hereby assigned shall continue as collateral security for the Indebtedness until the Indebtedness shall be fully paid and satisfied.

2.5 Further Assurances

The Assignor covenants and agrees from time to time and at all times hereafter at the request of the Assignee to execute and deliver at the expense of the Assignor such further assurances for the better and more perfectly assigning to the Assignee of the Leases and any renewals thereof and the Rents, including, without limitation, Form 23 - Assignments, as the Assignee shall reasonably request. The Assignee agrees that in the event it does execute and deliver a Form 23 - Assignment (General Assignment of Rents and Leases), the terms of this Optional Mortgage Covenant shall apply to and govern such assignment. The Assignor agrees to assign each Lease to the Assignee upon request should the Assignee deem such assignment advisable for the protection of its security, such assignment to be on a form to be prepared by the Assignee's solicitors and shall be prepared at the sole cost and expense of the Assignor.

3.0 COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Title

The Assignor warrants that, subject only to the terms hereof and to the right, title and interest of the Assignee in the Assigned Rights, so long as any Indebtedness is outstanding, the Assignor will be the owner of the entire lessor's interest in the Assigned Rights and will have full right to assign them and each of them; that except as agreed to by the Assignee, in writing, there will be no other assignments of the Leases or the Assigned Rights; that the Assigned Rights will be valid and enforceable in accordance with their terms; that the other parties named therein are not in default under any of the terms, covenants or conditions thereof except for minor defaults in the ordinary course which are not material in the aggregate for the purposes of operating statements for the Land prepared in accordance with generally accepted accounting principles; that as of the date hereof such other parties have no defences, set-offs or counterclaims against the Assignor of a material nature; that no Rents have been or will be assigned in priority to this assignment except to the Assignee subject as aforesaid; and that no Rents for any period subsequent to the date of this assignment have been or will be collected more than two months in advance of the accrual thereof;

3.2 Management

The Assignor covenants: (i) to observe and perform all the obligations imposed upon the Assignor under the Leases and to maintain the Leases and the Assigned Rights in good standing and not to do or permit to be done anything to impair and not to omit to do anything that would impair the security or enforceability of the Leases or of the Assigned Rights thereof; (ii) to cause the Land to be maintained, managed and leased in accordance with sound business practices; (iii) not, without the prior written consent of Assignee heretofore or hereafter given to alter, modify, amend or change the terms of the Leases or Assigned Rights, or give any consent, concession or waiver or exercise any option of the Assignor permitted by such terms, or cancel or terminate the Leases or the Assigned Rights or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Land or of any interest therein, so as to affect directly or indirectly, a merger of the estates and rights of, or a termination, elimination or material diminution of the obligations of other parties thereunder; (iv) at the Assignee's request, to provide copies and/or details of the Leases as the Assignee shall from time to time require; and (v) in accordance with sound business practices to cause prompt action, including legal proceedings for the protection, recovery or enforcement of any of the Assigned Rights or the Leases and all other remedies available to Assignor thereunder, to be commenced as soon as necessary to protect the Assignor's interest.

3.3 Bankruptcy of a Lessee

The Assignor hereby covenants with the Assignee that with respect to each Lease hereby assigned, in the event that a notice of intention to file a proposal, or a proposal itself, is filed under the *Bankruptcy and Insolvency Act* (Canada),

or a proposal or plan of arrangement under the *Companies' Creditors Arrangement Act* or similar legislation, by or in respect of the Lessee thereunder, and such Lessee thereby seeks to terminate or repudiate that Lease:

- (a) all benefits which might otherwise accrue to or be payable to the Assignor as landlord including, without limitation, all monies statutorily or otherwise required to be paid as aforesaid, shall be paid to the Assignee, all of which such benefits and monies are hereby assigned to the Assignee. All monies received by the Assignee as aforesaid may, within ten (10) days of receipt thereof, be paid to the Assignor in whole or in part, the amounts to be determined at the absolute discretion of the Assignee, and such monies as are not paid to the Assignor shall, within the said ten (10) days, be applied firstly on account of costs and expenses of the Assignee (including realty taxes), and secondly on account of interest owing under the Mortgage, and thirdly on account of principal;
- (b) all notices which, statutorily or otherwise may be given to the Assignor as landlord, shall also be given to the Assignee, and if any such notice is given to the Assignor, the Assignor shall forthwith deliver all such notices to the Assignee, and all right of the Assignor as landlord to respond (including the making of any objection or the taking of any other step) with respect to the tenant's proposal, termination or repudiation of the Lease shall be vested in the Assignee, who shall have the right (but not the obligation), as agent and in the name of the Assignor or otherwise, to respond in such manner as to the Assignee may seem fit with respect to any such proposal, termination or repudiation. It is understood and agreed that if the Assignee responds as aforesaid, the Assignee shall be entitled to prefer its own interests (as Assignee) over that of the Assignor, and the Assignor agrees to and does hereby indemnify the Assignee against all costs, proceedings, claims and demands which may be made against the Assignee in or as a result of the Assignee responding as aforesaid.

3.4 Notices

The Assignor understands and acknowledges that this is and is intended to be an absolute, present and unconditional assignment (subject nevertheless to the proviso for re-assignment as hereinbefore provided) and that the Assignee may, at its option, serve on one or more Lessees under the Leases, a notice with regard to this assignment and the disposition of future Rents, and that this assignment is and shall constitute a security for the repayment of all moneys owing by the Assignor to the Assignee under the Mortgage. For the consideration aforesaid and in further consideration of the Assignee directing one or more Lessees under the Leases to continue to pay to the Assignor, as agent for the Assignee, until a breach on the part of the Assignor shall occur (whether under this Optional Mortgage Covenant or under any other terms of the Mortgage or of any of the Assignor's obligations to the Assignee under any other security granted by the Assignor to the Assignee), the Rents and other

monies due under the Leases, the Assignor hereby covenants and agrees with the Assignee:

- (a) That upon the Assignee, at its unfettered discretion, being of the opinion that a breach as aforesaid has occurred and thereafter serving on any or all Lessees, written notice requiring such Lessee or Lessees to thereafter pay the Rents and other monies due under that Lessee's Lease, to the Assignee, the Assignor shall cause payment to the Assignee of the Rents and other monies, and no Lessees shall be obliged to inquire as to the Assignee's right thereto.
- (b) The Assignor hereby directs any person responsible for payment of Rents for any part of the Land to pay the Rents to the Assignee when requested by the Assignee to do so, and the payment of such Rents to the Assignee shall be and operate as a discharge of such Rents to the Lessee or person so responsible. No person shall be concerned to inquire into the state of the accounts between the Assignee and the Assignor, nor whether the moneys owing by the Assignor to the Assignee under the Mortgage remain secured hereby. The Assignor agrees that any third party may rely upon any notice given or purporting to be given by the Assignee or on its behalf pursuant to this assignment, and no deficiency in form or substance thereof shall affect the validity of such notice. The Assignor hereby waives as against any third party any claims it might otherwise have by reason of the third party acting on such notice. The Assignor further agrees that no third party shall be required to honour any re-assignment or purported re-assignment or claim to be entitled to a re-assignment of any Lease unless the notice of same to the third party is duly executed by the Assignee. The Assignee agrees to provide such re-assignments and notices thereof at the Assignor's expense upon payment in full of the moneys owing by the Assignee to the Assignor under the Mortgage.

4.0 DEFAULT

4.1 Definition

In this assignment, "Default" means the occurrence of any one or more of the following events of default:

- (a) the Assignor has failed to observe or perform or is otherwise in breach of any provision of this Optional Mortgage Covenant that is to be observed or performed by the Assignor, or
- (b) the Assignor has failed to observe or perform or is otherwise in breach of any provision of the Mortgage or of any other document relating to the Indebtedness that is to be observed or performed by the Assignor.

4.2 If No Default

Until Default, the Assignor shall be entitled to receive all Rents that are due and payable and to exercise its rights with respect thereto and generally with respect to the Leases as permitted by Section 3.2 and shall not be liable to account therefore to the Assignee, but subject to the provisions hereof.

4.3 Remedies

Upon Default, the Assignee and/or any receiver appointed under the Mortgage or otherwise shall have, in addition to any other remedy, all the remedies in respect of the Assigned Rights as they have under the Mortgage or otherwise in respect of the Land including foreclosure or sale. No delay or omission on the part of the Assignee in the exercise of any remedy for a Default shall operate as a waiver thereof. The remedies available to the Assignee under this assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Mortgage and any other security given to the Assignee with respect to the Indebtedness. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Land or any or all of them at the sole discretion of the Assignee and may be exercised as often as occasion therefore shall arise.

4.4 Rents

In the event of Default, then in addition to the rights hereby assigned to the Assignee the Assignee may, but shall not be obligated, to collect the Rents, and/or manage the Property and otherwise exercise all rights of the Lessor under the Leases or any of them.

4.5 Collection of Rents

The Assignee is authorized in the name of the Assignor (but shall not be bound unless it sees fit) to take from time to time any proceeding which in the opinion of the Assignee or its counsel may be expedient for the purpose of collecting Rents or for securing the payment thereof arising under the Leases, to demand and receive the same and to give receipts therefore, to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect of the Assigned Rights, and any settlement arrived at shall be binding upon the Assignor.

4.6 Application of Proceeds

The Assignee shall have the power to apply all monies received pursuant to the Assigned Rights in such order as the Assignee may reasonably determine, to the payment of the Indebtedness and also toward the payment of any and all sums, monies, costs, charges and expenses incurred by the Assignee in exercise of any of its rights and all reasonable expenses for the care and management of the Land, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and

collecting rents, if any, and the reasonable expenses and fees of all solicitors, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Assignee hereunder. The receipt by the Assignee of any other amounts pursuant to this agreement after a Default hereunder and the exercise of any remedies shall not cure such Default or affect or prejudice the exercise of such remedies.

4.7 Forbearance

If the Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor such rights, this assignment shall not be terminated but shall remain in full force and effect until the Indebtedness is paid in full, it being the intent of the parties that the Assignee shall, from time to time upon the occurrence of any Default under this assignment, have all the rights granted hereby.

4.8 Limitation of Assignee's Obligations

The Assignee's obligations as to any Rents or other amounts actually collected shall be discharged by application of such Rents or other amounts for any of the purposes described in this Optional Mortgage Covenant. The Assignee shall not be liable for uncollected Rents or other amounts or for any claim for damages or set-off arising out of the Assignee's management of the Property. The Assignee shall not be liable to any Lessee for the return of any security deposit made under any Lease, unless the Assignee shall have received such security deposit from the Lessor or such Lessee. The Assignee shall not by reason of this assignment or the exercise of any right granted herein be responsible for any act committed by the Assignor, or any breach or failure to perform by the Assignor with respect to the Leases or any of the Assigned Rights. Nothing contained herein shall be deemed to have the effect of making the Assignee an Assignee in possession of the Land or any part thereof.

5.0 GENERAL

5.1 No Consent

Nothing herein contained shall be deemed to be a consent on the part of the Assignee to the payment of Rent in advance by any Lessees or to an alteration of the terms of the Leases without consent of the Assignee, whether default has occurred under the Mortgage or not.

5.2 Successors and Assigns

This assignment shall enure to the benefit of the Assignee, its successors and assigns and be binding upon the Assignor, its successors and assigns.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Land to any Lessee under any of the Leases, the Lessee's leasehold estate under such Lease shall not merge into the fee estate and the Lessee shall remain obligated under such Lease to the Assignee.

5.4 Security Agreement

The assignment of Rents and Leases contained herein shall be deemed to be a security agreement covering both real and personal property and to create a security interest under the applicable personal property security legislation, and for such purposes the Assignee shall have a security interest in the assigned Leases and Rents thereunder and this Optional Mortgage Covenant shall be deemed to constitute a security agreement as defined in said legislation.

5.5 After Acquired Property

If and to the extent the Assignor's right, title and interest in any Assigned Right is not acquired until after the delivery of this Optional Mortgage Covenant, this Assignment shall nonetheless apply thereto, and the security interest of the Assignee hereby created shall attach to any such Assigned Right at the same time as the Assignor acquires rights therein, without the necessity of any further assignment or other assurances.

5.6 Notices

Whenever the Assignee or the Assignor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is given in the manner provided in the Mortgage.

5.7 Governing Law

This assignment shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

5.8 Severability

If any term or provision contained in this Assignment or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

5.9 Captions

The captions preceding the text of the paragraphs or subparagraphs of this Assignment are inserted only for the convenience of reference and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

5.10 Time of the Essence

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


5.11 Execution

It is agreed that it is not necessary for the Assignee to execute this Assignment, and that upon execution thereof by the Assignor and delivery of any Form 23 – Assignment to be delivered by the Assignor to the Assignee-- this Assignment shall be in full force and effect and shall be binding upon both the Assignee and the Assignor according to its terms.

5.12 Prior and Other Agreements

This Assignment is separate and independent of any other assignment given by the Assignor to the Assignee.

IN WITNESS WHEREOF the Assignor has properly executed this Assignment as of the day and year first written above.



Witness

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per: _____

Name: Steve Caryi

Title: President

I/We have the authority to bind the Assignor

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of July, 2020, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP, one of the parties to the foregoing assignment executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.



Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

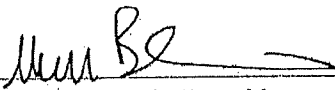
CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT


I, Steve Caryi, of Winter Park, Florida, make oath and say that:

1. I am the President of **ANNAPOLIS MANAGEMENT, INC.** (the "**Corporation**"), general partner of **RUBY, LLP** (the "**Partnership**"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within mortgage has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "**Matrimonial Home**" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova
Scotia this 20th day of July, 2020 before
me:



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steve Caryi

Schedule "A"

PID 00003228

All that certain lot piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.



Assumption Life

This Assignment of Rents and Leases made this 28th day of July, 2020.

BETWEEN:

ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of
RUBY, LLP

(the "Assignor")

-and-

ASSUMPTION MUTUAL LIFE INSURANCE COMPANY, a body
corporate, with an office located at 770 Main Street, Moncton, New
Brunswick, E1C 1E7

(the "Assignee")

The Assignor assigns to the Assignee, as collateral security, and continuing collateral security, for the repayment of all sums due under a mortgage loan between the Assignee and the Assignor, all present and future leases in relation to the parcel specified above, and all or a portion of the said parcel, and all rents and other amounts due at any time and from time to time under the leases, in accordance with the following terms and conditions:

1.0 DEFINITIONS

1.1 In this document

- (a) **Assigned Rights** and **Assigned Right** have the meaning set out in Sections 2.1 and 2.2.
- (b) **Default** has the meaning set out in Section 4.1.
- (c) **Indebtedness** means at any time all of the then indebtedness, liability and obligations, direct or indirect, absolute or contingent, matured or unmatured, liquidated or unliquidated, of the Assignor to the Assignee, secured by the Mortgage.
- (d) **Land** means the lands more particularly described in Schedule "A" attached hereto and, includes without limitation, all buildings, erections, improvements and fixtures thereon.
- (e) **Lease or Leases** means each and all present and future lease or leases, agreements to lease, tenancies and agreements granting a right or licence

to occupy and all amendments, renewals or extensions thereof, in all cases whether written or oral, of premises comprising all or any part of the Land in respect of which the Assignor or its successors and assigns is or becomes the landlord or is the successor of the original landlord.

- (f) **Lessee** means each and every tenant under a Lease and any person responsible for payment of Rents for any part of the Land.
- (g) **Lessor** means the Assignor or other owner from time to time of the Land.
- (h) **Mortgage** means the mortgage executed by the Assignors dated the 28th day of July, 2020 and recorded at the Land Registration Office, Halifax County as Document No. 116750614. The terms, "Assignee" and "Assignor" mean the individuals, firms and/or corporations named as Assignee and Assignor in the Mortgage.
- (i) **Rent or Rents** includes all rent, additional rent, deposits as security or otherwise, revenues, other moneys, issues, monetary benefits, rights and profits, present and future, absolute or contingent derived or to be derived by the Assignor from the Leases or the Land.

2.0 CONSIDERATION AND ASSIGNMENT

2.1 Consideration and Grant

In consideration of the premises, valuable consideration and the sum of One Dollar (\$1.00) now paid by the Assignee to the Assignor (the receipt whereof is hereby acknowledged) the Assignor does hereby assign, transfer and set over unto the Assignee the Leases, the Rents and all the Assignor's right title, estate and interest in and to each Lease and the full benefit of all covenants and obligations of every Lessee and each and everyone of them and the full benefit and advantage of all covenants and obligations of and all rights against each and every covenantor, guarantor and indemnifier of the Lessee's obligations, all of which are sometimes hereinafter collectively referred to as the "Assigned Rights".

2.2 Separate Assignments

Each amount of Rent and each covenant and obligation relating hereto and under a Lease shall be deemed to be the subject of a separate and individual assignment by the terms hereof. The Assignee may exercise its rights hereunder in respect of each of the Assigned Rights (hereinafter individually called an "Assigned Right") separately and whether or not the Assignee in its discretion exercises such rights in respect of any or all of the other Assigned Rights.

2.3 Performance by Assignor

Nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the Rents or any part thereof or for the performance of any covenants, terms and conditions contained in the Leases to be performed either by the Lessor or the Lessees or any part of them and the Assignee shall not by virtue of these presents be deemed an Assignee in possession of the Land or any part thereof. The Assignee may however, at its option, assume or perform any such obligations as the Assignee considers necessary or desirable to obtain the benefit of the Assigned Rights free of any set-off, deduction or abatement and any money expended by the Assignee in this regard shall form part of the Indebtedness and bear interest at the rate from time to time applicable to the outstanding balance of the Indebtedness. The Assignee shall be liable to account for only such moneys as shall actually come into its hands by virtue of this Agreement, and such moneys when so received by the Assignee shall be applied in the manner set out in Section 4.6.

2.4 Security

The present assignment and transfer, although absolute and intended to be so, shall be held by the Assignee as continuing collateral security to the Assignee for the payment of the Indebtedness and performance by the Assignor of all of its obligations under the Mortgage, this assignment, and any other security for the Indebtedness held at any time by the Assignee, and upon satisfaction of the Indebtedness and performance of such obligations shall at the Assignor's expense be re-assigned to the Assignor or as it may direct. Notwithstanding any variation of the terms of the Mortgage or any agreements or arrangement with the Assignor or any extension of time for payment or any release of part or parts of the Land, or of any other collateral security, the Leases, Rents and other benefits hereby assigned shall continue as collateral security for the Indebtedness until the Indebtedness shall be fully paid and satisfied.

2.5 Further Assurances

The Assignor covenants and agrees from time to time and at all times hereafter at the request of the Assignee to execute and deliver at the expense of the Assignor such further assurances for the better and more perfectly assigning to the Assignee of the Leases and any renewals thereof and the Rents, including, without limitation, Form 23 - Assignments, as the Assignee shall reasonably request. The Assignee agrees that in the event it does execute and deliver a Form 23 - Assignment (General Assignment of Rents and Leases), the terms of this Optional Mortgage Covenant shall apply to and govern such assignment. The Assignor agrees to assign each Lease to the Assignee upon request should the Assignee deem such assignment advisable for the protection of its security, such assignment to be on a form to be prepared by the Assignee's solicitors and shall be prepared at the sole cost and expense of the Assignor.

3.0 COVENANTS, REPRESENTATIONS AND WARRANTIES

3.1 Title

The Assignor warrants that, subject only to the terms hereof and to the right, title and interest of the Assignee in the Assigned Rights, so long as any Indebtedness is outstanding, the Assignor will be the owner of the entire lessor's interest in the Assigned Rights and will have full right to assign them and each of them; that except as agreed to by the Assignee, in writing, there will be no other assignments of the Leases or the Assigned Rights; that the Assigned Rights will be valid and enforceable in accordance with their terms; that the other parties named therein are not in default under any of the terms, covenants or conditions thereof except for minor defaults in the ordinary course which are not material in the aggregate for the purposes of operating statements for the Land prepared in accordance with generally accepted accounting principles; that as of the date hereof such other parties have no defences, set-offs or counterclaims against the Assignor of a material nature; that no Rents have been or will be assigned in priority to this assignment except to the Assignee subject as aforesaid; and that no Rents for any period subsequent to the date of this assignment have been or will be collected more than two months in advance of the accrual thereof;

3.2 Management

The Assignor covenants: (i) to observe and perform all the obligations imposed upon the Assignor under the Leases and to maintain the Leases and the Assigned Rights in good standing and not to do or permit to be done anything to impair and not to omit to do anything that would impair the security or enforceability of the Leases or of the Assigned Rights thereof; (ii) to cause the Land to be maintained, managed and leased in accordance with sound business practices; (iii) not, without the prior written consent of Assignee heretofore or hereafter given to alter, modify, amend or change the terms of the Leases or Assigned Rights, or give any consent, concession or waiver or exercise any option of the Assignor permitted by such terms, or cancel or terminate the Leases or the Assigned Rights or accept the surrender thereof or convey or transfer or suffer or permit a conveyance or transfer of the Land or of any interest therein, so as to affect directly or indirectly, a merger of the estates and rights of, or a termination, elimination or material diminution of the obligations of other parties thereunder; (iv) at the Assignee's request, to provide copies and/or details of the Leases as the Assignee shall from time to time require; and (v) in accordance with sound business practices to cause prompt action, including legal proceedings for the protection, recovery or enforcement of any of the Assigned Rights or the Leases and all other remedies available to Assignor thereunder, to be commenced as soon as necessary to protect the Assignor's interest.

3.3 Bankruptcy of a Lessee

The Assignor hereby covenants with the Assignee that with respect to each Lease hereby assigned, in the event that a notice of intention to file a proposal, or a proposal itself, is filed under the *Bankruptcy and Insolvency Act* (Canada),

or a proposal or plan of arrangement under the *Companies' Creditors Arrangement Act* or similar legislation, by or in respect of the Lessee thereunder, and such Lessee thereby seeks to terminate or repudiate that Lease:

- (a) all benefits which might otherwise accrue to or be payable to the Assignor as landlord including, without limitation, all monies statutorily or otherwise required to be paid as aforesaid, shall be paid to the Assignee, all of which such benefits and monies are hereby assigned to the Assignee. All monies received by the Assignee as aforesaid may, within ten (10) days of receipt thereof, be paid to the Assignor in whole or in part, the amounts to be determined at the absolute discretion of the Assignee, and such monies as are not paid to the Assignor shall, within the said ten (10) days, be applied firstly on account of costs and expenses of the Assignee (including realty taxes), and secondly on account of interest owing under the Mortgage, and thirdly on account of principal;
- (b) all notices which, statutorily or otherwise may be given to the Assignor as landlord, shall also be given to the Assignee, and if any such notice is given to the Assignor, the Assignor shall forthwith deliver all such notices to the Assignee, and all right of the Assignor as landlord to respond (including the making of any objection or the taking of any other step) with respect to the tenant's proposal, termination or repudiation of the Lease shall be vested in the Assignee, who shall have the right (but not the obligation), as agent and in the name of the Assignor or otherwise, to respond in such manner as to the Assignee may seem fit with respect to any such proposal, termination or repudiation. It is understood and agreed that if the Assignee responds as aforesaid, the Assignee shall be entitled to prefer its own interests (as Assignee) over that of the Assignor, and the Assignor agrees to and does hereby indemnify the Assignee against all costs, proceedings, claims and demands which may be made against the Assignee in or as a result of the Assignee responding as aforesaid.

3.4 Notices

The Assignor understands and acknowledges that this is and is intended to be an absolute, present and unconditional assignment (subject nevertheless to the proviso for re-assignment as hereinbefore provided) and that the Assignee may, at its option, serve on one or more Lessees under the Leases, a notice with regard to this assignment and the disposition of future Rents, and that this assignment is and shall constitute a security for the repayment of all moneys owing by the Assignor to the Assignee under the Mortgage. For the consideration aforesaid and in further consideration of the Assignee directing one or more Lessees under the Leases to continue to pay to the Assignor, as agent for the Assignee, until a breach on the part of the Assignor shall occur (whether under this Optional Mortgage Covenant or under any other terms of the Mortgage or of any of the Assignor's obligations to the Assignee under any other security granted by the Assignor to the Assignee), the Rents and other

monies due under the Leases, the Assignor hereby covenants and agrees with the Assignee:

- (a) That upon the Assignee, at its unfettered discretion, being of the opinion that a breach as aforesaid has occurred and thereafter serving on any or all Lessees, written notice requiring such Lessee or Lessees to thereafter pay the Rents and other monies due under that Lessee's Lease, to the Assignee, the Assignor shall cause payment to the Assignee of the Rents and other monies, and no Lessees shall be obliged to inquire as to the Assignee's right thereto.
- (b) The Assignor hereby directs any person responsible for payment of Rents for any part of the Land to pay the Rents to the Assignee when requested by the Assignee to do so, and the payment of such Rents to the Assignee shall be and operate as a discharge of such Rents to the Lessee or person so responsible. No person shall be concerned to inquire into the state of the accounts between the Assignee and the Assignor, nor whether the moneys owing by the Assignor to the Assignee under the Mortgage remain secured hereby. The Assignor agrees that any third party may rely upon any notice given or purporting to be given by the Assignee or on its behalf pursuant to this assignment, and no deficiency in form or substance thereof shall affect the validity of such notice. The Assignor hereby waives as against any third party any claims it might otherwise have by reason of the third party acting on such notice. The Assignor further agrees that no third party shall be required to honour any re-assignment or purported re-assignment or claim to be entitled to a re-assignment of any Lease unless the notice of same to the third party is duly executed by the Assignee. The Assignee agrees to provide such re-assignments and notices thereof at the Assignor's expense upon payment in full of the moneys owing by the Assignee to the Assignor under the Mortgage.

4.0 DEFAULT

4.1 Definition

In this assignment, "Default" means the occurrence of any one or more of the following events of default:

- (a) the Assignor has failed to observe or perform or is otherwise in breach of any provision of this Optional Mortgage Covenant that is to be observed or performed by the Assignor, or
- (b) the Assignor has failed to observe or perform or is otherwise in breach of any provision of the Mortgage or of any other document relating to the Indebtedness that is to be observed or performed by the Assignor.

4.2 If No Default

Until Default, the Assignor shall be entitled to receive all Rents that are due and payable and to exercise its rights with respect thereto and generally with respect to the Leases as permitted by Section 3.2 and shall not be liable to account therefore to the Assignee, but subject to the provisions hereof.

4.3 Remedies

Upon Default, the Assignee and/or any receiver appointed under the Mortgage or otherwise shall have, in addition to any other remedy, all the remedies in respect of the Assigned Rights as they have under the Mortgage or otherwise in respect of the Land including foreclosure or sale. No delay or omission on the part of the Assignee in the exercise of any remedy for a Default shall operate as a waiver thereof. The remedies available to the Assignee under this assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Mortgage and any other security given to the Assignee with respect to the Indebtedness. The said remedies shall be cumulative and concurrent and not alternative, may be pursued separately, successively or together against the Assignor, against the Land or any or all of them at the sole discretion of the Assignee and may be exercised as often as occasion therefore shall arise.

4.4 Rents

In the event of Default, then in addition to the rights hereby assigned to the Assignee the Assignee may, but shall not be obligated, to collect the Rents, and/or manage the Property and otherwise exercise all rights of the Lessor under the Leases or any of them.

4.5 Collection of Rents

The Assignee is authorized in the name of the Assignor (but shall not be bound unless it sees fit) to take from time to time any proceeding which in the opinion of the Assignee or its counsel may be expedient for the purpose of collecting Rents or for securing the payment thereof arising under the Leases, to demand and receive the same and to give receipts therefore, to compound, compromise or submit to arbitration any dispute which has arisen or may arise in respect of the Assigned Rights, and any settlement arrived at shall be binding upon the Assignor.

4.6 Application of Proceeds

The Assignee shall have the power to apply all monies received pursuant to the Assigned Rights in such order as the Assignee may reasonably determine, to the payment of the Indebtedness and also toward the payment of any and all sums, monies, costs, charges and expenses incurred by the Assignee in exercise of any of its rights and all reasonable expenses for the care and management of the Land, including taxes, insurance, assessments, usual and customary commissions to a real estate broker for leasing real estate and

collecting rents, if any, and the reasonable expenses and fees of all solicitors, agents and servants, which expenses may be reasonably necessary to exercise the powers granted to the Assignee hereunder. The receipt by the Assignee of any other amounts pursuant to this agreement after a Default hereunder and the exercise of any remedies shall not cure such Default or affect or prejudice the exercise of such remedies.

4.7 Forbearance

If the Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to the Assignor such rights, this assignment shall not be terminated but shall remain in full force and effect until the Indebtedness is paid in full, it being the intent of the parties that the Assignee shall, from time to time upon the occurrence of any Default under this assignment, have all the rights granted hereby.

4.8 Limitation of Assignee's Obligations

The Assignee's obligations as to any Rents or other amounts actually collected shall be discharged by application of such Rents or other amounts for any of the purposes described in this Optional Mortgage Covenant. The Assignee shall not be liable for uncollected Rents or other amounts or for any claim for damages or set-off arising out of the Assignee's management of the Property. The Assignee shall not be liable to any Lessee for the return of any security deposit made under any Lease, unless the Assignee shall have received such security deposit from the Lessor or such Lessee. The Assignee shall not by reason of this assignment or the exercise of any right granted herein be responsible for any act committed by the Assignor, or any breach or failure to perform by the Assignor with respect to the Leases or any of the Assigned Rights. Nothing contained herein shall be deemed to have the effect of making the Assignee an Assignee in possession of the Land or any part thereof.

5.0 GENERAL

5.1 No Consent

Nothing herein contained shall be deemed to be a consent on the part of the Assignee to the payment of Rent in advance by any Lessees or to an alteration of the terms of the Leases without consent of the Assignee, whether default has occurred under the Mortgage or not.

5.2 Successors and Assigns

This assignment shall enure to the benefit of the Assignee, its successors and assigns and be binding upon the Assignor, its successors and assigns.

5.3 No Merger

Notwithstanding the conveyance or transfer of title to any or all of the Land to any Lessee under any of the Leases, the Lessee's leasehold estate under such Lease shall not merge into the fee estate and the Lessee shall remain obligated under such Lease to the Assignee.

5.4 Security Agreement

The assignment of Rents and Leases contained herein shall be deemed to be a security agreement covering both real and personal property and to create a security interest under the applicable personal property security legislation, and for such purposes the Assignee shall have a security interest in the assigned Leases and Rents thereunder and this Optional Mortgage Covenant shall be deemed to constitute a security agreement as defined in said legislation.

5.5 After Acquired Property

If and to the extent the Assignor's right, title and interest in any Assigned Right is not acquired until after the delivery of this Optional Mortgage Covenant, this Assignment shall nonetheless apply thereto, and the security interest of the Assignee hereby created shall attach to any such Assigned Right at the same time as the Assignor acquires rights therein, without the necessity of any further assignment or other assurances.

5.6 Notices

Whenever the Assignee or the Assignor desires to give any notice to the other, it shall be sufficient for all purposes if such notice is given in the manner provided in the Mortgage.

5.7 Governing Law

This assignment shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

5.8 Severability

If any term or provision contained in this Assignment or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Assignment or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforceable to the fullest extent permitted by law.

5.9 Captions

The captions preceding the text of the paragraphs or subparagraphs of this Assignment are inserted only for the convenience of reference and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

5.10 Time of the Essence

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

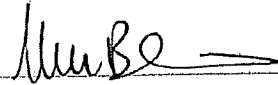
5.11 Execution

It is agreed that it is not necessary for the Assignee to execute this Assignment, and that upon execution thereof by the Assignor and delivery of any Form 23 – Assignment to be delivered by the Assignor to the Assignee-- this Assignment shall be in full force and effect and shall be binding upon both the Assignee and the Assignor according to its terms.

5.12 Prior and Other Agreements

This Assignment is separate and independent of any other assignment given by the Assignor to the Assignee.

IN WITNESS WHEREOF the Assignor has properly executed this Assignment as of the day and year first written above.



Witness

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per: 

Name: Steve Garyi

Title: President

I/We have the authority to bind the Assignor

PROVINCE OF NOVA SCOTIA

I HEREBY CERTIFY that on this 28th day of July, 2020, **ANNAPOLIS MANAGEMENT, INC.**, in its capacity as general partner of **RUBY, LLP**, one of the parties to the foregoing assignment executed and delivered the same in my presence by videoconference, and I have signed as witness to the same.



Marc Beaubien

A Barrister of the Supreme Court of
Nova Scotia

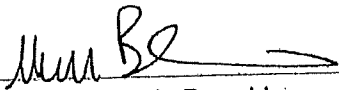
CANADA
PROVINCE OF NOVA SCOTIA

AFFIDAVIT

I, Steve Caryi, of Winter Park, Florida, make oath and say that:

1. I am the President of **ANNAPOLIS MANAGEMENT, INC.** (the "**Corporation**"), general partner of **RUBY, LLP** (the "**Partnership**"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. That property described in the within mortgage has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "**Matrimonial Home**" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by videoconference from
Halifax, Nova Scotia to Halifax, Nova
Scotia this 20th day of July, 2020 before
me:



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia


Steve Caryi

Schedule "A"

PID 00003228

All that certain lot piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.

K

Form 39.09

Exhibit Stamp

Hfx No. 539955

This is Exhibit "K" referred to in the
affidavit of Joanne Caryi, sworn to before
me on January 23, 2025.



Signature

EMMA R. VOSSEN
A Barrister of the Supreme
Court of Nova Scotia

THIS COLLATERAL MORTGAGE made this 13 day of June, 2023.

BETWEEN:

**BSL HOLDINGS LIMITED, a body corporate, and ANNAPOLIS MANAGEMENT, INC.,
a body corporate, in its capacity as general partner of RUBY, LLP**

(the "Mortgagor")

OF THE FIRST PART

-and-

**GRAYSBROOK CAPITAL LTD., a body corporate, doing business as ATLANTIC
SIGNATURE MORTGAGES AND LOANS**

(the "Mortgagee")

OF THE SECOND PART

-and-

STEVEN CARYI

(the "Guarantor")

OF THE THIRD PART

1.0 DEFINITIONS

In this Collateral Mortgage, unless the context otherwise requires:

- (a) "Condominium Corporation" means the condominium corporation of which the Mortgagor is a member by virtue of ownership of the Mortgaged Premises;**
- (b) "Condominium Unit(s)" means the condominium unit(s) and common interests appurtenant thereto described in Schedule "A" annexed hereto;**
- (c) "Customer" means BSL HOLDINGS LIMITED, and ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of RUBY, LLP who is a customer of the Mortgagee. If more than one person is named as a Customer, the term "Customer" means all and any one or more of them**

and the liabilities of the Customer (as hereinafter defined) means the liabilities of all or any one or more of them to the Mortgagee;

- (d) "Guarantor" means the party or parties of the third part who has executed this Mortgage to guarantee the obligations of the Mortgagor pursuant to the provisions of Section 16 of this Mortgage;
- (e) "Indebtedness" means all obligations, debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, at any time owing by the Customer to the Mortgagee or remaining unpaid by the Customer to the Mortgagee heretofore or hereafter incurred or arising and whether incurred by or arising from agreement or dealings between the Mortgagee and the Customer or from any agreement or dealings with any third party by which the Mortgagee may be or become in any manner whatsoever a creditor of the Customer or however otherwise incurred or arising anywhere within or outside Canada and whether the Customer be bound alone or with another or others, and whether as principal or surety, and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again, but it being agreed that this Mortgage at any one time will secure only that portion of the obligations, debts and liabilities outstanding at such time which does not exceed the sum of Two Million Dollars (\$2,000,000.00) (the "Principal Sum"), together with interest from the date of demand at the Interest Rate set out below;
- (f) "Interest Rate" means:

- (a) **Prime Rate**

Interest at a rate equal to the Mortgagee's Prime Interest Rate per annum in effect from time to time plus fifteen per centum (15%) per annum calculated and payable monthly as well after as before maturity, default and judgment, with interest on overdue interest at the same rate as on the Principal Sum. For the purpose hereof, the Prime Interest Rate is the annual rate of interest announced from time to time by the Mortgagee as a reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada. In the event that it may be necessary at any time for the Mortgagee to prove the Mortgagee's Prime Interest Rate applicable at any time, or times, it is agreed that the certificate in writing of the Mortgagee setting forth the Mortgagee's Prime Interest Rate as at any time, or times, shall be conclusive evidence as to the Mortgagee's Prime Interest Rate as in the certificate set forth;

- (g) "Loan" means any loan, facility or arrangement creating the Indebtedness;
- (h) "Loan Document" means any agreement or instrument evidencing the Indebtedness;
- (i) "Mortgagee" means GRAYSBROOK CAPITAL LTD, doing business as ATLANTIC SIGNATURE MORTGAGES AND LOANS;
- (j) "Mortgaged Premises" means the lands described in Schedule "A" annexed hereto, together with all easements, rights of way, tenements, hereditaments, rights, privileges and appurtenances now or hereafter belonging or appertaining to these lands, and together with, if applicable, all buildings, erections, structures and appurtenances, fixed or otherwise, now or hereafter put on these lands and includes a Condominium Unit(s), if applicable;
- (k) "Mortgagor" means the party or parties of the first part.

2.0 RECITALS

- 2.1 The Mortgagee has requested from the Mortgagor security for the due payment of the Indebtedness.
- 2.2 The Mortgagor has agreed to execute this Mortgage for the purpose of securing to the Mortgagee payment of the Indebtedness.

3.0 CHARGE

- 3.1 In consideration of the sum of \$1.00, the Mortgagor assigns, conveys and mortgages, as beneficial owner by way of a first fixed and specific charge to the Mortgagee the Mortgaged Premises TO HOLD the Mortgaged Premises unto the Mortgagee:
 - (a) as to leasehold lands, for all the residue yet to come and unexpired of the term granted by the lease of the same except the last day thereof which is excepted out of the Mortgaged Premises but in respect of which the Mortgagor shall stand possessed in trust for the Mortgagee for the purpose of this Mortgage; and
 - (b) as to freehold lands, forever;
 - (c) as security for payment of the Indebtedness.
- 3.2 Provided that this Mortgage shall be void upon the Mortgagor paying upon demand to the Mortgagee the Principal Sum and all other amounts payable by the Mortgagor hereunder and upon the due performance of all covenants and conditions herein contained and on the part of the Mortgagor to be observed and performed, but shall otherwise remain in full force and effect.

4.0 COVENANTS

4.1 The Mortgagor covenants with the Mortgagee that:

- (a) The Mortgagor will pay upon demand that portion of the Principal Sum then outstanding, together with interest thereon from the date of demand at the Interest Rate, and on default the Mortgagee may enter and have quiet enjoyment of the Mortgaged Premises.
- (b) The Mortgagor will pay all taxes, rates and assessments and show receipts on demand, or at the option of the Mortgagee, pay to the Mortgagee one-twelfth of the yearly taxes as estimated by the Mortgagee on the first day of each and every month during the term or continuance of this Mortgage and the Mortgagee shall apply such payments on account of the taxes so long as the Mortgagor shall not default under any covenant or agreement contained in this Mortgage, but nothing herein contained shall obligate the Mortgagee to apply such payments on account of the taxes more often than yearly; or prior to discount or interest dates; provided however that if the Mortgagor shall pay any sum or sums to the Mortgagee to apply on account of the taxes and if before the same shall have been so applied there shall be default by the Mortgagor in respect of any payment of the Indebtedness, the Mortgagee may at its option apply such sum or sums in or towards payment of the principal and/or interest in default; and in the event that the taxes actually levied for any one year together with any interest and penalties thereon exceed the estimated amount, the Mortgagor shall pay to the Mortgagee on demand the amount required to make up the deficiency; and if the Mortgagor desires to take advantage of any discounts or avoid any penalty in connection with the payment of the taxes, the Mortgagor shall pay to the Mortgagee such additional amounts as are required and shall direct the Mortgagee to make such payments for that purpose; and the Mortgagor shall transmit to the Mortgagee forthwith after receiving them, tax bills and other notices affecting the imposition of taxes upon the Mortgaged Premises.
- (c) The Mortgagor has a good freehold/leasehold title in fee simple to the Mortgaged Premises and the right to convey the Mortgaged Premises as hereby conveyed, that the Mortgaged Premises are free from encumbrances, and that the Mortgagor will procure such further assurances as may reasonably be required.
- (d) (i) The Mortgagor will forthwith insure and during the term or continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Mortgagee might require to the full extent of their replacement cost in lawful money of Canada, each and every building on the Mortgaged Premises and which may hereafter be erected thereon, both during erection and thereafter and all fixtures as hereinafter defined or referred to, and all other risks, hazards and perils of any nature or kind which the Mortgagee might require depending on the nature of the Mortgaged Premises or the use

thereof, in a company or Company duly authorized to carry on business as such and shall pay all premiums and sums of money necessary for such purpose as the same shall become due; each policy of insurance shall provide that loss, if any, shall be payable to the Mortgagee as its interest may appear, subject to a standard form of mortgage clause or other mortgage clause approved by the Mortgagee, and the Mortgagor will forthwith assign, transfer and deliver over unto the Mortgagee the policy or policies of insurance and receipts thereto appertaining; and if the Mortgagor shall neglect to keep the said buildings or any of them insured as aforesaid, or to deliver such policies and receipts or to produce to the Mortgagee at least fifteen days before the termination of any insurance evidence of renewal thereof, the Mortgagee shall be entitled but shall not be obliged to insure the said buildings or any of them, and if the Mortgagee shall pay any premiums or sums of money for insurance for the buildings on the Mortgaged Premises or any part thereof the amount of such payment shall be added to the debt secured by this Mortgage and shall bear interest at the Interest Rate from the time of such payments and shall be payable at the time appointed for the next ensuing payment of interest on the said debt; and the Mortgagor shall forthwith on the happening of any loss or damage, furnish at his own expense all necessary proofs and do all necessary acts to enable the Mortgagee to obtain payment of the insurance monies and the production of this Mortgage shall be sufficient authority for the said insurance company to pay any such loss to the Mortgagee, and the said insurance company is hereby directed thereupon to pay the same to the Mortgagee; and any insurance monies received may, at the option of the Mortgagee, be applied in rebuilding, reinstating or repairing the Mortgaged Premises or be paid to the Mortgagor or any other person appearing by the registered title to be or to have been the owner of the Mortgaged Premises or be applied or paid partly in one way and partly in another, or it may be applied, in the sole discretion of the Mortgagee, in whole or in part, in payment of this Mortgage debt or any part thereof whether due or not then due.

(ii) If the Mortgaged Premises are comprised of one or more Condominium Units, the insurance provisions set out in subparagraph (i) above will not apply and the following will apply to this Mortgage:

The Mortgagor or the Condominium Corporation or both of them will forthwith insure and during the term or continuance of this Mortgage keep insured in favour of the Mortgagee against loss or damage by fire, lightning, windstorm, hail, explosion, impact, vandalism, malicious acts, civil disturbance or riot, smoke, falling objects and other risks, hazards and perils which the Mortgagee might require to the full extent of their replacement cost in lawful money of Canada, the Condominium Unit(s), both during erection and thereafter and all fixtures as herein defined or referred to and all other risks, hazards and perils of any nature or kind which the Mortgagee might require depending on the nature of the Condominium Unit(s) or the use thereof, in a company or Company

approved by the Mortgagee; and the Mortgagor or the Condominium Corporation, or both of them, will forthwith provide to the Mortgagee certificates of insurance and such other evidence of insurance as the Mortgagee may require, and if the Mortgagor or Condominium Corporation, or both of them, shall neglect to keep the Condominium Unit(s) insured as aforesaid, or to deliver such certificates or evidence of insurance to the Mortgagee at least fifteen days before the termination of any insurance evidence of renewal thereof, the Mortgagee shall be entitled but shall not be obligated to insure the Condominium Unit(s); and the Mortgagor or the Condominium Corporation or both of them shall forthwith on the happening of any loss or damage comply fully with the terms of the policy, or policies of insurance and, without limiting the generality of the obligation of the Mortgagor to observe and perform all the duties and obligations imposed on the Mortgagor by the Condominium Act and by the Declaration and By-laws of the Condominium Corporation, shall comply with the insurance provisions of the Declaration; and the Mortgagor as a member of the Condominium Corporation shall seek the full compliance by the Condominium Corporation of the aforementioned covenants.

- (e) The Mortgagor will keep the Mortgaged Premises in good condition and repair according to the nature and description thereof and if the Mortgaged Premises are not kept in good condition and repair or any act of waste is committed thereon by the Mortgagor or any person, whether or not the Mortgagor has control over the acts of that person, or if the Mortgagor defaults the Mortgagee may enter and complete, repair or manage the Mortgaged Premises and recover all reasonable costs with interest at the Interest Rate as part of this Mortgage.
- (f) The Mortgagor will not make or permit to be made any demolition, alterations or additions to the Mortgaged Premises without the consent of the Mortgagee, and will not use the Mortgaged Premises or permit them to be used without the consent of the Mortgagee for a purpose other than disclosed to the Mortgagee in the application for this Mortgage.
- (g) The Mortgagee or agent of the Mortgagee may, at any time, enter upon the Mortgaged Premises to inspect the Mortgaged Premises, and the reasonable costs of such inspection shall be added to the Indebtedness secured by this Mortgage.
- (h) The Mortgagor will at all times promptly observe, perform, execute and comply with all applicable laws, rules, requirements, orders, directions, by-laws, ordinances, work orders and regulations of every governmental authority and agency whether federal, provincial, municipal or otherwise, including without limiting the generality of the foregoing, those dealing with zoning, use, occupancy, subdivision, parking, historical designations, fire, access, loading facilities, landscaped area, pollution of the environment, toxic materials or other environmental hazards, building construction, public health and safety, and all private covenants and

restrictions affecting the Mortgaged Premises or any portion thereof and the Mortgagor will from time to time, upon request of the Mortgagee, provide to the Mortgagee evidence of such observance and compliance, and will at the Mortgagor's own expense make any and all improvements thereon or alterations to the Mortgaged Premises, structural or otherwise, and will take all such other action as may be required at any time by any such present or future law, rule, requirement, order, direction, by-law, ordinance, work order or regulation.

- (i) In the made under any of the terms of this Mortgage, the Mortgagee shall be entitled to send an inspector or agent to inspect and report upon the value, state, and condition of the Mortgaged Premises and a solicitor to examine and report upon the title to the Mortgaged Premises at the Mortgagor's expense, and all expenses incurred in so doing, together with all costs and charges (including solicitor and client costs) which the Mortgagee may incur or pay in collecting or attempting to collect the Principal Sum and any other monies secured hereunder, or in enforcing or attempting to enforce any of the remedies and powers herein contained for the recovery of the Principal Sum and any other monies secured hereunder, whether the proceedings taken prove abortive or not, and in recovering or attempting to procure possession of and keeping possession of the Mortgaged Premises or any part thereof, shall form and be a charge upon the Mortgaged Premises, and shall be payable forthwith to the Mortgagee by the Mortgagor, and shall bear interest at the Interest Rate computed from the time of payment.
- (j) In the event of the Mortgagor selling, conveying, transferring, or entering into any agreement of sale or transfer of the title of the Mortgaged Premises to a purchaser, grantee or transferee not approved by the Mortgagee, then at the option of the Mortgagee, the Principal Sum and any other monies secured hereunder shall forthwith become due and payable.
- (k) The Mortgagor will not, without the prior written consent of the Mortgagee, give any further mortgage or charge of the Mortgaged Premises while this Mortgage is still outstanding and undischarged and if the Mortgagor should mortgage or charge the Mortgaged Premises in contravention of this paragraph then, at the option of the Mortgagee, the Principal Sum and any other monies secured hereunder shall forthwith become due and payable.
- (l) Any sum owing or required by this Mortgage to be paid by the Mortgagor to the Mortgagee shall be added to the Principal Sum and shall form a charge on the Mortgaged Premises and shall bear interest at the Interest Rate until paid.

5.0 APPLICATION OF PAYMENTS

- 5.1 **PROVIDED** that, in the case of any default by the Mortgagor, the Mortgagee may then apply any payments received during the period of default in whatever order it may elect as between principal, taxes, interest, repairs, insurance premiums or other advances made on behalf of the Mortgagor.

6.0 **ACTS OF DEFAULT**

- 6.1 **PROVIDED** that in default of the payment of the Principal Sum and any other monies secured hereunder, or on breach of any covenant or proviso herein contained, or if waste be committed by the Mortgagor or any other person, whether or not the Mortgagor has control over the acts of that person, or if the Mortgagor should make an assignment for the benefit of creditors, or a proposal under the *Bankruptcy and Insolvency Act*, or *Company' Creditors Arrangement Act* or have a bankruptcy petition presented against the Mortgagor, or if the Mortgagor should allow a creditor to enter judgment against the Mortgagor by reason of its financial inability to pay a debt or debts, the whole of the Principal Sum and any other monies secured hereunder remaining unpaid shall become payable, but the Mortgagee may waive its right to demand payment of the Principal Sum and any other monies secured hereunder and shall not be therefor debarred from subsequently asserting and exercising its right to call in the Principal Sum and any other monies secured hereunder by reason of such waiver or by reason of any future default, and the Mortgagor agrees that neither the execution nor registration of this Mortgage, nor the advancing of any part of the Loan, shall bind the Mortgagee to advance any further part of the Loan, but the advance of the Loan or any part thereof shall be in the sole discretion of the Mortgagee.

7.0 **PRIOR ENCUMBRANCES**

- 7.1 **PROVIDED** that the Mortgagee may pay the amount of any encumbrance, lien or charge now or hereafter existing or to arise or be claimed upon the Mortgaged Premises, having priority over this Mortgage, including any arrears of taxes or other rates on the Mortgaged Premises or any of them, and may pay all costs, charges and expenses which may be incurred in taking, recovering and keeping possession of the Mortgaged Premises and all solicitors' charges or commissions for or in respect of the collection of any overdue interest, principal, insurance premiums or any other monies whatsoever payable by the Mortgagor thereunder, as between solicitor and client, whether any action or other judicial proceeding to enforce such payment has been taken or not and the amounts so paid shall be added to the Indebtedness hereby secured and be a charge on the Mortgaged Premises and shall bear interest at the Interest Rate, and shall be forthwith payable by the Mortgagor to the Mortgagee and the non-payment of such amount shall entitle the Mortgagee to exercise the powers exercisable for breach of covenant hereinbefore contained. In the event of the Mortgagee paying the amount of any such encumbrance, lien or charge, taxes or rates, either out of the monies advanced on this security or otherwise, it shall be entitled to all the rights, equities and securities of the person or persons, company, corporation or government so paid off.

8.0 JUDGMENT

- 8.1 The taking of a judgment in respect of the Indebtedness or any instrument or instruments now or hereafter representing or evidencing the Indebtedness, or under any of the covenants herein, or in any such instrument contained or implied, shall not operate as a merger of the Indebtedness or such instrument, instruments or covenants, nor affect the Mortgagee's right to interest at the Interest Rate, nor affect nor prejudice any rights or remedies given to the Mortgagee by the terms hereof.

9.0 FIXTURES

- 9.1 All machinery and improvements, fixed or otherwise, and even though not attached to the Mortgaged Premises otherwise than by their own weight, are and shall, in addition to other fixtures thereon, be and become fixtures and an accession to the freehold and a part of the Mortgaged Premises as between the parties hereto, their heirs, executors, administrators, successors, legal representatives and assigns and all persons claiming by, through or under them and shall be security for the Indebtedness.

10.0 AGREEMENT BETWEEN THE MORTGAGOR AND MORTGAGEE

- 10.1 It is agreed by and between the mortgagor and mortgagee as follows:

- (a) That no part of the Indebtedness existing at the date of this Mortgage, or incurred or arising thereafter, shall be deemed to be unsecured by this Mortgage.
- (b) That this Mortgage is and shall be a continuing collateral security to the Mortgagee for the amount of the Indebtedness as herein provided and shall be deemed to be taken as security for the ultimate balance of the Indebtedness and this Mortgage shall not, nor shall anything herein contained operate so as to create any merger or discharge of any debt owing to the Mortgagee or any lien, bond, promissory note or bill of exchange or other security held by or which may hereinafter be held by the Mortgagee from the Mortgagor or from the Customer or from any other person or persons and this Mortgage shall not in any way prejudicially affect such security held or which may hereinafter be held by the Mortgagee for the liabilities or any part thereof, or the liability of any endorser or any other person or persons upon any such lien, bond, bill of exchange, promissory note or other security or contract or any renewal or renewals thereof held by the Mortgagee for or on account of the said liabilities or any part or parts thereof, nor shall the remedies of the Mortgagee in respect thereof be prejudiced or delayed in any manner whatsoever by the taking of this Mortgage.
- (c) That any and all payments made in respect of the Indebtedness and interest and the monies or other proceeds received from the sale of any securities held therefor, including this Mortgage, may be applied and

reapplied notwithstanding any previous application on such part or parts of the Indebtedness as the Mortgagee may see fit or may be held unappropriated in a separate collateral account for such time as the Mortgagee may see fit.

- (d) That the Mortgagee may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities and guarantees from and give the same and any and all existing securities and guarantees up to, may abstain from taking securities or guarantees from or perfecting securities or guarantees of, may accept compositions from and may otherwise deal with the Mortgagor, the Customer, the Guarantor and all other persons, securities and guarantees as the Mortgagee may see fit without prejudicing the rights of the Mortgagee under this Mortgage.

11.0 CHANGE OF CORPORATE CONTROL

11.1 Where the Mortgagor is a corporation, the Mortgagor covenants and agrees in the event that:

- (a) the Mortgagor fails to supply to the Mortgagee, in a form satisfactory to the Mortgagee, such information relating to the ownership of its shares as the Mortgagee may from time to time require, or
- (b) without the written consent of the Mortgagee first had and obtained,
 - (i) the Mortgagor issues or redeems any of its shares or transfers any of its shares;
 - (ii) there is a sale or sales of shares of the Mortgagor which results in the transfer of the legal or beneficial interest of a majority of the shares of the Mortgagor; or
 - (iii) there is a change in the effective control of the majority of the voting shares of the Mortgagor.

The Principal Sum secured by this Mortgage together with all interest and other monies owing hereunder shall forthwith become due and payable at the option of the Mortgagee and the Mortgagee's powers of sale hereby given and all other remedies for enforcement shall be exercisable.

12.0 RECEIVERSHIP

12.1 Notwithstanding anything herein contained, it is declared and agreed that if at any time when there shall be default under the provisions of this Mortgage, the Mortgagee may, at such time and from time to time, and with or without entry into possession of the Mortgaged Premises, or any part thereof, by instrument in writing appoint any person, whether an officer or officers or an employee or employees of the Mortgagee or not, to be a receiver (which term, as used herein, includes a receiver manager) of the Mortgaged Premises, or any part thereof, and

of the rents and profits thereof, and with or without security, and may from time to time by similar writing remove any receiver and appoint another receiver, and that, in making any such appointment or removal, the Mortgagee shall be deemed to be acting as the agent or attorney for the Mortgagor, but no such appointment shall be revocable by the Mortgagor. Upon the appointment of any such receiver from time to time, the following provisions shall apply:

- (a) Every such receiver shall have unlimited access to the Mortgaged Premises as agent and attorney for the Mortgagor (which right of access shall not be revocable by the Mortgagor) and shall have full power and unlimited authority to:
 - (i) collect the rents and profits from tenancies, whether created before or after this Mortgage;
 - (ii) rent any portion of the Mortgaged Premises which may become vacant on such terms and conditions as the receiver considers advisable and enter into and execute leases, accept surrenders and terminate leases;
 - (iii) complete the construction of any building or buildings or other erections or improvements on the Mortgaged Premises left by the Mortgagor in an unfinished state or award the same to others to complete and purchase, repair and maintain any personal property including, without limitation, appliances and equipment, necessary or desirable to render the premises operable or rentable, and take possession of and use or permit others to use all or any part of the Mortgagor's materials, supplies, plans, tools, equipment (including appliances) and property of every kind and description; and
 - (iv) manage, operate, repair, alter or extend the Mortgaged Premises or any part thereof.

The Mortgagor undertakes to ratify and confirm whatever any such receiver may do in the Mortgaged Premises.

- (b) The Mortgagee may, at its discretion, vest the receiver with all or any of the rights and powers of the Mortgagee.
- (c) The Mortgagee may fix the reasonable remuneration of the receiver who shall be entitled to deduct the same out of the revenue or the sale proceeds of the Mortgaged Premises.
- (d) Every such receiver shall be deemed to be the agent or attorney of the Mortgagor and, in no event, the agent of the Mortgagee and the Mortgagee shall not be responsible for his acts or omissions.
- (e) The appointment of any such receiver by the Mortgagee shall not result in or create any liability or obligation on the part of the Mortgagee to the

receiver or to the Mortgagor or to any other person and no appointment or removal of a receiver and no actions of a receiver shall constitute the Mortgagee a mortgagee in possession of the Mortgaged Premises.

- (f) No such receiver shall be liable to the Mortgagor to account for monies other than monies actually received by the receiver in respect of the Mortgaged Premises, or any part thereof, and out of such monies so received every such receiver shall, in the following order, pay:

- (i) the receiver's remuneration aforesaid;
- (ii) all costs and expenses of every nature and kind incurred by the receiver in connection with the exercise of the receiver's power and authority hereby conferred;
- (iii) interest, principal and other money which may, from time to time, be or become charged upon the Mortgaged Premises in priority to this Mortgage, including taxes;
- (iv) to the Mortgagee all interest, principal and other monies due hereunder to be paid in such order as the Mortgagee, in its discretion, shall determine, and

thereafter, every such receiver shall be accountable to the Mortgagor for any surplus.

The remuneration and expenses of the receiver shall be paid by the Mortgagor on demand and shall be a charge on the Mortgaged Premises and shall bear interest from the date of demand at the Interest Rate.

- (g) Save as to claims for accounting under clause (f) of this paragraph, the Mortgagor hereby releases and discharges any such receiver from every claim of every nature, whether sounding in damages or not, which may arise or be caused to the Mortgagor or any person claiming through or under the Mortgagor by reason or as a result of anything done by such receiver unless such claim be the direct and proximate result of dishonesty or fraud.
- (h) The Mortgagee may, at any time and from time to time, terminate any such receivership by notice in writing to the Mortgagor and to any such receiver.
- (i) The statutory declaration of an officer of the Mortgagee as to default under the provisions of this Mortgage and as to the due appointment of the receiver pursuant to the terms hereof shall be sufficient proof thereof for the purposes of any person dealing with a receiver who is ostensibly exercising powers herein provided for and such dealing shall be deemed, as regards such person, to be valid and effectual.

- (j) The rights and powers conferred herein in respect of the receiver are supplemental to and not in substitution of any other rights and powers which the Mortgagee may have.

13.0 WHERE THE MORTGAGOR IS NOT THE CUSTOMER

13.1 In the event that any one or more of the Mortgagor is not also the Customer, each such Mortgagor which is not also the Customer (hereinafter in this Section 13.1 called "such Mortgagor") jointly and severally covenants with the Mortgagee as follows:

- (a) this Mortgage and the covenants, provisos, obligations and agreements on the part of the Mortgagor herein contained shall be the continuing obligations and liability of each such Mortgagor and shall cover all of the liabilities and obligations of the Mortgagor hereunder and shall apply to and shall secure the ultimate balance of the Principal Sum, together with all interest thereon, and any other monies secured hereunder;
- (b) the Mortgagee shall not be bound to exhaust its recourse against the Customer or others or any securities (which term when used in this Section 13.1 includes guarantees) it may at any time hold before being entitled to payment from each such Mortgagor of the Principal Sum, together with all interest thereon, and any other monies secured hereunder and each such Mortgagor renounces to all benefits of discussion and division;
- (c) this Mortgage and the liabilities and obligations of each such Mortgagor hereunder shall not be affected by the death or loss or diminution of capacity of the Customer or of any such Mortgagor or by any change in the name of the Customer or in the membership of the Customer's firm through the death or retirement of one or more partners or the introduction of one or more other partners or otherwise, or by the acquisition of the Customer's business by a corporation, or by any change whatsoever in the objects, capital, structure or constitution of the Customer, or by the Customer or the Customer's business being amalgamated with a corporation or corporations, or wound up or its corporate existence terminated but shall notwithstanding the happening of any such event continue to exist and apply to the full extent as if such event had not happened;
- (d) this Mortgage shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Mortgagee and all dividends, compositions, proceeds of security valued and payments received by the Mortgagee from the Customer or from others or from estates shall be regarded for all purposes as payments in gross without any right on the part of any Mortgagor to claim in reduction of his liability under this Mortgage, the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Mortgagee or proceeds

thereof, and none of such Mortgagors shall have the right to be subrogated in any rights of the Mortgagee until the Mortgagee shall have received payment in full of all indebtedness;

- (e) all of the Principal Sum and any other monies secured hereunder or intended to be secured hereby shall be deemed to form part of the obligations, debts and liabilities of each such Mortgagor notwithstanding any lack or limitation of status or of power, incapacity or disability of the Customer or of the directors, partners or agents thereof, or that the Customer may not be a legal or suable entity, and notwithstanding any irregularity, defect or informality in the borrowing or obtaining of such monies, advances, renewals or creditors, or in the taking or registering of this Mortgage or any other securities, the whole whether known to the Mortgagee or not; and all the Principal Sum and any other monies secured hereunder shall be recoverable from each such Mortgagor as sole or principal debtor in respect thereof and shall be paid to the Mortgagee on demand with interest and accessories; and
- (f) each such Mortgagor shall be bound by any account settled between the Mortgagee and the Customer, and if no such account has been so settled immediately before demand of payment hereunder any account stated by the Mortgagee shall be accepted by such Mortgagor and each of them as conclusive evidence of the amount which at the date of the account so stated is due by the Customer to the Mortgagee or remains unpaid by the Customer to the Mortgagee.

14.0 BUILDINGS, ADVANCES AND COST OF SEARCH

- 14.1 It is the intention of the parties hereto that the building or buildings erected or to be erected on the Mortgaged Premises form part of the security for the Principal Sum secured by this Mortgage; and that all advances are to be made in such manner at such times and in such amounts up to the full amount of the Principal Sum as the Mortgagee in its sole discretion may determine, and subject always to the provision to which the Mortgagor hereby agrees that notwithstanding the execution or registration of this Mortgage or the advancement of any part of the Loan, the Mortgagee is not bound to advance the Loan or any unadvanced portion thereof and the advance of the Loan and any part thereof from time to time shall be in the sole discretion of the Mortgagee, but nevertheless, this Mortgage hereby made shall take effect forthwith upon execution by the Mortgagor and the expenses of the examination of the title and of this Mortgage and valuation are to be secured hereby in the event of the whole or any balance of the Loan not being advanced, the same to be charged hereby upon the Mortgaged Premises and shall be without demand thereof, payable forthwith with interest at the Interest Rate and in default, the Mortgagee's power of sale hereby given and all other remedies hereunder shall be exercisable.

15.0 EXTENSIONS

15.1 PROVIDED that no extension of time given by the Mortgagee to the Mortgagor, or anyone claiming under the Mortgagor or any other dealing with the owner of the Mortgaged Premises, shall in any way affect or prejudice the rights of the Mortgagee against the Mortgagor or any other person liable for the payment of the monies hereby secured.

16.0 GUARANTEE OF MORTGAGE

16.1 IN CONSIDERATION of the Mortgagee making loans, accommodations, advances or other extensions of credit to the Customer which are the basis for the Indebtedness, each Guarantor hereby agrees with the Mortgagee as follows:

(a) Each Guarantor hereby:

- (i) guarantees the payment by the Mortgagor to the Mortgagee of all of the Principal Sum and other liabilities of the Mortgagor secured or payable under this Mortgage, present or future covenant, direct or indirect, absolute or contingent, matured or not, including, without limitation, principal, interest, taxes, fees and expenses as and when the same are due and payable under this Mortgage (the "Guaranteed Amounts"); and
- (ii) covenants and agrees to perform all other covenants and obligations of the Mortgagor under this Mortgage as and when the same are required to be observed or performed under this Mortgage (the "Guaranteed Covenants");

in each case without any demand required to be made. The obligations of the Mortgagor to pay the Guaranteed Amounts and perform and observe the Guaranteed Covenants are hereinafter collectively referred to as the "Guaranteed Obligations", and this guarantee is hereinafter referred to as the "Guarantee".

- (b) If there is more than one Guarantor, the obligations of the Guarantors hereunder shall be joint and several; and any reference herein to "the Guarantor" is to each and every such Guarantor.
- (c) If any monies or amounts expressed to be owing or payable under this Guarantee by the Guarantor are not recoverable from the Guarantor, or any of them, on the footing of a guarantee for any reason whatever, such monies or amounts may be recovered from the Guarantor, or any of them, as a primary obligor and principal debtor in respect of such monies or amounts, regardless of whether such monies or amounts are recoverable from the Mortgagor or would be payable by the Mortgagor to the Mortgagee. For greater certainty, but without restricting the generality of the foregoing, if the Mortgagee is prevented or restricted from exercising its rights or remedies with respect to any of the Guaranteed Obligations, including, without limitation, the right of acceleration, the right to be paid interest at the Interest Rate in respect of the Guaranteed Obligations or the right to enforce or exercise any other right or remedy with respect to

the Guaranteed Obligations, the Guarantor agrees to pay the amount that would otherwise have been due and payable had the Mortgagee been permitted to exercise such rights and remedies in accordance with the terms agreed to between the Mortgagor and the Mortgagee; provided, however, that the foregoing characterization of the liability of the Guarantor as that of a primary obligor and principal debtor is not intended and shall not be interpreted to confer on the Guarantor, or any of them, any right, benefit or advantage that the Guarantor would not otherwise have in the absence of such characterization.

- (d) Without giving notice to or obtaining the consent or concurrence of any Guarantor, the Mortgagee may:
- (i) grant any time, indulgences, waivers or extensions of time for payment of any of the Guaranteed Obligations;
 - (ii) grant any renewals or extensions of this Mortgage, with or without a change in the Interest Rate or in any other terms or conditions of this Mortgage, and whether by express agreement signed by the Mortgagor or otherwise (including, without limitation, by way of an automatic renewal or extension);
 - (iii) change the interest rate provided in this Mortgage, either during the initial term thereof or in any subsequent extension or renewal term, whether by way of increase, decrease, change in the reference rate by which such Interest rate is calculated or determined; change from a fixed rate to a variable or floating rate, or from a variable or floating rate to a fixed rate, or otherwise;
 - (iv) otherwise amend, supplement, modify, vary or otherwise change any of the terms or conditions of this Mortgage in any manner whatever;
 - (v) release or discharge from this Mortgage the whole or any part of the Mortgaged Premises or any other security for the Indebtedness;
 - (vi) advance additional principal amounts to the Customer pursuant to any provision of this Mortgage and/or a Loan Document that permits the Customer to borrow such additional principal amounts from the Mortgagee;
 - (vii) permit the Customer to prepay the Indebtedness, in whole or in part, or to skip any one or more scheduled instalments of payments of principal and interest, or to pay one or more such scheduled instalment on a scheduled payment date under a Loan Document that permits such prepayment, skipping or multiple payments or otherwise;

- (viii) accept compositions, compromises or proposals from the Customer or otherwise deal with the Customer or any other person (including, without limitation, the Guarantor or any other guarantor of the Guaranteed Obligations), any security (including, without limitation, this Mortgage) or the Mortgaged Premises or any security as the Mortgagee sees fit, including, without limitation, realizing on, releasing, accepting substitutions for or replacing any of the security for the Indebtedness;
- (ix) release or discharge any Guarantor, or one or more other co-covenantors or guarantors or Mortgagors in respect of this Mortgage, whether under this Guarantee or otherwise; or
- (x) release any subsequent legal or beneficial owner of the Mortgaged Premises from any liability for the Guaranteed Obligations, or any of them, or refrain from requiring any such owner to assume any such liability;

and none of the foregoing actions shall in any way lessen, limit or otherwise affect the obligations or liability of any Guarantor under the Guarantee, regardless of whether any such action has the effect of amending or varying this Mortgage or increasing, expanding or otherwise altering the nature, effect, term, extent or scope of the Guaranteed Obligations. The Guaranteed Obligations and the liability of each Guarantor hereunder shall extend to and include the obligations of the Mortgagor under this Mortgage as so amended, renewed, extended or varied and the Guaranteed Obligations as so increased, expanded or altered without further action on the part of the Mortgagee or the consent or concurrence of any Guarantor; and for greater certainty and without limiting the foregoing, if the interest rate provided in this Mortgage is increased or otherwise altered, the Guaranteed Obligations and the liability of each Guarantor hereunder shall be extended to and include the obligation of the Mortgagor to pay interest at such increased or altered rate.

- (e) The obligations of the Guarantor hereunder shall be unaffected by:
 - (i) any lack or limitation of status or power, disability, incapacity, death, dissolution or other circumstances relating to the Mortgagor, the Customer or any Guarantor or any other party;
 - (ii) any irregularity, defect, unenforceability or invalidity in respect of the Indebtedness or this Mortgage or any indebtedness, liability or other obligation of the Mortgagor or any other party;
 - (iii) any release or discharge of the Guaranteed Obligations except by reason of their irrevocable payment and satisfaction in full;
 - (iv) any judgment obtained against the Mortgagor, or the taking, enforcing, exercising or realizing on, or refusing or neglecting to take, enforce, exercise or realize on, or negligence in taking,

enforcing, exercising or realizing on, any security (including without limitation any money on deposit and any guarantee) or any right or remedy, from or against the Mortgagor or any other party or their respective assets or releasing or discharging, or failing, refusing or neglecting to maintain, protect, renew or perfect, any security (including without limitation any money on deposit or any guarantee) or any right or remedy;

- (v) any change in the name, control, objects, business, assets, capital structure or constitution of the Mortgagor, the Customer or any Guarantor, or any merger or amalgamation of the Mortgagor, the Customer or any Guarantor under the laws of a jurisdiction other than the jurisdiction under which the Mortgagor, the Customer or Guarantor was originally formed, or any change in the membership of the Mortgagor, the Customer or any Guarantor, if a partnership, through the death, retirement or introduction of one or more partners, or otherwise; and each reference to the "Mortgagor", the "Customer", or the "Guarantor" in this Mortgage will be deemed to include each corporation and each partnership resulting from any of the foregoing;
- (vi) any law, regulation or decree now or hereafter in effect which might in any manner affect any of the terms or provisions of this Mortgage or the Guarantee, or the Mortgagor, the Customer or any Guarantor;
- (vii) any failure on the part of the Mortgagee to perfect, maintain or enforce its rights whether due to its default, negligence or otherwise on the part of the Mortgagee with respect to this Mortgage, or any other security granted to the Mortgagee relating to this Mortgage or the Indebtedness; and
- (viii) any other circumstances whatsoever (with or without notice to or the knowledge of the Guarantor) which may or might in any manner or to any extent vary the risk of the Guarantor hereunder, or might otherwise constitute a legal or equitable discharge of a surety or guarantor;

It being the purpose and intent of each Guarantor that the liabilities and obligations of each Guarantor under this Mortgage shall be absolute and unconditional under any and all circumstances.

- (f) Unless and until all the Guaranteed Obligations have been irrevocably paid and satisfied in full, the Guarantor shall not be subrogated to any of the rights or claims of the Mortgagee in respect of any of the Guaranteed Obligations, or under any security agreement or guarantee or other instrument which may at any time be held by or on behalf of the Mortgagee, and the Guarantor shall not seek any reimbursement from the Mortgagor.

- (g) The obligations of the Guarantor under this Guarantee shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment which would otherwise have reduced the obligations of the Guarantor or any of them under this Mortgage (whether such payment shall have been made by or on behalf of the Mortgagor or the Guarantor or any of them) is rescinded, or is reclaimed from the Mortgagee, upon the insolvency, bankruptcy, liquidation, dissolution or reorganization of the Mortgagor, the Customer or the Guarantor or any of them, or for any other reason.
- (h) The Mortgagee shall have no obligation to enforce any rights or remedies or security or guarantees or to take any other steps against the Mortgagor, the Customer or any other party or any assets of the Mortgagor, the Customer or of any other party before being entitled to demand payment or performance by any Guarantor of its obligations under this Mortgage. Each Guarantor hereby waives all benefit of discussion and division.
- (i) Any Guarantor may, by notice in writing delivered to the manager of the branch or agency of the Mortgagee receiving this instrument, terminate the Guarantor's liability under this Mortgage with effect from and after the date (the "Termination Date") that is 30 days following the date of such notice in respect of Guaranteed Obligations incurred or arising at any time on or after the Termination Date but not in respect of any Guaranteed Obligations incurred, arising or existing before the Termination Date, even though not then matured. Notwithstanding the foregoing, the Mortgagee may fulfil any requirements of the Mortgagor under this Mortgage or any indebtedness requested by the Mortgagor prior to the receipt of such notice, and any liabilities of the Mortgagor resulting from such fulfilment shall be added to the Guaranteed Obligations and shall be secured by this Mortgage. Termination of the liability of one or more of the Guarantors shall not affect the liability of any other Guarantor.
- (j) Each Guarantor shall indemnify and save harmless the Mortgagee from and against all losses, damages, costs and expenses which the Mortgagee may sustain, incur or become liable for by reason of:
 - (i) the failure, for any reason whatever, of the Mortgagor to pay any amounts expressed to be payable pursuant to the provisions of this Mortgage, regardless of whether the Mortgagor's obligation to pay such amounts is valid or enforceable against the Mortgagor;
 - (ii) the failure, for any reason whatever, of the Mortgagor to perform any other obligation under this Mortgage; or
 - (iii) any act, action or proceeding of or by the Mortgagee for or in connection with the recovery of such amounts or the performance of such obligations.

- (k) The Guarantee shall be operative and binding upon every Guarantor upon execution and delivery of this Mortgage by such Guarantor, regardless of whether it has been executed by any other proposed guarantor or guarantors.

17.0 CONDOMINIUMS

17.1 If this Mortgage charges one or more Condominium Units, the following provisions shall apply:

- (a) The Mortgagor covenants and agrees at all times and from time to time to observe and perform all duties and obligations imposed on the Mortgagor by the Condominium Act, the declaration, the by-laws, and the rules, as amended from time to time, of the Condominium Corporation, by virtue of his ownership of the Condominium Unit(s). Any breach of the said duties and obligations shall constitute a breach of covenant under this Mortgage.
- (b) Without limiting the generality of the foregoing, the Mortgagor covenants and agrees that he will pay promptly when due any contributions to common expenses required of him as an owner of the Condominium Unit(s) and in the event of his default in doing so the Mortgagee, at its option, may pay the same and the amount so paid shall be added to the debt secured by this Mortgage and shall be a charge on the Condominium Unit(s) and shall bear interest at the Interest Rate from the time of such payments and shall be payable forthwith by the Mortgagor to the Mortgagee whether or not any payment in default has priority to this Mortgage or any part of the monies secured thereby.
- (c) The Mortgagor hereby irrevocably authorizes and empowers the Mortgagee to exercise the right of the Mortgagor as an owner of the Condominium Unit(s) to vote or to consent in all matters relating to the affairs of the Condominium Corporation provided that:
 - (i) The Mortgagee may at any time or from time to time give notice in writing to the Mortgagor and the said Condominium Corporation that the Mortgagee does not intend to exercise the said right to vote or consent and in that event until the Mortgagee revokes the said notice the Mortgagor may exercise the right to vote. Any such notice may be for an indeterminate period of time or for a limited period of time or for a specific meeting or matter.
 - (ii) The Mortgagee shall not by virtue of the assignment to the Mortgagee of the right to vote or consent be under any obligation to vote or consent to protect the interests of the Mortgagor.
 - (iii) The exercise of the right to vote or consent shall not constitute the Mortgagee a mortgagee in possession.

18.0 DISTRESS

- 18.1** PROVIDED that and it is further stipulated and agreed by and between the parties to this Mortgage that the Mortgagee, its successors or assigns, may distrain for arrears of interest against the Mortgaged Premises or any part thereof and recover by way of rent reserved as in the case of a demise the arrears of interest and all costs and expenses incurred in such levy or distress and may also distrain for arrears of principal and monthly payment of taxes, if required, in the same manner as if the same were arrears of interest.

19.0 RIGHTS ON DEFAULT

- 19.1** The Mortgagor covenants and agrees with the Mortgagee that in the event of default in the payment of any instalment of principal, interest or taxes hereby secured or any other monies payable hereunder by the Mortgagor or on breach of any covenant, proviso or agreement herein contained after all or any part of the monies hereby secured have been advanced, the Mortgagee may, at such time or times as it may deem necessary and without the concurrence of any other person, enter upon the Mortgaged Premises and make such arrangements for completing the construction of, repairing or putting in order any buildings or other improvements on the Mortgaged Premises, or for inspecting, taking care of, leasing, collecting the rents of, and managing generally the Mortgaged Premises as it may deem expedient, and all reasonable costs, charges and expenses including allowances for the time and service of any employee of the Mortgagee or other person appointed for the above purposes shall be forthwith payable to the Mortgagee, and shall be a charge upon the Mortgaged Premises and shall bear interest at the Interest Rate until paid.
- 19.2** PROVIDED also that in the event of default of payment of the Principal Sum with interest thereon and any other monies secured hereunder, or in the due performance of any provision in this Mortgage, the Mortgagee may, where legally permitted or required, enter on or lease or sell the Mortgaged Premises, but no power of sale shall be exercised until after four weeks' notice has been given. Any such sale may be a sale of the Mortgaged Premises as a whole or in separate parcels at public auction, by public tender or by private sale or partly in one manner and partly in another manner or manners, at such time and on such terms and conditions as the Mortgagee shall appoint, having first given such notice as it may think proper or as may be required by law, and upon such reasonable conditions as to upset or reserve, bid or price and as to terms of payment as it may deem proper. The Mortgagee may adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Mortgaged Premises good and sufficient deed or deeds for the same, the Mortgagee being hereby constituted the irrevocable attorney of the Mortgagor for the purpose of making such sale and executing such deeds and any such sale as aforesaid shall be a perpetual bar both at law and at equity against the Mortgagor and all persons claiming the Mortgaged Premises, by, from, through or under the Mortgagor; provided that the Mortgagee shall have the right exercisable and any time and from time to time to purchase all or any part of the Mortgaged Premises if the same are sold by public auction or by public tender.

20.0 OBLIGATIONS SURVIVE SALE

20.1 PROVIDED further that no sale or other dealing by the Mortgagor with the Mortgaged Premises or any part thereof shall in any way change the liability of the Mortgagor or in any way alter the rights of the Mortgagee as against the Mortgagor or any other person liable for payment of the monies hereby secured.

21.0 NEW HOME WARRANTY PLAN ACT

21.1 If the Mortgagee incurs any cost or expense of any nature or kind, in any way arising from or relating to a new home warranty act or similar legislation and the regulations thereunder, including any amendments or replacements, or either of them (the "Act"), including, without any limitation whatsoever, any cost or expense relating to registration as a vendor under the Act or enrolling the Mortgaged Premises or entering into any agreement or agreements relating to performance of warranty obligations or performing any warranty obligations, all such cost and expense shall be added to the debt hereby secured and be a mortgage on the Mortgaged Premises in priority to all other encumbrances registered or arising subsequent to this Mortgage and shall bear interest at the Interest Rate and shall be payable forthwith by the Mortgagor to the Mortgagee.

22.0 PARTIAL RELEASE

22.1 PROVIDED that the Mortgagee may at all times release any part or parts of the Mortgaged Premises or other security or any surety or guarantor for payment of all or any part of the Indebtedness hereby secured, or may release the Mortgagor or any other person from any covenant or other liability to pay the Indebtedness, either with or without consideration therefore, and without being accountable for the value thereof or for any monies except those actually received by the Mortgagee and without thereby releasing any other party to this Mortgage, or any other securities or covenants herein contained, it being especially agreed that notwithstanding any such release, the Mortgaged Premises, securities and covenants remaining unreleased shall stand charged with the whole of the Principal Sum secured by this Mortgage.

23.0 RELEASE

23.1 The Mortgagee shall have a reasonable time after payment in full of the amounts secured by this Mortgage within which to prepare, execute and register, if required, a discharge or assignment of this Mortgage; provided that interest at the Interest Rate shall continue to run and accrue until actual payment in full has been received by the Mortgagee. All legal and other expenses for the preparation, execution and registration, as applicable, of such discharge or assignment and any other administrative fee of the Mortgagee in connection therewith shall be borne by the Mortgagor.

24.0 LIENS AND CONSTRUCTION

24.1 **PROVIDED** also that upon the registration of any lien against the Mortgaged Premises, or in the event of any buildings being erected thereon or allowed to remain unfinished or without any work being done on them for a period of ten (10) days, the Principal Sum, together with interest at the Interest Rate, and all other amounts secured by this Mortgage shall, at the option of the Mortgagee, forthwith become due and payable. In the event any lien is registered against the Mortgaged Premises, the Mortgagee shall have the right, but not the obligation, to pay such amounts as may be required to vacate the lien. Any amount so paid by the Mortgagee, together with all costs, charges and expenses incurred by the Mortgagee in connection therewith, including all solicitors' charges or commissions, on a solicitor and its own client basis, shall be added to the Principal Sum secured by this Mortgage and shall bear interest at the Interest Rate and shall, with such interest, be a charge on the Mortgaged Premises prior to all claims thereon subsequent to this Mortgage, and shall be forthwith payable on demand.

25.0 SEVERABILITY OF ANY INVALID PROVISIONS

25.1 It is agreed that in the event that at any time any provision of this Mortgage is illegal or invalid under, or inconsistent with, the provisions of any applicable statute or regulation thereunder or would, by reason of the provisions of any such statute or regulation, render the Mortgagee unable to collect the amount of any loss sustained by it as a result of providing the Indebtedness which it would otherwise be able to collect under such statute, then such provision shall not apply and shall be construed so as not to apply to the extent that it is so illegal, invalid or inconsistent or would render the Mortgagee unable to collect the amount of any such loss.

26.0 NO PREJUDICE FROM FAILURE TO ENFORCE RIGHTS

26.1 **PROVIDED** that no failure to enforce at any time or from time to time any of the rights of the Mortgagee hereunder shall prejudice such rights or any other rights of the Mortgagee; no performance or payment by the Mortgagee in respect of any breach or default hereunder of the Mortgagor shall relieve the Mortgagor from any default hereunder; and no waiver at any time or from time to time of any such rights of the Mortgagee shall prejudice such rights in the event of any future default or breach.

27.0 MORTGAGEE'S EXPENSES

27.1 The Mortgagor agrees to pay the reasonable and necessary costs, charges and expenses of and incidental to this Mortgage, and to any and all documents required in connection therewith, and of any amendment or renewal thereof, and of anything done in connection with the enforcement of the security granted thereby or the procuring of the payment of any monies payable hereunder including, without limiting the generality of the foregoing, all solicitors' fees, costs and expenses of examination of title, and the obtaining of the opinion of counsel for the Mortgagee thereon and all costs and expenses valuing the Mortgaged Premises in connection with the foregoing. The Mortgagor further agrees that

such amounts shall be paid forthwith upon demand and until paid shall bear interest at the Interest Rate and shall be a charge on the Mortgaged Premises.

28.0 OTHER SECURITY

- 28.1** This Mortgage is in addition to, and not in substitution for, any other security held by the Mortgagee, including any promissory note or notes for all or any part of the monies secured hereunder, and it is understood and agreed that the Mortgagee may pursue its remedies thereunder or hereunder concurrently or successively at its option. Any judgment or recovery hereunder or under any other security held by the Mortgagee for the monies secured by this Mortgage shall not affect the right of the Mortgagee to realize upon this or any other such security. Without limiting the generality of the foregoing, this Mortgage is in addition to, and not in substitution for, any other charges now or hereafter held by the Mortgagee over the Mortgaged Premises as security for monies advanced hereunder or any other monies due to the Mortgagee, and it is understood and agreed that the aggregate principal amount secured by this Mortgage and such other charges shall be the sum of the Principal Sum and all other monies secured hereunder and the respective principal amounts of such other charges.

29.0 HEADINGS

- 29.1** The headings of sections herein are inserted for convenience or reference only and shall not affect the construction or interpretation of this Mortgage.

30.0 INTERPRETATION

- 30.1** AND it is hereby agreed that where the context requires, words in the singular include the plural, and words importing the masculine gender include the feminine and neuter genders. All covenants, liabilities and obligations entered into or imposed hereunder upon the Mortgagor shall be joint and several, and shall be binding upon the heirs, executors, administrators, successors and assigns of the Mortgagor, as the case may be.
- 30.2** This Mortgage is made in pursuance of any applicable enactments respecting short forms of indentures.

31.0 SPECIAL TERMS

This Mortgage includes the special terms which are set out in Schedule "B" attached hereto.

32.0 RECEIPT OF TRUE COPY

The Mortgagor and the Guarantor acknowledge receipt of a copy of this Mortgage.

IN WITNESS WHEREOF the Mortgagor and the Guarantor have properly executed this Mortgage the day and year first above written.

SIGNED AND DELIVERED
in the presence of



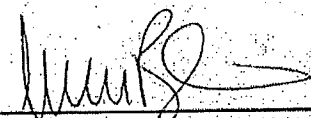
Witnessed by video conference

BSL HOLDINGS LIMITED

Per:


Steven Caryl, President
Steven Caryl, Guarantor

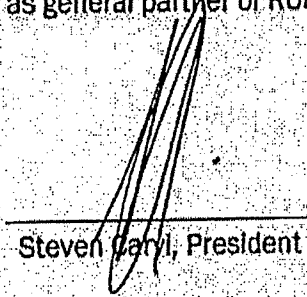
SIGNED AND DELIVERED
in the presence of



Witnessed by video conference

ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:


Steven Caryl, President

CANADA
PROVINCE OF NOVA SCOTIA

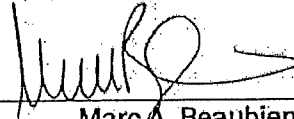
I CERTIFY that on the 13 day of June, 2023, BSL HOLDINGS LIMITED, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

CANADA
PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 13 day of June, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of Ruby, LLP, caused this Indenture to be properly executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

CANADA
PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 13 day of June, 2023, STEVEN CARYI, the Guarantor in this indenture, signed and delivered this indenture in my presence and I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia


PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

I, Steve Caryl, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing Instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing Instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. This acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the *Land Registration Act* as the case may be, for the purpose of registering the instrument.
7. That property described in the within indenture has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by video conference
from Windsor Lock to Halifax, this
13 day of June, 2023,



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

} 

Steve Caryl

PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

I, Steven Caryl, make oath and swear that:

1. I am the President of BSL HOLDINGS LIMITED (the "Company") and have personal knowledge of the facts herein deposed to.
2. I acknowledge that I have executed the foregoing indenture on the date of this affidavit as President of the Company and am authorized to execute the foregoing indenture on behalf of the Company and thereby bind the Company.
3. That for the purpose of this my affidavit "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence;
4. That the real property described in the attached indenture has never been occupied as a Matrimonial Home by any of the shareholders of the Company, nor does the ownership of a share in the Company entitle the owner or owners thereof to occupy the aforesaid property as a Matrimonial Home.
5. This acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the *Land Registration Act* as the case may be, for the purpose of registering the indenture.

SWORN TO by videoconference from
Winter Park to Halifax, Province of
Nova Scotia, this 15th day of
June, 2023, before me:



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia


Steven Caryl

SCHEDULE "A"

PID 40042087

All that certain lot in the City of Halifax which was conveyed to one William M.D. Pearman in his lifetime by deed dated the 23rd day of October, 1903 and registered among the records of the Deeds at Halifax in Book 383 at pages 754-760 and therein described as follows:

All that certain lot piece and parcel of land situate, lying and being on the east side of Granville Street in said City of Halifax, being part of lot number five (5), Letter B in Ewer's Division of the Town of Halifax;

Beginning at the northwest angle of the lot lately owned by James W. Hutt and sold by said Hutt to John D. Nash;

Thence easterly by the northern line of said east mentioned lot sixty-two feet (62 feet) more or less to the northeast corner of said lot;

Thence northerly on a line parallel with said Granville Street nine feet five inches (9 feet 5 inches) more or less;

Thence westerly and parallel with the line first described sixty-two feet (62 feet) more or less to Granville Street aforesaid;

Thence southerly by said Street nine feet five inches (9 feet 5 inches) more or less to the place of beginning.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

PID 00003251

All that certain lot piece and parcel of land situate, lying and being in said Halifax City part of said lot number Five (5) in Ewer's Division more particularly described as follows:

Bounded westerly by Granville Street and there measuring twenty-six feet (26 feet) more or less;

Northerly by premises formerly of George Smithers now owned by the Halifax Club and there measuring sixty feet (60 feet) more or less;

Easterly by premises formerly of George Johnstone now owned by Hunter and there measuring twenty-six feet (26 feet) more or less;

Southerly by premises of William J. Almon and there measuring sixty feet (60 feet) more or less;

Being the lands conveyed to said James W. Hutt by James J. Morse, and others, by deed dated June 1, 1872.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

PID 00003228

All that certain lot piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.

SCHEDULE "B"—SPECIAL TERMS

1.01 Non-Compliance

In the event of non-compliance of Section 4.1 (d), for the investigation insurance status, making changes in insurance and other matters related to insurance of the Mortgaged Premises the lender will be entitled to charge a \$300.00 fee.

1.02 Overdue Taxes

The Mortgagee may pay any overdue taxes, which will be subject to a \$600.00 fee to be paid by the Mortgagor to the Mortgagee.

1.03 Special Costs

If any court proceedings are taken to enforce this Mortgage, we will be entitled to special costs including, without limitation a \$1,250.00 administration fee, which shall be added to the amount outstanding under this Mortgage on each occasion that such proceedings are taken and said fees shall form a charge upon the Mortgaged Premises in favor of the Mortgagee. If some of the costs recovered from you in court proceedings duplicate some of the lawyers' expenses incurred by us and added to the Principal Sum we will reduce the balance outstanding under this Mortgage by the amount of those duplicate costs.

1.04 Discharge of Mortgage from Title to Mortgaged Property

Notwithstanding Section 23, when the Mortgage has been paid in full, we will, at your request, prepare and sign a discharge of this Mortgage. We will give the discharge of Mortgage to you when you pay the following fees and expenses:

- (1) our standard fee \$350.00 fee for signing a discharge in effect at the time;
and
- (2) all of our expenses of preparing and signing the discharge of Mortgage.

1.05 Returned Cheques

The Mortgagor shall, in addition to the sum due for principal and interest hereunder, pay to the Mortgagee the sum of Two Hundred Dollars (\$200.00) as liquidated damages and not as a penalty for each of the Mortgagor's post-dated cheques which are returned to the Mortgagee as non-negotiable after being presented for payment. Such sum shall be a charge upon the Property and bear interest at the rate hereinbefore stated.

1.06 Prepayment Rights

The Mortgagor, not being in default hereunder, may pay, without notice or bonus, the whole of the Principal Sum hereby secured and outstanding upon payment of interest accrued to the date of such prepayment.

THIS ASSIGNMENT OF LEASES AND RENTS made this 13 day of June, 2023.

BETWEEN

**BSL HOLDINGS LIMITED, a body corporate, and ANNAPOLIS
MANAGEMENT, INC., a body corporate, in its capacity as general partner of
RUBY, LLP**

(the "Assignor")

OF THE FIRST PART

- and -

**GRAYSBROOK CAPITAL LTD., a body corporate, doing
business as ATLANTIC SIGNATURE MORTGAGES AND LOANS**

(the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor and the Assignee have entered into a loan agreement dated June 6, 2023 (the "Credit Agreement") pursuant to which the Assignor is indebted or is to become indebted to the Assignee;

AND WHEREAS as security for the indebtedness of the Assignor to the Assignee the Assignor has executed or is to execute certain security including a mortgage containing a charge on the lands and premises described in Schedule "A" annexed hereto (the said lands and premises together with the buildings, improvements and fixtures situate thereon being hereinafter referred to as the "Premises") (the "Mortgage");

AND WHEREAS the Credit Agreement, the Mortgage and any other credit documents executed by the Assignor in favour of the Assignee and any renewals or extensions thereof and any credit agreements, Mortgages or other credit documents taken in substitution therefor, either in whole or in part, are herein collectively referred to as the "Credit Documents";

AND WHEREAS as security for the due performance by the Assignor of all the covenants contained in the Credit Documents, the Assignor has agreed to assign, transfer and set over unto the Assignee all the Assignor's right, title and interest in any and all leases or agreements to lease (the "Leases"), now or hereafter existing, of any and all portions of the Premises, and all rents, charges and other monies (the "Rents") now due and payable or hereafter to become due and payable under the Leases.

NOW THIS INDENTURE WITNESSETH that in consideration of the Premises and other good and valuable consideration the Assignor represents, covenants and agrees with the Assignee as follows:

1. Assignment. The Assignor hereby irrevocably assigns, transfers and sets over unto the Assignee, subject to no prior claim or assignment, the Leases and the Rents and all benefits and advantages to be derived therefrom, including any guarantees given to the Assignor in respect of the Leases and Rents, to hold and receive the same unto the Assignee, its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rents and to enforce payment of the same in the name of the Assignor.
2. Where Assignor not in Default. Until the Assignor defaults under the covenants, terms and conditions contained in this Indenture or an event of default occurs under the Credit Documents the Assignor may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Assignor to collect or receive Rents contrary to the covenants contained herein.
3. Remedies. The Assignor, in the event of a default hereunder or under the Credit Documents, hereby authorizes the Assignee, as its option and in addition to any other rights it may have hereunder or under any other agreement or at common law or in equity, to deliver to any or all of the tenants, licensees or occupiers of the Premises notices to pay all Rents to the Assignee and to collect such Rents and, in addition, enter upon the Premises by its officers, agents or employees for the purpose of collecting the Rents and/or operating and maintaining the Premises. The Assignor hereby authorizes the Assignee generally to perform all such acts, including any acts by way of enforcement of the covenants and exercise the rights contained in the Leases or otherwise, as may in the opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Premises, which acts may be performed in the name of the Assignor or in the name of the Assignee as in the absolute discretion of the Assignee may seem proper or advisable. The Assignee shall, after deduction of all collection charges and all expenses, which the Assignee in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Premises, credit the remainder of the moneys which it may receive in connection with the Premises on account of any amount or amounts due to the Assignee from the Assignor in such manner as the Assignee shall in its sole discretion determine. Notwithstanding anything herein, the Assignee shall be liable to account only for such monies as shall actually come into its hands.
4. Liability of the Assignee. In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee, all such liability being hereby expressly waived and released by the Assignor. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Assignor shall and does hereby agree to indemnify the Assignee for and to hold it harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of agreements contained in the Leases. Should the Assignee incur any such liability, loss or damage under the Leases or by reason of this assignment, or the defence of any such claims or demands, the amount thereof, including

costs, expenses and all legal fees, shall be secured hereby, and the Assignor shall reimburse the Assignee therefore immediately upon demand.

5. Receipts by the Assignee. The Assignor hereby agrees that all receipts given by the Assignee to any lessee under the Leases on account of any Rents paid to the Assignee in accordance with the terms of this Indenture shall constitute a good and valid discharge therefor to each lessee.
6. Not Mortgagee in Possession. Nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the Rents or any part thereof for the performance of any covenants, terms or conditions either by the lessor or any lessee contained in the Leases and the Assignee shall not by virtue of this Indenture be deemed a mortgagee in possession of the Premises.
7. Perform Covenants of Landlord. The Assignor shall at all times perform all of the Lessor's covenants and obligations contained in the Leases and any failure on the part of the Assignor thereunder shall constitute a default hereunder and shall be deemed to be default under the Credit Documents. If so requested by the Assignee, the Assignor will enforce the Leases and all remedies available to the Assignor against the lessees, in case of default under the Leases, or any of them, by the lessees.
8. Valid Leases. The Assignor hereby covenants with the Assignee notwithstanding any act of the Assignor that the Leases are good, valid and subsisting leases and that the Assignor now has good right, full power and absolute authority to assign each Lease according to the true intent and meaning of this indenture.
9. No prepayment of Rents. The Assignor will not accept payment from any lessee in advance and will not cause payment to be made in advance on its direction for a period longer than provided in the respective lease and breach of this covenant shall be deemed to be default under the Credit Documents.
10. Covenants. The Assignor shall not without the written approval of the Assignee first had and obtained:
 - (a) do or omit to do any act having the effect of terminating, cancelling or accepting the surrender of the Leases or any of them;
 - (b) amend, alter or vary the terms and conditions of the Leases or any of them;
 - (c) waive, reduce or abate any of its rights or remedies under the Leases or the obligations of any other parties thereunder or in respect hereof;
 - (d) permit any material default or breach of covenant by any lessee under the Leases; and
 - (e) enter into any Leases for any part of the Premises that are not bona fide leases with lessees with whom the Assignor deals at arm's length. The

terms of any future leases must be approved by the Assignee prior to execution (such consent not to be unreasonably withheld or delayed) and shall be at rental rates and terms consistent with comparable space in the area of the Premises.

11. Waiver of Covenants. The Assignee may waive any default or breach of covenant and shall not be bound to serve any notice upon any lessee under the Leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.
12. Further Assurances. The Assignor covenants and agrees from time to time and at all times hereafter at the request of the Assignee to execute and deliver at the expense of the Assignor such further assurances for better and more perfectly assigning to the Assignee any Leases whether presently existing or hereafter created and the Rents payable thereunder in the manner aforesaid as the Assignee may require and to execute, deliver and register, at the expense of the Assignor, all such documents as may be required to preserve, perfect and protect the security constituted hereby including all such renewals as may be required by relevant legislation, including the *Personal Property Security Act*.
13. Re-assignment. The assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Credit Documents or any extension of time for payment or otherwise but shall remain in full force and effect until the Assignor shall have performed all of its obligations under the Credit Documents. If the Assignee has executed a release of the charge on the Premises it shall, at the request and at the expense of the Assignor, execute and deliver to the Assignor a reassignment of the Leases and Rents.
14. Binding Effect and Governing Law. This Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Indenture shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Assignor has duly executed this Indenture as of the date first above written.

SIGNED AND
in the presence of



Witnessed by video conference

DELIVERED

BSL HOLDINGS LIMITED

Per:


Steven Cary, President

SIGNED AND
in the presence of

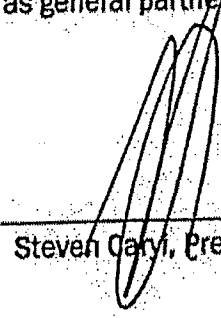


Witnessed by video conference

DELIVERED


ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:


Steven Cary, President

CANADA
PROVINCE OF NOVA SCOTIA

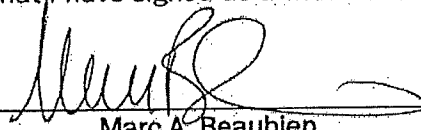
I CERTIFY that on the 13 day of June, 2023, BSL HOLDINGS LIMITED, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

CANADA
PROVINCE OF NOVA SCOTIA


I CERTIFY that on the 13 day of June, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of Ruby, LLP, caused this indenture to be properly executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

CANADA
PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 15 day of June, 2023, STEVEN CARYI, the Guarantor in this indenture, signed and delivered this indenture in my presence and I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

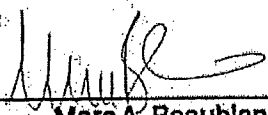
PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

I, Steve Caryl, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. This acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the *Land Registration Act* as the case may be, for the purpose of registering the instrument.
7. That property described in the within indenture has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by video conference
from Winter Park to Halifax, this
13 day of June, 2023,



Marc A. Beaubien

A Barrister of the Supreme Court of
Nova Scotia



Steve Caryl

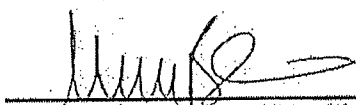
PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

I, Steven Caryl, make oath and swear that:

1. I am the President of BSL HOLDINGS LIMITED (the "Company") and have personal knowledge of the facts herein deposed to.
2. I acknowledge that I have executed the foregoing Indenture on the date of this affidavit as President of the Company and am authorized to execute the foregoing Indenture on behalf of the Company and thereby bind the Company.
3. That for the purpose of this my affidavit "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence;
4. That the real property described in the attached Indenture has never been occupied as a Matrimonial Home by any of the shareholders of the Company, nor does the ownership of a share in the Company entitle the owner or owners thereof to occupy the aforesaid property as a Matrimonial Home.
5. This acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the *Land Registration Act* as the case may be, for the purpose of registering the Indenture.

SWORN TO by videoconference from
Winter Park to Halifax, Province of
Nova Scotia, this 15th day of
June, 2023, before me:



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steven Caryl

SCHEDULE "A"

PID 40042087

All that certain lot in the City of Halifax which was conveyed to one William M.D. Pearman in his lifetime by deed dated the 23rd day of October, 1903 and registered among the records of the Deeds at Halifax in Book 383 at pages 754-760 and therein described as follows:

All that certain lot piece and parcel of land situate, lying and being on the east side of Granville Street in said City of Halifax, being part of lot number five (5), Letter B in Ewer's Division of the Town of Halifax;

Beginning at the northwest angle of the lot lately owned by James W. Hutt and sold by said Hutt to John D. Nash;

Thence easterly by the northern line of said east mentioned lot sixty-two feet (62 feet) more or less to the northeast corner of said lot;

Thence northerly on a line parallel with said Granville Street nine feet five inches (9 feet 5 inches) more or less;

Thence westerly and parallel with the line first described sixty-two feet (62 feet) more or less to Granville Street aforesaid;

Thence southerly by said Street nine feet five inches (9 feet 5 inches) more or less to the place of beginning.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

PID 00003251

All that certain lot piece and parcel of land situate, lying and being in said Halifax City part of said lot number Five (5) in Ewer's Division more particularly described as follows:

Bounded westerly by Granville Street and there measuring twenty-six feet (26 feet) more or less;

Northerly by premises formerly of George Smithers now owned by the Halifax Club and there measuring sixty feet (60 feet) more or less;

Easterly by premises formerly of George Johnstone now owned by Hunter and there measuring twenty-six feet (26 feet) more or less;

Southerly by premises of William J. Almon and there measuring sixty feet (60 feet) more or less;

Being the lands conveyed to said James W. Hutt by James J. Morse, and others, by deed dated June 1, 1872.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

PID 00003228

All that certain lot piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.

THIS ASSIGNMENT OF LEASES AND RENTS made this 13 day of June, 2023.

BETWEEN

BSL HOLDINGS LIMITED, a body corporate, and ANNAPOLIS
MANAGEMENT, INC., a body corporate, in its capacity as general partner of
RUBY, LLP

(the "Assignor")

OF THE FIRST PART

- and -

GRAYSBROOK CAPITAL LTD., a body corporate, doing
business as ATLANTIC SIGNATURE MORTGAGES AND LOANS

(the "Assignee")

OF THE SECOND PART

WHEREAS the Assignor and the Assignee have entered into a loan agreement dated June 6, 2023 (the "Credit Agreement") pursuant to which the Assignor is indebted or is to become indebted to the Assignee;

AND WHEREAS as security for the indebtedness of the Assignor to the Assignee the Assignor has executed or is to execute certain security including a mortgage containing a charge on the lands and premises described in Schedule "A" annexed hereto (the said lands and premises together with the buildings, improvements and fixtures situate thereon being hereinafter referred to as the "Premises") (the "Mortgage");

AND WHEREAS the Credit Agreement, the Mortgage and any other credit documents executed by the Assignor in favour of the Assignee and any renewals or extensions thereof and any credit agreements, Mortgages or other credit documents taken in substitution therefor, either in whole or in part, are herein collectively referred to as the "Credit Documents";

AND WHEREAS as security for the due performance by the Assignor of all the covenants contained in the Credit Documents, the Assignor has agreed to assign, transfer and set over unto the Assignee all the Assignor's right, title and interest in any and all leases or agreements to lease (the "Leases"), now or hereafter existing, of any and all portions of the Premises, and all rents, charges and other monies (the "Rents") now due and payable or hereafter to become due and payable under the Leases.

NOW THIS INDENTURE WITNESSETH that in consideration of the Premises and other good and valuable consideration the Assignor represents, covenants and agrees with the Assignee as follows:

1. Assignment. The Assignor hereby irrevocably assigns, transfers and sets over unto the Assignee, subject to no prior claim or assignment, the Leases and the Rents and all benefits and advantages to be derived therefrom, including any guarantees given to the Assignor in respect of the Leases and Rents, to hold and receive the same unto the Assignee, its successors and assigns, with full power and authority to demand, collect, sue for, recover, receive receipts for the Rents and to enforce payment of the same in the name of the Assignor.
2. Where Assignor not in Default. Until the Assignor defaults under the covenants, terms and conditions contained in this Indenture or an event of default occurs under the Credit Documents the Assignor may demand, receive, collect and enjoy the Rents only as the same fall due and payable and not in advance, but nothing shall permit or authorize the Assignor to collect or receive Rents contrary to the covenants contained herein.
3. Remedies. The Assignor, in the event of a default hereunder or under the Credit Documents, hereby authorizes the Assignee, as its option and in addition to any other rights it may have hereunder or under any other agreement or at common law or in equity, to deliver to any or all of the tenants, licensees or occupiers of the Premises notices to pay all Rents to the Assignee and to collect such Rents and, in addition, enter upon the Premises by its officers, agents or employees for the purpose of collecting the Rents and/or operating and maintaining the Premises. The Assignor hereby authorizes the Assignee generally to perform all such acts, including any acts by way of enforcement of the covenants and exercise the rights contained in the Leases or otherwise, as may in the opinion of the Assignee be necessary or desirable for the proper operation and maintenance of the Premises, which acts may be performed in the name of the Assignor or in the name of the Assignee as in the absolute discretion of the Assignee may seem proper or advisable. The Assignee shall, after deduction of all collection charges and all expenses, which the Assignee in its absolute discretion shall deem advisable to pay for the proper operation and maintenance of the Premises, credit the remainder of the moneys which it may receive in connection with the Premises on account of any amount or amounts due to the Assignee from the Assignor in such manner as the Assignee shall in its sole discretion determine. Notwithstanding anything herein, the Assignee shall be liable to account only for such monies as shall actually come into its hands.
4. Liability of the Assignee. In the exercise of the powers herein granted to the Assignee, no liability shall be asserted or enforced against the Assignee, all such liability being hereby expressly waived and released by the Assignor. The Assignee shall not be obligated to perform or discharge any obligation, duty or liability under the Leases, or under or by reason of this assignment, and the Assignor shall and does hereby agree to indemnify the Assignee for and to hold it harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of agreements contained in the Leases. Should the Assignee incur any such liability, loss or damage under the Leases or by reason of this assignment, or the defence of any such claims or demands, the amount thereof, including

costs, expenses and all legal fees, shall be secured hereby, and the Assignor shall reimburse the Assignee therefore immediately upon demand.

5. Receipts by the Assignee. The Assignor hereby agrees that all receipts given by the Assignee to any lessee under the Leases on account of any Rents paid to the Assignee in accordance with the terms of this Indenture shall constitute a good and valid discharge therefor to each lessee.
6. Not Mortgagee In Possession. Nothing herein contained shall be deemed to have the effect of making the Assignee responsible for the collection of the Rents or any part thereof for the performance of any covenants, terms or conditions either by the lessor or any lessee contained in the Leases and the Assignee shall not by virtue of this Indenture be deemed a mortgagee in possession of the Premises.
7. Perform Covenants of Landlord. The Assignor shall at all times perform all of the Lessor's covenants and obligations contained in the Leases and any failure on the part of the Assignor thereunder shall constitute a default hereunder and shall be deemed to be default under the Credit Documents. If so requested by the Assignee, the Assignor will enforce the Leases and all remedies available to the Assignor against the lessees, in case of default under the Leases, or any of them, by the lessees.
8. Valid Leases. The Assignor hereby covenants with the Assignee notwithstanding any act of the Assignor that the Leases are good, valid and subsisting leases and that the Assignor now has good right, full power and absolute authority to assign each Lease according to the true intent and meaning of this Indenture.
9. No prepayment of Rents. The Assignor will not accept payment from any lessee in advance and will not cause payment to be made in advance on its direction for a period longer than provided in the respective lease and breach of this covenant shall be deemed to be default under the Credit Documents.
10. Covenants. The Assignor shall not without the written approval of the Assignee first had and obtained:
 - (a) do or omit to do any act having the effect of terminating, cancelling or accepting the surrender of the Leases or any of them;
 - (b) amend, alter or vary the terms and conditions of the Leases or any of them;
 - (c) waive, reduce or abate any of its rights or remedies under the Leases or the obligations of any other parties thereunder or in respect hereof;
 - (d) permit any material default or breach of covenant by any lessee under the Leases; and
 - (e) enter into any Leases for any part of the Premises that are not bona fide leases with lessees with whom the Assignor deals at arm's length. The

terms of any future leases must be approved by the Assignee prior to execution (such consent not to be unreasonably withheld or delayed) and shall be at rental rates and terms consistent with comparable space in the area of the Premises.

11. Waiver of Covenants. The Assignee may waive any default or breach of covenant and shall not be bound to serve any notice upon any lessee under the Leases upon the happening of any default or breach of covenant, but any such waiver shall not extend to any subsequent default or breach of covenant.
12. Further Assurances. The Assignor covenants and agrees from time to time and at all times hereafter at the request of the Assignee to execute and deliver at the expense of the Assignor such further assurances for better and more perfectly assigning to the Assignee any Leases whether presently existing or hereafter created and the Rents payable thereunder in the manner aforesaid as the Assignee may require and to execute, deliver and register, at the expense of the Assignor, all such documents as may be required to preserve, perfect and protect the security constituted hereby including all such renewals as may be required by relevant legislation, including the *Personal Property Security Act*.
13. Re-assignment. The assignment, transfer and setting over herein provided shall not be revoked or rescinded by any variation of the terms of the Credit Documents or any extension of time for payment or otherwise but shall remain in full force and effect until the Assignor shall have performed all of its obligations under the Credit Documents. If the Assignee has executed a release of the charge on the Premises it shall, at the request and at the expense of the Assignor, execute and deliver to the Assignor a reassignment of the Leases and Rents.
14. Binding Effect and Governing Law. This Indenture shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns. This Indenture shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF the Assignor has duly executed this Indenture as of the date first above written.

SIGNED AND
in the presence of

DELIVERED



Witnessed by video conference

BSL HOLDINGS LIMITED

Per:


Steven Caryl, President

SIGNED AND
in the presence of

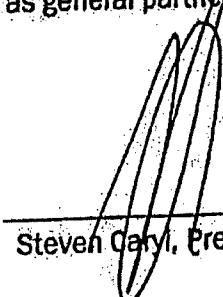
DELIVERED



Witnessed by video conference


ANNAPOLIS MANAGEMENT, INC., in its
capacity as general partner of RUBY, LLP

Per:


Steven Caryl, President

CANADA
PROVINCE OF NOVA SCOTIA

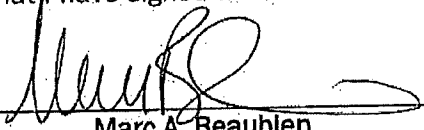
I CERTIFY that on the 13 day of June, 2023, BSL HOLDINGS LIMITED, one of the parties hereto, caused the foregoing indenture to be executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

CANADA
PROVINCE OF NOVA SCOTIA


I CERTIFY that on the 13 day of June, 2023, ANNAPOLIS MANAGEMENT, INC., in its capacity as general partner of Ruby, LLP, caused this indenture to be properly executed by its duly authorized officer in my presence and that I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

CANADA
PROVINCE OF NOVA SCOTIA

I CERTIFY that on the 13 day of June, 2023, STEVEN CARYL, the Guarantor in this indenture, signed and delivered this indenture in my presence and I have signed as a witness to such execution by video conference.



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia

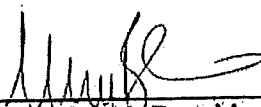
PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

I, Steve Caryl, make oath and say that:

1. I am the President of ANNAPOLIS MANAGEMENT, INC. (the "Corporation"), general partner of RUBY, LLP (the "Partnership"), and have a personal knowledge of the matters herein deposed to.
2. I executed the foregoing Instrument for and on behalf of the Corporation and the Partnership.
3. I am authorized to execute the foregoing Instrument on behalf of the Corporation and the Partnership and thereby bind them.
4. I acknowledge that the foregoing Instrument was executed by its proper officer(s) duly authorized in that regard on the date of this affidavit.
5. The Corporation is not a non-resident of Canada under the *Income Tax Act* (Canada). Likewise, the Partnership is not a non-resident of Canada under the *Income Tax Act* (Canada).
6. This acknowledgment is made pursuant to s.31(a) of the *Registry Act*, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the *Land Registration Act* as the case may be, for the purpose of registering the Instrument.
7. That property described in the within Indenture has never been occupied as a Matrimonial Home by any of the shareholders of the Corporation nor does the ownership of a share in the Corporation or an interest in the Partnership entitle the shareholder, partner or owner of a share or interest to occupy the aforesaid property as a Matrimonial Home. For the purpose of this my Affidavit, "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence and in which either or both of them have a property interest.

SWORN TO by video conference
from Windsor Park to Halifax, this
13 day of June, 2023,



Marc A. Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steve Caryl

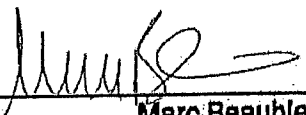
PROVINCE OF NOVA SCOTIA

AFFIDAVIT OF CORPORATE STATUS

I, Steven Caryl, make oath and swear that:

1. I am the President of BSL HOLDINGS LIMITED (the "Company") and have personal knowledge of the facts herein deposed to.
2. I acknowledge that I have executed the foregoing Indenture on the date of this affidavit as President of the Company and am authorized to execute the foregoing Indenture on behalf of the Company and thereby bind the Company.
3. That for the purpose of this my affidavit "Matrimonial Home" means a dwelling and real property occupied by a person and that person's spouse as their family residence;
4. That the real property described in the attached indenture has never been occupied as a Matrimonial Home by any of the shareholders of the Company, nor does the ownership of a share in the Company entitle the owner or owners thereof to occupy the aforesaid property as a Matrimonial Home.
5. This acknowledgment is made pursuant to s.31(a) of the Registry Act, R.S.N.S. 1989, c.392 or s. 79(1)(a) of the Land Registration Act as the case may be, for the purpose of registering the Indenture.

SWORN TO by videoconference from
Windsor Park to Halifax, Province of
Nova Scotia, this 15th day of
June, 2023, before me:



Marc Beaubien
A Barrister of the Supreme Court of
Nova Scotia



Steven Caryl

SCHEDULE "A"

PID 40042087

All that certain lot in the City of Halifax which was conveyed to one William M.D. Pearman in his lifetime by deed dated the 23rd day of October, 1903 and registered among the records of the Deeds at Halifax in Book 383 at pages 754-760 and therein described as follows:

All that certain lot piece and parcel of land situate, lying and being on the east side of Granville Street in said City of Halifax, being part of lot number five (5), Letter B in Ewer's Division of the Town of Halifax;

Beginning at the northwest angle of the lot lately owned by James W. Hutt and sold by said Hutt to John D. Nash;

Thence easterly by the northern line of said east mentioned lot sixty-two feet (62 feet) more or less to the northeast corner of said lot;

Thence northerly on a line parallel with said Granville Street nine feet five inches (9 feet 5 inches) more or less;

Thence westerly and parallel with the line first described sixty-two feet (62 feet) more or less to Granville Street aforesaid;

Thence southerly by said Street nine feet five inches (9 feet 5 inches) more or less to the place of beginning.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

PID 00003251

All that certain lot piece and parcel of land situate, lying and being in said Halifax City part of said lot number Five (5) in Ewer's Division more particularly described as follows:

Bounded westerly by Granville Street and there measuring twenty-six feet (26 feet) more or less;

Northerly by premises formerly of George Smithers now owned by the Halifax Club and there measuring sixty feet (60 feet) more or less;

Easterly by premises formerly of George Johnstone now owned by Hunter and there measuring twenty-six feet (26 feet) more or less;

Southerly by premises of William J. Almon and there measuring sixty feet (60 feet) more or less;

Being the lands conveyed to said James W. Hutt by James J. Morse, and others, by deed dated June 1, 1872.

The description for this parcel originates with a deed dated September 28th, 1922, registered in the registration district of Halifax in book 565 at page 53 and the subdivision is validated by Section 291 of the Municipal Government Act..

PID 00003228

All that certain lot piece or parcel of land situate lying and being on the west side of Hollis Street in the city of Halifax bounded and described as follows:

BEGINNING at the northeast corner of the property now occupied by the Western Union Telegraph Company;

THENCE to run westerly along the line of said property sixty feet or until it comes to property formerly of the late John D. Nash;

THENCE northerly six feet or to the North East corner of said property of said late John D. Nash;

THENCE westerly along the borderline of said property of said John D. Nash to Granville Street;

THENCE northerly on Granville Street forty-seven feet ten inches more or less or to the South West corner of property of John Doull;

THENCE easterly along the South line of said John Doulls property to Hollis Street;

THENCE southerly along Hollis Street fifty-seven feet three and one half inches more or less to the place of beginning.

SUBJECT TO a Notice of Heritage Property as recorded at the Registry of Deeds at Halifax on November 3, 1981 in Book 3531 at Page 1166 as Document Number 46143.

The description for this parcel originates with a Deed dated August 3, 1863, registered in the registration district of Halifax County in Book 143 at Page 92 and the subdivision is validated by Section 291 of the Municipal Government Act.